

OFFICIAL STATEMENT

New Issues
Book-Entry Only

Ratings: S&P “AA-”

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “Tax Matters” herein).

OVERTON COUNTY, TENNESSEE \$13,140,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024 (ULT)

Dated: Date of Issuance

Due: April 1, as shown on the inside cover

Overton County, Tennessee (the “County”) will issue its \$13,140,000 General Obligation School Bonds, Series 2024 (the “Bonds”) in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Notwithstanding the foregoing, the Bonds may be issued in fully registered certificated form registered in the name of the successful bidder upon the terms set forth in the Detailed Notice of Sale without using DTC or the book-entry system. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2024, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined) and purchasers will not receive physical delivery of Bonds purchased by them except as otherwise set forth in the Detailed Notice of Sale. See “The Bonds-Book-Entry-Only System.” Principal of and interest on the Bonds are payable by the County to the designated corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the “Registration Agent”).

The Bonds are subject to redemption prior to their stated maturities at the option of the County at any time on or after April 1, 2032. See “The Bonds – Optional Redemption” herein. The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number	Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number
2026	\$400,000	5.000%	2.900%	690377LV6	2034	\$595,000	5.000%	2.680% ^C	690377MD5
2027	420,000	5.000%	2.790%	690377LW4	2035	625,000	5.000%	2.780% ^C	690377ME3
2028	445,000	5.000%	2.670%	690377LX2	2036	655,000	5.000%	2.880% ^C	690377MF0
2029	465,000	5.000%	2.630%	690377LY0	2037	685,000	5.000%	3.000% ^C	690377MG8
2030	490,000	5.000%	2.630%	690377LZ7	2038	720,000	5.000%	3.110% ^C	690377MH6
2031	510,000	5.000%	2.630%	690377MA1	2039	755,000	5.000%	3.200% ^C	690377MJ2
2032	540,000	5.000%	2.640%	690377MB9	2040	795,000	4.000%	3.800% ^C	690377MK9
2033	565,000	5.000%	2.660% ^C	690377MC7	2041	825,000	4.000%	3.850% ^C	690377ML7

\$3,650,000 4.000% Term Bonds due April 1, 2045 Yield 4.000%, CUSIP 690377MQ6

^C Yield to call on April 1, 2032.

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged (see headings herein entitled “Security-Source of Payment” and “Levy of Tax”).

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinions will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Lillie Ann Sells, Esq., Counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds are expected to be available for delivery through Depository Trust Company in New York, New York, on or about February 8, 2024.

January 23, 2024

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by Overton County, Tennessee (the "County") from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety, and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

All CUSIP numbers identified herein have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for convenience of the Bondholders. The County is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Overton County, Tennessee General Obligation School Bonds, Series 2024.

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OVERTON COUNTY, TENNESSEE

317 E. University Street
Livingston, TN 38570

OFFICIALS

Steven Barlow
County Executive

BOARD OF COMMISSIONERS

Randall Boswell	Greg Nivens
Jesse Bowman	Lee Richards
Roger Carr	Cindy Robbins
Darwin Clark	Donna Savage
Jeff Long	Philip Talley
Gail McCowan	Geraldine Walker
Patrick McCurdy	Shane Walker
Robbie Melton	

COUNTY OFFICIALS

Assessor of Property	Cara Boone
Circuit Court Clerk	Lori Hammock
County Clerk	Victoria Looper
Finance Director	Connie York
Director of Schools	Donnie Holman
Register of Deeds	Jimmy Conner
Sheriff	John Garrett
Superintendent of Highways	James Norrod
Trustee	Peggy Smith

Counsel for the County

Lillie Ann Sells, Esq.
Livingston, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Underwriter

Robert W. Baird & Co. Incorporated
Milwaukee, Wisconsin

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Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Overton County, Tennessee (the “County”).
ISSUE	\$13,140,000 General Obligation School Bonds, Series 2024 (the “Bonds”)
PURPOSES	Financing the (i) acquisition of land for, design and site development for County school facilities; (ii) constructing, improving, renovating and equipping of County school facilities; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.
INTEREST DUE	Each April 1 and October 1, commencing October 1, 2024.
SETTLEMENT DATE	February 8, 2024
OPTIONAL REDEMPTION	Bonds maturing on or after April 1, 2033 are subject to optional redemption at the option of the County on April 1, 2032 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. See “The Bonds – Optional Redemption” herein.
MANDATORY REDEMPTION	The Bonds maturing April 1, 2045 shall be subject to mandatory redemption on the dates and in the amounts set forth herein, at a price of par plus accrued interest to the redemption date.
SECURITY	The Bonds are payable from unlimited <u>ad valorem</u> taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See “The Bonds -Security-Source of Payment” and “Levy of Tax” herein.

RATINGS	<p>The Bonds have been assigned a rating of “AA-” by S&P Global Ratings, based on documents and other information provided by the County. The rating reflects only the view of S&P, and the County makes no representations as to the appropriateness of such rating.</p> <p>There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by S&P if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from S&P.</p>
TAX MATTERS	Bass, Berry & Sims PLC will provide its unqualified opinions as to the tax exemption of the Bonds discussed under “Tax Matters” herein.
REGISTRATION AND PAYING AGENT	U.S. Bank Trust Company, National Association, Nashville, Tennessee (except as set forth in the Detailed Notice of Sale).
MUNICIPAL ADVISOR.....	Stephens Inc., Nashville, Tennessee.
UNDERWRITER.....	Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin.

Official Statement

Overton County, Tennessee

\$13,140,000 General Obligation School Bonds, Series 2024

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Overton County, Tennessee (the “County”) of \$13,140,000 General Obligation School Bonds, Series 2024 (the “Bonds”).

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001 et seq., Tennessee Code Annotated, and a bond resolution adopted on December 11, 2023 (the “Resolution”) authorizing the execution, terms, issuance, and the sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Executive’s office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued for the purpose of providing funds to finance the: (i) acquisition of land for, design and site development for County school facilities; (ii) constructing, improving, renovating and equipping of County school facilities; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on April 1 and October 1 of each year (herein an “Interest Payment Date”), commencing October 1, 2024.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds (except as set forth in the Detailed Notice of Sale).

Except as set forth in the Detailed Notice of Sale, U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolutions or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

Bonds maturing on or before April 1, 2032 are not subject to redemption prior to maturity. Bonds maturing April 1, 2033 and thereafter shall be subject to redemption prior to maturity at the option of the County on April 1, 2032 and thereafter, as a whole or in part at any time, at the redemption price of par plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Commissioners of the County in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on April 1, 2045, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Commissioners of the County in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent shall elect. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
April 1, 2045	April 1, 2042	\$860,000
	April 1, 2043	895,000
	April 1, 2044	930,000
	April 1, 2045*	965,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (other than through mandatory redemption) and cancelled by the Registration Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date, and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by mandatory redemption shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which

proper notice was given. An optional redemption may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given at least forty-five (45) days prior to the redemption date unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

Security - Source of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Levy of Tax

The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, or a portion thereof with respect to the Bonds, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and for that purpose there is levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes authorized to be levied when the same shall have been collected. The tax may be reduced to the extent of any direct appropriations from other funds, taxes and revenues of the County to the payment of debt service on the Bonds.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof with respect to the Bonds, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the Resolutions.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

- (a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an “Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolutions, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations with respect to the Bonds are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Book-Entry-Only System

Except as set forth in the Detailed Notice of Sale, DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through

electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Registration Agent. Under such circumstances, in the

event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Plan of Financing

The Projects

The proceeds of the Bonds will be used to finance the Projects. Pursuant to the Resolution, the proceeds of the Bonds will be deposited in a 2024 School Construction Fund (the “Construction Fund”) to be held and invested by the County, and used to pay costs of the Projects reimbursement to the County for any funds previously expended for costs of the Projects, if applicable, and to pay costs of issuance of the Bonds. Moneys in the Construction Fund may be invested as permitted by Tennessee law and may not be used for any purpose other than the Projects.

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

<u>Sources of Funds</u>	
Par Amount	\$13,140,000.00
Reoffering Premium	<u>1,084,123.85</u>
Total Sources	<u>\$14,224,123.85</u>
<u>Uses of Funds</u>	
Deposit to 2024 School Construction Fund	\$14,003,850.46
Costs of Issuance (includes Underwriter’s Discount and Expenses)	<u>220,273.39</u>
Total Uses	<u>\$14,224,123.85</u>

Ratings

The Bonds have been assigned a rating of “AA” by S&P Global Ratings. The rating reflects only the view of S&P and neither the County nor the Municipal Advisor makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from S&P.

Continuing Disclosure

General

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2024 (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events and timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board (“MSRB”) at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the “SID”). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the “Rule”). The County believes that it has complied in all material respects during the last five years with its existing continuing disclosure agreements in accordance with the Rule.

Annual Report

The County’s Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County’s audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in Appendix B to this Official Statement as follows.

1. “Summary of Outstanding Debt”;
2. “Debt Statement”;
3. “Debt Record”;
4. “Per Capita Debt Ratios”;
5. “Debt Ratios”;
6. “Debt Trend”;

7. “Debt Service Requirements”;
8. “Property Valuation and Property Tax”;
9. “Top Taxpayers”;
10. “Fund Balances”;
11. “Local Sales Tax Collections”; and
12. “Wheel Tax.”

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events

The County will file notice regarding certain significant events with the MSRB and SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Termination of Reporting Obligation

The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment/Waiver

Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the respective Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default

In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

Future Issues

The County has no additional debt planned or authorized for new capital projects at this time.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinions of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinions will be available

upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Lillie Ann Sells, Esq., Counsel to the County.

Tax Matters

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the Issuer with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit,
- a borrower of money to purchase or carry the Bonds, or
- an "applicable corporation" as defined in Section 59(k) of the Code.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be

reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these

proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin (the “Underwriter”), acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$14,114,739.21, which is par, plus original issue premium of \$1,084,123.85, less \$109,384.64 underwriter’s discount. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Bond Underwriter.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market

conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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Certificate of County Executive

I, Steven Barlow, do hereby certify that I am the duly qualified and acting County Executive of Overton County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated January 23, 2024 issued in connection with the sale of the County's \$13,140,000 General Obligation School Bonds, Series 2024, and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of the acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 8th day of February, 2024.

/s/ Steven Barlow
County Executive

I, Victoria Looper, do hereby certify that I am the duly qualified and acting County Clerk of Overton County, Tennessee, and as such official, I do hereby certify that Steven Barlow is the duly qualified and acting County Executive of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said County as of the date subscribed to the foregoing certificate.

/s/ Victoria Looper
County Clerk

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

February 8, 2024

We have acted as bond counsel to Overton County, Tennessee (the “Issuer”) in connection with the issuance of \$13,140,000 General Obligation School Bonds, Series 2024, dated the date hereof (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the Board of Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

Bass, Berry & Sims PLC

APPENDIX B

Demographic and General Financial Information
Related to the County

GENERAL INFORMATION

Overton County (the “County”) is located in the north central part of Tennessee on the Cumberland Plateau approximately 40 miles northwest of Knoxville, 90 miles northeast of Nashville and 16 miles northeast of Cookeville. The County was formed in 1806 from Jackson County, Tennessee and Indian lands. The County was named for Andrew Jackson's friend Judge John Overton, Judge of the State Supreme Court, and co-founder, with Andrew Jackson and James Winchester, of Memphis. It was founded on September 12, 1806. The County had a 2019 population estimate of 22,241 and Livingston, the county seat, had a population estimate of 4,049 in 2019.

State Highways 84, 85 and 111 serve the County. Highway 111 is a four-lane highway that connects the County to Interstate 40 located 16 miles southwest of Livingston.

The County occupies 433 square miles. Hay and tobacco are the principal agricultural products produced.

DEMOGRAPHIC DATA

Population

According to U.S. Census Bureau estimates, Overton County’s population was 23,044 in 2022 reflecting a 14.4% increase from its 2000 Census population of 20,139.

	<u>County</u>	<u>Tennessee</u>
1990 U.S. Census	17,672	4,890,626
2000 U.S. Census	20,139	5,703,719
2010 U.S. Census	22,085	6,355,518
2020 U.S. Census	22,592	6,925,619
2021 U.S. Census Estimate	22,856	6,968,351
2022 U.S. Census Estimate	23,044	7,051,339
Source: U.S. Bureau of Census		

Per Capita Personal Income

	<u>County</u>	<u>Tennessee</u>	<u>% of State</u>
2013 Per Capita Personal Income	\$28,349	\$39,102	72.5%
2014 Per Capita Personal Income	\$29,130	\$40,230	72.4%
2015 Per Capita Personal Income	\$30,260	\$41,942	72.1%
2016 Per Capita Personal Income	\$30,966	\$42,943	72.1%
2017 Per Capita Personal Income	\$32,454	\$44,411	73.1%
2018 Per Capita Personal Income	\$34,022	\$46,452	73.2%
2019 Per Capita Personal Income	\$34,780	\$48,889	71.1%
2020 Per Capita Personal Income	\$37,841	\$51,928	72.9%
2021 Per Capita Personal Income	\$40,368	\$56,970	70.9%
2022 Per Capita Personal Income	\$39,441	\$58,292	67.7%
Source: Bureau of Economic Analysis			

Median Housing Values

	Overton County	Tennessee	% of State
2013 Median Housing Value	107,300	165,000	65.0%
2014 Median Housing Value	104,000	166,000	62.7%
2015 Median Housing Value	109,950	175,000	62.8%
2016 Median Housing Value	120,000	185,000	64.9%
2017 Median Housing Value	125,000	196,800	63.5%
2018 Median Housing Value	125,000	210,000	59.5%
2019 Median Housing Value	139,450	226,000	61.7%
2020 Median Housing Value	155,500	244,900	63.5%
2021 Median Housing Value	177,000	283,410	62.5%
2022 Median Housing Value	210,000	325,000	64.6%

Source: Tennessee Housing Development Agency. This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

ECONOMIC DATA

Major Employers

The following are the largest employers and their respective number of employees in the County.

Employer	Products/Services	Current Approximate Number of Employees
Overton County Board of Education	Education	482
Hutchinson Fluid Transfer	Auto Parts Manufacturer	375
Parker Hannifin	Rubber O-Rings	245
Livingston Regional Hospital	Medical Services	235
Overton County	County Government	180
ABC Inoac Exterior Products, LLC	External Auto Trim Manufacturer	175

Source: TN Department of Economic & Community Development

Employment and Unemployment Data

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2013	8,669	857	9,526	9.0%	7.7%	7.4%
2014	8,420	722	9,142	7.9%	6.6%	6.2%
2015	8,460	647	9,107	7.1%	5.6%	5.3%
2016	8,723	498	9,221	5.4%	4.8%	4.9%
2017	9,135	400	9,535	4.2%	3.8%	4.4%
2018	9,429	372	9,801	3.8%	3.5%	3.9%
2019	9,591	369	9,960	3.7%	3.3%	3.7%
2020	9,122	624	9,746	6.4%	7.5%	8.1%
2021	9,597	379	9,976	3.8%	4.5%	5.4%
2022	9,639	339	9,978	3.4%	3.4%	3.6%
Oct-23	9,796	376	10,172	3.7%	3.3%	3.9%

Source: Bureau of Labor Statistics

Health Care Services

Livingston Regional Hospital is a 114-bed hospital providing a continuum of care covering all aspects of healthcare, from 24-hour emergency services to rehabilitative services on both an inpatient and an outpatient basis.

Higher Education

Volunteer State Community College at Livingston - A full service degree-granting off-campus location of Volunteer State Community College. The College provides all courses required for Associate of Science and Associate of Applied Science degrees as well as general education, college preparatory classes and vocational courses.

Tennessee College of Applied Technology at Livingston - Provides competency based training that will qualify students for employment and/or advancement in jobs by providing high quality training and retraining of employed workers.

Public Education

The public school system in the County is operated by the County’s Department of Education, which is administered by a Director of Schools under the policy-making authority of the local Board of Education. The average daily membership for the 2021-2022 school year was 2,966 students.

School Year	Average Daily Membership
2012-2013	3,298
2013-2014	3,238
2014-2015	3,146
2015-2016	3,099
2016-2017	3,004
2017-2018	3,026
2018-2019	3,032
2019-2020	3,070
2020-2021	2,997
2021-2022	2,966

Source: State of Tennessee, Department of Education.

GOVERNMENTAL STRUCTURE

County Government

Overton County government operates under the general laws and uniform structure for counties in Tennessee with a County Executive, Superintendent of Highways, Director of Schools, various county officials and a county legislative body, the Board of County Commissioners (the “Board”). The County operates under a centralized purchasing department with each of the three major operating areas — general government, highways and education — having a trained professional manager for each department’s finances.

All powers of the County are vested in and exercised by the Board. The Board consists of 15 members, serving 4-year terms.

Retirement Commitments

See Appendix C, page 72, Note G of the Overton County Annual Financial Report for the fiscal year ending June 30, 2023 as presented and prepared by the State Comptroller’s Division of County Audit.

Other Post-employment Benefits (“OPEB”) Disclosure Statement

See Appendix C, page 90, Note H of the Overton County Annual Financial Report for the fiscal year ending June 30, 2023 as presented and prepared by the State Comptroller’s Division of County Audit.

SUMMARY OF OUTSTANDING DEBT

(As of June 30, 2023)⁽¹⁾

Original Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2023 ⁽¹⁾
Bonds					
4,150,000	General Obligation Bonds, Series 2012 (Nursing Home)	05/09/12	04/01/33	2.00% - 3.125%	2,260,000
4,230,000	School Refunding Bonds, Series 2015	03/05/15	06/01/25	2.00% - 4.00%	1,740,000
4,965,000	General Obligation Bonds, Series 2017 (Nursing Home)	06/26/17	04/01/42	2.50% - 3.25%	4,190,000
2,095,000	General Obligation Refunding Bonds, Series 2019	10/03/19	06/01/24	3.80% - 4.10%	450,000
13,140,000	General Obligation School Bonds, Series 2024	02/08/24	04/01/45	4.00% - 5.00%	13,140,000
Total Bonds					\$21,780,000
Other Loans					
2,576,377	TN Energy Efficiency School Initiative Loan	01/29/19	08/01/32	1.000%	2,258,501
Total Other Loans					\$2,258,501
Total Current Outstanding Debt					\$24,038,501

DEBT STATEMENT

(Principal Outstanding as of June 30, 2023)

Outstanding Debt

Total Current Outstanding Debt \$24,038,501

Gross Direct Debt

\$24,038,501

Less: Debt Service Fund Balance as of June 30, 2023

(1,496,467)

Net Direct Debt

\$22,542,034

Net Overlapping Debt (as of June 30, 2023)

Town of Livingston (Estimate)

\$1,669,338

Total Net Overlapping Debt

\$1,669,338

Overall Net Debt

\$24,211,372

DEBT RECORD

There is no record of a default of paying principal and interest on any debt from information available.

(1) As of 6/30/23 and adjusted for General Obligation School Bonds, Series 2024.

Source: Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2023 and County Officials.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1990 U.S. Census	17,672	4,890,626
2000 U.S. Census	20,139	5,703,719
2010 U.S. Census	22,085	6,355,518
2020 U.S. Census	22,592	6,925,619
2021 U.S. Census Estimate	22,856	6,968,351
2022 U.S. Census Estimate	23,044	7,051,339

Source: U.S. Bureau of Census

PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,043.16
Gross Direct Debt	1,043.16
Net Direct Debt	978.22
Total Net Overlapping Debt	72.44
Overall Net Debt	1,050.66

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Outstanding Debt to	5.19%	1.26%
Gross Direct Debt to	5.19%	1.26%
Net Direct Debt to	4.86%	1.18%
Total Net Overlapping Debt to	0.36%	0.09%
Overall Net Debt to	5.23%	1.27%

DEBT TREND

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Bonds Outstanding	\$8,640,000	\$10,443,000	\$11,790,000	\$13,280,000	\$14,830,000
Notes Outstanding	0	408,872	2,370,000	2,455,000	3,420,000
Loan Agreements	2,258,501	2,496,221	2,711,964	2,925,917	2,576,377
Total Debt	<u>\$10,898,501</u>	<u>\$13,348,093</u>	<u>\$16,871,964</u>	<u>\$18,660,917</u>	<u>\$20,826,377</u>

Source: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2019 to 2023.

DEBT SERVICE REQUIREMENTS

(as of June 30, 2023)⁽¹⁾

		Principal Requirements				Interest Requirements			
	Year	Current	Plus: General		Percent	Current	Plus: General		Total
	Ended	Outstanding	Obligation	Total	Principal	Outstanding	Obligation	Total	Debt
Year	June 30	Bonds and	School Bonds,	Principal	Retired	Bonds and	School Bonds,	Interest	Service
		Notes	Series 2024			Notes	Series 2024		
1	2024	\$1,905,108		\$1,905,108		\$299,991		\$299,991	\$2,205,099
2	2025	1,502,520	-	1,502,520		235,797	693,266	929,063	2,431,583
3	2026	629,956	400,000	1,029,956		187,711	604,300	792,011	1,821,967
4	2027	647,416	420,000	1,067,416		174,726	584,300	759,026	1,826,442
5	2028	659,912	445,000	1,104,912	27.50%	161,037	563,300	724,337	1,829,249
6	2029	677,420	465,000	1,142,420		147,729	541,050	688,779	1,831,199
7	2030	689,952	490,000	1,179,952		133,709	517,800	651,509	1,831,461
8	2031	707,508	510,000	1,217,508		118,603	493,300	611,903	1,829,411
9	2032	725,100	540,000	1,265,100		103,023	467,800	570,823	1,835,923
10	2033	483,609	565,000	1,048,609	51.85%	122,275	440,800	563,075	1,611,684
11	2034	220,000	595,000	815,000		72,650	412,550	485,200	1,300,200
12	2035	230,000	625,000	855,000		66,050	382,800	448,850	1,303,850
13	2036	235,000	655,000	890,000		59,150	351,550	410,700	1,300,700
14	2037	245,000	685,000	930,000		51,513	318,800	370,313	1,300,313
15	2038	250,000	720,000	970,000	70.40%	43,550	284,550	328,100	1,298,100
16	2039	260,000	755,000	1,015,000		35,425	248,550	283,975	1,298,975
17	2040	270,000	795,000	1,065,000		26,975	210,800	237,775	1,302,775
18	2041	275,000	825,000	1,100,000		18,200	179,000	197,200	1,297,200
19	2042	285,000	860,000	1,145,000		9,257	146,000	155,257	1,300,257
20	2043		895,000	895,000	92.12%		111,600	111,600	1,006,600
21	2044		930,000	930,000			75,800	75,800	1,005,800
22	2045		965,000	965,000	100.00%		38,600	38,600	1,003,600
		\$10,898,501	\$13,140,000	\$24,038,501		\$2,067,371	\$7,666,516	\$9,733,887	\$33,772,388

(1) As of 6/30/23 and adjusted for General Obligation School Bonds, Series 2024.

Source: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal year ending June 30, 2023 and County Officials.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under

Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an one-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the “*Certified Tax Rate*”) which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body’s intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

Property Tax Freeze Program

In its 2007 session, the 105th General Assembly enacted the *Property Tax Freeze Act* which authorizes the legislative body of any county and/or municipality to adopt the property tax freeze program for lower income senior citizens. The Act became effective on July 1, 2007.

PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$1,539,270,125	\$1,293,309,500	\$1,241,260,000	\$1,195,582,227	\$1,084,596,980
Commercial & Industrial	194,958,756	166,375,200	163,565,000	167,673,355	151,025,256
Personal Tangible Property	109,707,946	106,291,820	96,174,492	97,250,805	92,025,054
Public Utilities	59,333,242	65,326,877	62,342,674	50,791,111	52,409,716
Total Estimated Actual Values	\$1,903,270,069	\$1,631,303,397	\$1,563,342,166	\$1,511,297,498	\$1,380,057,006
Annual Percentage Change	16.67%	4.35%	3.44%	9.51%	3.45%
Estimated Per Capita Amount	\$82,593	\$71,373	\$69,211	\$67,859	\$62,537
ASSESSED VALUES					
Residential & Farm (at 25%)	\$338,642,170	\$323,330,120	\$310,317,745	\$257,498,525	\$252,412,825
Commercial & Industrial (at 40%)	68,625,480	66,550,080	65,426,000	57,780,240	56,235,760
Personal Tangible Property (at 30%)	30,192,948	31,887,569	28,852,065	25,733,993	25,763,186
Public Utilities (at 30%-55%)	25,898,960	28,515,182	27,212,577	22,170,320	22,876,841
Total Assessed Values	\$463,359,558	\$450,282,951	\$431,808,387	\$363,183,078	\$357,288,612
Annual Percentage Change	2.90%	4.28%	18.90%	1.65%	3.68%
Estimated Per Capita Amount	\$20,108	\$19,701	\$19,117	\$16,307	\$16,190
Appraisal Ratio	88.00%	100.00%	100.00%	86.15%	93.09%
Assessed Values to Actual Values	24.35%	27.60%	27.62%	24.03%	25.89%
Total Property Tax Rate	\$1.9706	\$1.9706	\$1.9706	\$2.25	\$2.25
Taxes Levied	\$9,130,963	\$8,873,276	\$8,509,216	\$8,171,619	\$8,038,994
Collections					
Current Fiscal Year	\$8,811,104	\$8,597,270	\$8,274,384	\$7,871,044	\$7,742,652
Percent Collected Current FY	96.50%	96.89%	97.24%	96.32%	96.31%

Sources: State Board of Equalization, 2018 - 2022 Tax Aggregate Reports of Tennessee and County officials.

SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Special Revenue Funds, the General Service Fund, Capital Projects Funds, Internal Service Funds and Trust and Agency Funds. For additional information regarding the component units, see Notes to the General Purpose Financial Statements contained in APPENDIX C hereto.

Revenues applicable to the payment of the principal of and interest on the Obligations are accounted for in the Debt Service Fund. Revenues securing the payment of principal of and interest on the Obligations are derived from the collection of ad valorem taxes levied on all taxable property within the boundaries of the County. Such tax collections for the Obligations will be used exclusively to pay the principal of and interest on the Obligations. Included as APPENDIX C to this Official Statement are the General Purpose Financial Statements and notes thereto for the fiscal year ended June 30, 2023. Potential purchasers should read APPENDIX C in its entirety for more complete information concerning the County's financial position.

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general 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.

The primary revenue susceptible to accrual is revenue received from the State of Tennessee. Sales tax collected and held by the State at year end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

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TOP TAXPAYERS

<u>Taxpayer</u>	<u>Type Product/Service</u>	<u>Tax Year 2022</u>	<u>Assessed Value</u>
		<u>Assessed Value</u>	<u>as a % of Total Assessment</u>
Upper Cumberland Electric	Electric Utility	\$17,719,256	3.82%
Hutchinson	Auto Parts Manufacturer	5,642,680	1.22%
Twin Lakes Telephone	Telecommunications	4,721,855	1.02%
Tanimura & Antle Tennessee	Lettuce Plant	4,261,945	0.92%
Livingston Regional Hospital	Hospital	4,137,944	0.89%
Fitzgerald Collision Center	Auto Diesel Repair	3,864,730	0.83%
Inoac Exterior Products	External Auto Trim Manufacturer	3,339,456	0.72%
Parker Hannifin Corp	Rubber O-Rings	1,877,468	0.41%
Coopers Recycling	Recycling	1,857,622	0.40%
Country Farm and Home	Hardware Retail	1,708,793	0.37%

Source: Overton County Trustee

FUND BALANCES

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
GOVERNMENTAL FUNDS					
General Government Fund/ARP	\$10,269,485	\$7,180,388	\$6,559,229	\$5,209,815	\$5,368,790
Highway/Public Works	1,064,280	1,669,950	1,225,406	1,328,609	1,336,548
Special Revenue Funds	83,577	170,344	149,514	123,065	116,108
General Debt Service Fund	1,496,467	483,649	1,209,321	1,333,627	1,491,191
Solid Waste/ Sanitation	2,361,068	2,348,894	1,983,743	1,711,331	1,676,443
Education	15,383,485	12,339,708	13,579,199	11,778,425	9,555,097
Capital Projects Funds	174,926	3,747,054	653,314	1,173,807	4,557,507
TOTAL ALL FUNDS	<u>\$30,833,288</u>	<u>\$27,939,987</u>	<u>\$25,359,726</u>	<u>\$22,658,679</u>	<u>\$24,101,684</u>

Source: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2019 to 2023 and County Officials.

LOCAL SALES TAX

Tennessee counties may, by a resolution approved by the governing body, levy a sales tax on the same privileges subject to the State sales tax. The local option sales tax rate cannot exceed 2.75%. Additionally, the local option sales tax is only applicable to the first \$1,600 of any single article of personal property.

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Rate (Percent of retail sales)	2.50%	2.50%	2.50%	2.50%	2.50%
Distribution					
General Fund	\$903,143	\$869,325	\$821,426	\$590,499	\$554,512
Solid Waste/ Sanitation	979,417	927,863	861,156	718,395	682,402
Education Fund	3,264,723	3,092,878	2,934,181	2,353,655	2,274,673
Cities Portion of County Sales Tax	1,386,720	1,307,623	1,209,605	1,036,320	1,038,055
Total Amount Collected	<u>\$6,534,003</u>	<u>\$6,197,689</u>	<u>\$5,826,368</u>	<u>\$4,698,869</u>	<u>\$4,549,642</u>
% of Increase	5.43%	6.37%	24.00%	3.28%	10.80%

Source: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2019 to 2023 and County Officials.

WHEEL TAX

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Rate Per Vehicle	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
General Purpose School Fund	\$0	\$0	\$0	\$0	\$0
Education Debt Service	695,543	669,270	658,943	607,128	621,611
Total Amount Collected	<u>\$695,543</u>	<u>\$669,270</u>	<u>\$658,943</u>	<u>\$607,128</u>	<u>\$621,611</u>
% of Increase	3.93%	1.57%	8.53%	-2.33%	1.87%

Source: Comprehensive Annual Financial Reports prepared by the State Comptroller of the Treasury for the fiscal years ending June 30, 2019 to 2023 and County Officials.

BONDHOLDER RISKS

The purchase of the Series 2024 Bonds involves various risks and investment considerations. Certain of these risks and investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible risk factors nor a substitute for an independent evaluation of the information presented in this Official Statement, including the appendices attached hereto.

Each potential purchaser of any of the Series 2024 Bonds should read this Official Statement, including the appendices attached hereto, in its entirety and consult such prospective purchaser's own investment, financial and legal advisor for a more complete explanation of the matters that should be evaluated and considered when purchasing the Series 2024 Bonds.

Epidemics, Pandemics and Public Health Emergencies

The outbreak of epidemics, pandemics and other public health emergencies have the potential to materially disrupt the operations and financial condition of the County and the local economy. The spread of Covid-19, a respiratory disease caused by a novel strain of coronavirus, is an example of a recent public health emergency. The Covid-19 outbreak led to quarantines and social-distancing efforts that impacted government agencies, schools, businesses and other entities throughout the County and the State. Multiple vaccines and additional boosters for the virus were approved for distribution in the United States. The vaccines have had varying efficacy rates and studies suggest the efficacy rates may decline over time. While some studies suggest that the existing vaccines are effective against known variants of the virus, there is no assurance that future variants will not be resistant to current vaccines.

Given the evolving nature of the spread of the disease, and future diseases, and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict the (1) extent or duration of the Covid-19 outbreak or other epidemics, pandemics or public health emergencies, (2) the extent or duration of any existing or future quarantines, business closures, travel restrictions or other measures relating to Covid-19 or other epidemics, pandemics or public health emergencies, and (3) whether and to what extent the Covid-19 outbreak or other epidemics, pandemics or public health emergencies will adversely affect the operations or financial condition of the Issuer.

Climate Change

Numerous scientific studies have suggested that changing global weather patterns and extreme weather events may potentially disrupt government operations and economic conditions in impacted areas. Changing weather patterns can potentially increase the risk of higher temperatures, changes in precipitation, increased flooding, droughts and fires. The County cannot accurately predict the timing, extent or severity of any climate change and its impact on the County's operations and finances.

Cyber-Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information, and as a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the County to legal action. Attempted cyber-security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or agencies of similar characteristics. To mitigate against such risks, the County has instituted various policies and procedures

to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing, where applicable, the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2023

37184639.4



ANNUAL FINANCIAL REPORT

Overton County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

OVERTON COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Expenditures exceeded appropriations.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Operations of the school department are currently being reviewed.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Bank statements were not reconciled properly with the general ledger.



INTRODUCTORY SECTION

Overton County Officials

June 30, 2023

Officials

Steven Barlow, County Executive
James Norrod, Highway Superintendent
Donnie Holman, Director of Schools
Peggy Clark Smith, Trustee
Cara Boone, Assessor of Property
Victoria Looper, County Clerk
Lori Hammock, Circuit and General Sessions Courts Clerk
Dorothy Stanton, Clerk and Master
Jimmy Conner, Register of Deeds
John Garrett, Sheriff
Connie York, Director of Accounts and Budgets

Board of County Commissioners

Darwin Clark, Chairman	
Randall Boswell	Gregg Nivens
Jesse Bowman	Lee Richards
Roger Carr	Cindy Robbins
Jeff Long	Donna Savage
Gail McCowan	Philip Talley
Patrick McCurdy	Geraldine Walker
Robbie Melton	Shane Walker

Board of Education

Mike Hayes, Chairman	Jarman Hicks
William Abston	Shirley Myers
Ashley Carr	Alice Reed
James Clouse	Mitchell Stonecipher
Ricky Dodson	Wayne Taylor

Budget and Purchasing Committee

Steven Barlow, Chairman
Randall Boswell
Gregg Nivens
Lee Richards
Geraldine Walker
Shane Walker

Audit Committee

Donna Savage, Chairman
Nicole Cooper
Robbie Melton
Helen Rigdon
Tina Williams

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, American Rescue Plan, 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 Overton County Health and Rehab Center, a discretely presented component unit. We were unable to determine Overton County Health and Rehab Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Overton/Pickett County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of the Overton County School Department (a discretely presented component unit), which represent 1.84 percent, 2.14 percent, and 3.54 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the Overton County Health and Rehab Center and the Overton County School Department's Internal School Fund are based solely on the reports 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 Overton 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 Overton 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 Overton 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 Overton County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in 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 Overton County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Overton County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required

part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Overton 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

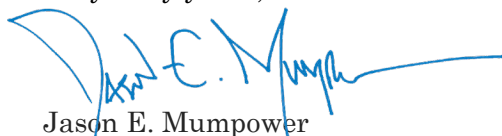
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 November 7, 2023, on our consideration of Overton 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 Overton 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 Overton County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

		Component Units	
	Primary Governmental Activities	Overton County School Department	Overton County Health and Rehab Center
<u>ASSETS</u>			
Cash	\$ 1,360	\$ 777,009	\$ 2,853,469
Equity in Pooled Cash and Investments	14,365,656	12,427,044	0
Inventories	0	66,693	0
Accounts Receivable	920,139	0	1,177,831
Allowance for Uncollectibles	(259,424)	0	(49,599)
Due from Other Governments	1,415,551	2,398,462	0
Due from Component Units	10,398,751	0	0
Property Taxes Receivable	7,556,019	2,283,584	0
Allowance for Uncollectible Property Taxes	(93,454)	(29,110)	0
Prepaid Items	0	0	500
Notes Receivable - Long-term	217,907	0	0
Net Pension Asset - Teacher Retirement Plan	0	40,630	0
Net Pension Asset - Teacher Legacy Pension Plan	0	4,105,493	0
Restricted Assets:			
Amounts Accumulated for Pension Benefits	0	186,853	0
Capital Assets:			
Assets Not Depreciated:			
Land	700,401	891,763	115,000
Intangible Assets	61,261	0	0
Construction in Progress	0	134,948	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	9,859,653	16,398,794	12,012,428
Infrastructure	14,387,604	481,586	33,507
Other Capital Assets	3,828,846	1,980,899	232,371
Intangible Right-to-Use Assets	0	0	204,925
Total Assets	<u>\$ 63,360,270</u>	<u>\$ 42,144,648</u>	<u>\$ 16,580,432</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience	\$ 412,261	\$ 909,431	\$ 195,675
Pension Changes in Assumptions	1,105,201	3,241,095	524,571
Pension Changes in Investment Earnings	50,972	111,677	24,193
Pension Changes in Proportion	0	7,134	0
Pension Contributions after Measurement Date	512,964	1,351,326	237,071
OPEB Changes in Experience	10,700	807,705	44,794
OPEB Changes in Assumptions	220,042	637,330	51,497
OPEB Changes in Proportion	0	350,242	0
OPEB Contributions After Measurement Date	12,544	204,555	962
Total Deferred Outflows of Resources	<u>\$ 2,324,684</u>	<u>\$ 7,620,495</u>	<u>\$ 1,078,763</u>

(Continued)

Exhibit A

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

		Component Units	
	Primary Government Governmental Activities	Overton County School Department	Overton County Health and Rehab Center
<u>LIABILITIES</u>			
Accounts Payable	\$ 234,001	\$ 7,837	\$ 211,857
Accrued Payroll	213,658	18,930	65,756
Payroll Deductions Payable	815	19	85,892
Accrued Interest Payable	54,938	0	47,377
Due to Primary Government	0	3,948,751	6,450,000
Due to State of Tennessee	0	48	0
Due to Litigants, Heirs, and Others	0	0	8,753
Noncurrent Liabilities:			
Due Within One Year - SBITA	0	0	12,379
Due Within One Year - Debt	1,905,108	0	0
Due Within One Year - Other	327,596	13,218	150,704
Due in More Than One Year - SBITA	0	0	194,643
Due in More Than One Year - Debt	8,943,643	0	0
Due in More Than One Year - Other	1,795,934	5,289,507	236,928
Total Liabilities	<u>\$ 13,475,693</u>	<u>\$ 9,278,310</u>	<u>\$ 7,464,289</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 7,242,459	\$ 2,183,596	\$ 0
Pension Changes in Experience	27,721	733,980	13,158
Pension Changes in Proportion	0	51,505	0
OPEB Changes in Experience	184,936	71,369	310,465
OPEB Changes in Assumptions	343,134	752,905	64,057
OPEB Changes in Proportion	0	850,589	0
Total Deferred Inflow of Resources	<u>\$ 7,798,250</u>	<u>\$ 4,643,944</u>	<u>\$ 387,680</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 28,387,765	\$ 19,887,990	\$ 5,941,209
Restricted for:			
General Government	2,115,628	0	0
Finance	24,745	0	0
Administration of Justice	78,836	0	0
Public Safety	82,612	0	0
Public Health and Welfare	118,603	0	0
Social, Cultural, and Recreational Services	212,888	0	0
Highways/Public Works	1,332,086	0	0
Education	0	1,574,711	0
Debt Service	13,516	0	0
Pensions	0	4,332,976	0
Unrestricted	<u>12,044,332</u>	<u>10,047,212</u>	<u>3,866,017</u>
Total Net Position	<u>\$ 44,411,011</u>	<u>\$ 35,842,889</u>	<u>\$ 9,807,226</u>

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

Exhibit B

Overton County, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units		Overton County Health and Rehab Center
						Overton County School Department		
Primary Government:								
Governmental Activities:								
General Government	\$ 2,580,123	\$ 221,705	\$ 24,647	\$ 0	\$ (2,333,771)	\$ 0	\$ 0	\$ 0
Finance	893,089	782,025	0	300	(110,764)	0	0	0
Administration of Justice	1,117,446	392,330	180,225	0	(544,891)	0	0	0
Public Safety	5,366,619	822,107	179,277	543,207	(3,822,028)	0	0	0
Public Health and Welfare	5,001,281	2,296,006	260,681	0	(2,444,594)	0	0	0
Social, Cultural, and Recreational Services	956,434	1	141,790	181,420	(633,223)	0	0	0
Agriculture and Natural Resources	188,429	0	21,000	0	(167,429)	0	0	0
Highways/Public Works	2,348,284	0	2,787,548	184,918	624,182	0	0	0
Interest on Long-term Debt	355,530	0	0	326,641	(28,889)	0	0	0
Total Primary Government	<u>\$ 18,807,235</u>	<u>\$ 4,514,174</u>	<u>\$ 3,595,168</u>	<u>\$ 1,236,486</u>	<u>\$ (9,461,407)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Component Units:								
Overton County School Department	\$ 32,773,492	\$ 516,862	\$ 9,643,180	\$ 439,401	\$ 0	\$ (22,174,049)	\$ 0	\$ 0
Overton County Health and Rehab Center	8,045,639	7,516,336	129,739	0	0	0	(399,564)	
Total Component Units	<u>\$ 40,819,131</u>	<u>\$ 8,033,198</u>	<u>\$ 9,772,919</u>	<u>\$ 439,401</u>	<u>\$ 0</u>	<u>\$ (22,174,049)</u>	<u>\$ (399,564)</u>	

(Continued)

Exhibit B

Overton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Overton County School Department	Overton County Health and Rehab Center
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 6,172,589	\$ 2,249,181	\$ 0
Property Taxes Levied for Debt Service					420,195	0	0
Local Option Sales Tax					1,895,783	3,264,723	0
Hotel/Motel Tax					71,718	0	0
Wheel Tax					0	695,543	0
Wholesale Beer Tax					0	116,112	0
Mixed Drink Tax					0	16,431	0
Litigation Taxes					75,973	0	0
Mineral Severance Tax					122,553	0	0
Business Tax					219,059	0	0
Other Local Taxes					2,258	280	0
Grants and Contributions Not Restricted for Specific Programs					5,083,411	21,408,710	0
Unrestricted Investment Income					1,073,241	11,057	20,416
Miscellaneous					41,356	52,485	0
Total General Revenues					<u>\$ 15,178,136</u>	<u>\$ 27,814,522</u>	<u>\$ 20,416</u>
Insurance Recovery					\$ 0	\$ 9,785	\$ 23,974
Change in Net Position					\$ 5,716,729	\$ 5,650,258	\$ (355,174)
Net Position, July 1, 2022					<u>38,694,282</u>	<u>30,192,631</u>	<u>10,162,400</u>
Net Position, June 30, 2023					<u><u>\$ 44,411,011</u></u>	<u><u>\$ 35,842,889</u></u>	<u><u>\$ 9,807,226</u></u>

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

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>ASSETS</u>					
Cash	\$ 10	\$ 50	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	7,770,608	2,213,550	1,896,845	905,121	1,495,955
Accounts Receivable	842,183	75,923	0	1,491	0
Allowance for Uncollectibles	(259,424)	0	0	0	0
Due from Other Governments	607,372	175,287	0	632,892	0
Due from Other Funds	1,842	0	0	0	0
Property Taxes Receivable	6,690,246	424,422	0	424,422	16,929
Allowance for Uncollectible Property Taxes	(79,979)	(5,287)	0	(5,287)	(2,901)
Notes Receivable - Long-term	217,907	0	0	0	0
Total Assets	<u>\$ 15,790,765</u>	<u>\$ 2,883,945</u>	<u>\$ 1,896,845</u>	<u>\$ 1,958,639</u>	<u>\$ 1,509,983</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 6,911	\$ 0	\$ 0	\$ 227,090	\$ 0
Accrued Payroll	149,881	16,787	0	46,990	0
Payroll Deductions Payable	213	335	0	267	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	<u>\$ 157,005</u>	<u>\$ 17,122</u>	<u>\$ 0</u>	<u>\$ 274,347</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,429,291	\$ 406,584	\$ 0	\$ 406,584	\$ 0
Deferred Delinquent Property Taxes	174,376	12,094	0	12,094	13,516
Other Deferred/Unavailable Revenue	657,453	87,077	0	201,334	0
Total Deferred Inflows of Resources	<u>\$ 7,261,120</u>	<u>\$ 505,755</u>	<u>\$ 0</u>	<u>\$ 620,012</u>	<u>\$ 13,516</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>FUND BALANCES</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 217,907	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	3,581	200,000	0	0	0
Restricted for General Government - American Rescue Plan Act	0	0	1,896,845	0	0
Restricted for Finance	24,745	0	0	0	0
Restricted for Administration of Justice	78,836	0	0	0	0
Restricted for Public Safety	14,237	0	0	0	0
Restricted for Public Health and Welfare	118,603	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	25,000	0	0	0	0
Restricted for Other Operations	187,888	0	0	0	0
Restricted for Highways/Public Works	54,378	0	0	1,064,280	0
Committed:					
Committed for Public Health and Welfare	0	2,161,068	0	0	0
Committed for Debt Service	0	0	0	0	1,496,467
Assigned:					
Assigned for General Government	201,779	0	0	0	0
Assigned for Finance	73	0	0	0	0
Assigned for Administration of Justice	18,802	0	0	0	0
Assigned for Public Safety	78,225	0	0	0	0
Assigned for Public Health and Welfare	208,349	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	69	0	0	0	0
Assigned for Other Operations	11,335	0	0	0	0
Assigned for Highways/Public Works	70	0	0	0	0
Unassigned	7,128,763	0	0	0	0
Total Fund Balances	\$ 8,372,640	\$ 2,361,068	\$ 1,896,845	\$ 1,064,280	\$ 1,496,467
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,790,765	\$ 2,883,945	\$ 1,896,845	\$ 1,958,639	\$ 1,509,983

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,300	\$	1,360
Equity in Pooled Cash and Investments	83,577		14,365,656
Accounts Receivable	542		920,139
Allowance for Uncollectibles	0		(259,424)
Due from Other Governments	0		1,415,551
Due from Other Funds	0		1,842
Property Taxes Receivable	0		7,556,019
Allowance for Uncollectible Property Taxes	0		(93,454)
Notes Receivable - Long-term	0		217,907
Total Assets	\$ 85,419	\$	24,125,596
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$	234,001
Accrued Payroll	0		213,658
Payroll Deductions Payable	0		815
Due to Other Funds	1,842		1,842
Total Liabilities	\$ 1,842	\$	450,316
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$	7,242,459
Deferred Delinquent Property Taxes	0		212,080
Other Deferred/Unavailable Revenue	0		945,864
Total Deferred Inflows of Resources	\$ 0	\$	8,400,403

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>FUND BALANCES</u>			
Nonspendable:			
Long-term Notes Receivable	\$	0	\$ 217,907
Restricted:			
Restricted for General Government		15,202	218,783
Restricted for General Government - American Rescue Plan Act		0	1,896,845
Restricted for Finance		0	24,745
Restricted for Administration of Justice		0	78,836
Restricted for Public Safety		68,375	82,612
Restricted for Public Health and Welfare		0	118,603
Restricted for Social, Cultural, and Recreational Services		0	25,000
Restricted for Other Operations		0	187,888
Restricted for Highways/Public Works		0	1,118,658
Committed:			
Committed for Public Health and Welfare		0	2,161,068
Committed for Debt Service		0	1,496,467
Assigned:			
Assigned for General Government		0	201,779
Assigned for Finance		0	73
Assigned for Administration of Justice		0	18,802
Assigned for Public Safety		0	78,225
Assigned for Public Health and Welfare		0	208,349
Assigned for Social, Cultural, and Recreational Services		0	69
Assigned for Other Operations		0	11,335
Assigned for Highways/Public Works		0	70
Unassigned		0	7,128,763
Total Fund Balances	\$	83,577	\$ 15,274,877
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	85,419	\$ 24,125,596

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

Exhibit C-2

Overton 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)		\$ 15,274,877
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 700,401	
Add: intangible assets	61,261	
Add: buildings and improvements net of accumulated depreciation	9,859,653	
Add: infrastructure net of accumulated depreciation	14,387,604	
Add: other capital assets net of accumulated depreciation	<u>3,828,846</u>	28,837,765
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (8,590,250)	
Less: other loans payable	(2,258,501)	
Add: debt to be contributed by the school department	3,948,751	
Add: debt to be contributed by the health and rehab center	6,450,000	
Less: accrued interest on bonds	(54,938)	
Less: compensated absences payable	(184,047)	
Less: net OPEB liability	(1,282,934)	
Less: net pension liability	(287,007)	
Less: landfill postclosure care costs	<u>(369,542)</u>	(2,628,468)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,081,398	
Less: deferred inflows of resources related to pensions	(27,721)	
Add: deferred outflows of resources related to OPEB	243,286	
Less: deferred inflows of resources related to OPEB	<u>(528,070)</u>	1,768,893
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,157,944</u>
Net position of governmental activities (Exhibit A)		<u>\$ 44,411,011</u>

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

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 7,063,368	\$ 1,381,115	\$ 0	\$ 524,249	\$ 448,965
Licenses and Permits	48,430	0	0	0	0
Fines, Forfeitures, and Penalties	105,586	0	0	0	0
Charges for Current Services	1,884,597	355,195	0	0	0
Other Local Revenues	102,387	103,400	68,489	33,043	1,004,752
Fees Received From County Officials	1,101,754	0	0	0	0
State of Tennessee	1,360,316	0	0	2,646,139	662,046
Federal Government	1,050,578	0	3,517,964	170,802	0
Other Governments and Citizens Groups	253,577	0	0	0	1,739,661
Total Revenues	\$ 12,970,593	\$ 1,839,710	\$ 3,586,453	\$ 3,374,233	\$ 3,855,424
<u>Expenditures</u>					
Current:					
General Government	\$ 2,271,402	\$ 99,388	\$ 556	\$ 0	\$ 0
Finance	854,531	0	0	0	0
Administration of Justice	1,112,150	0	0	0	0
Public Safety	4,946,832	0	0	0	0
Public Health and Welfare	2,973,855	1,696,148	0	0	0
Social, Cultural, and Recreational Services	321,019	0	0	0	0
Agriculture and Natural Resources	184,019	0	0	0	0
Other Operations	478,771	0	337,518	0	0
Highways	50,983	0	0	3,979,903	0
Debt Service:					
Principal on Debt	0	0	0	0	2,449,592
Interest on Debt	0	0	0	0	366,547
Other Debt Service	0	0	0	0	26,467

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 13,193,562	\$ 1,795,536	\$ 338,074	\$ 3,979,903	\$ 2,842,606
Excess (Deficiency) of Revenues Over Expenditures	\$ (222,969)	\$ 44,174	\$ 3,248,379	\$ (605,670)	\$ 1,012,818
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 31,687	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	32,000	0	0	0	0
Transfers Out	0	(32,000)	0	0	0
Total Other Financing Sources (Uses)	\$ 63,687	\$ (32,000)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (159,282)	\$ 12,174	\$ 3,248,379	\$ (605,670)	\$ 1,012,818
Fund Balance, July 1, 2022	8,531,922	2,348,894	(1,351,534)	1,669,950	483,649
Fund Balance, June 30, 2023	\$ 8,372,640	\$ 2,361,068	\$ 1,896,845	\$ 1,064,280	\$ 1,496,467

(Continued)

Exhibit C-3

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

	Nonmajor Funds	
	Other Govern- mental Funds	Total Governmental Funds
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 392	\$ 9,418,089
Licenses and Permits	0	48,430
Fines, Forfeitures, and Penalties	22,931	128,517
Charges for Current Services	0	2,239,792
Other Local Revenues	4,231	1,316,302
Fees Received From County Officials	0	1,101,754
State of Tennessee	0	4,668,501
Federal Government	0	4,739,344
Other Governments and Citizens Groups	0	1,993,238
Total Revenues	<u>\$ 27,554</u>	<u>\$ 25,653,967</u>
<hr/>		
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 2,371,346
Finance	0	854,531
Administration of Justice	0	1,112,150
Public Safety	114,317	5,061,149
Public Health and Welfare	0	4,670,003
Social, Cultural, and Recreational Services	0	321,019
Agriculture and Natural Resources	0	184,019
Other Operations	4	816,293
Highways	0	4,030,886
Debt Service:		
Principal on Debt	0	2,449,592
Interest on Debt	0	366,547
Other Debt Service	0	26,467

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 101,834	\$	101,834
Total Expenditures	\$ 216,155	\$	22,365,836
Excess (Deficiency) of Revenues Over Expenditures	\$ (188,601)	\$	3,288,131
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$	31,687
Transfers In	0		32,000
Transfers Out	0		(32,000)
Total Other Financing Sources (Uses)	\$ 0	\$	31,687
Net Change in Fund Balances	\$ (188,601)	\$	3,319,818
Fund Balance, July 1, 2022	272,178		11,955,059
Fund Balance, June 30, 2023	\$ 83,577	\$	15,274,877

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

Exhibit C-4

Overton 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)		\$ 3,319,818
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,659,333	
Less: current-year depreciation expense	<u>(1,059,823)</u>	1,599,510
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(32,722)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 1,157,944	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(881,180)</u>	276,764
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 1,803,000	
Add: principal payments on notes	408,872	
Add: principal payments on other loans	237,720	
Less: contributions from the school department for bonds and other loans	(1,057,720)	
Less: contributions from the health and rehab center for bonds	<u>(355,000)</u>	1,036,872
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	\$ 11,017	
Change in postclosure care costs	(351,974)	
Change in compensated absences payable	(56,778)	
Change in pension liability/asset	(2,510,929)	
Change in deferred outflows related to pensions	295,374	
Change in deferred inflows related to pensions	2,347,712	
Change in net OPEB liability	(43,174)	
Change in deferred outflows related to OPEB	(40,770)	
Change in deferred inflows related to OPEB	<u>(133,991)</u>	(483,513)
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,716,729</u>

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

Exhibit C-5

Overton County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,063,368	\$ 0	\$ 0	\$ 7,063,368	\$ 6,774,172	\$ 6,791,172	\$ 272,196
Licenses and Permits	48,430	0	0	48,430	37,500	37,500	10,930
Fines, Forfeitures, and Penalties	105,586	0	0	105,586	92,210	92,210	13,376
Charges for Current Services	1,884,597	0	0	1,884,597	1,547,455	1,547,455	337,142
Other Local Revenues	102,387	0	0	102,387	126,230	126,230	(23,843)
Fees Received From County Officials	1,101,754	0	0	1,101,754	995,000	995,000	106,754
State of Tennessee	1,360,316	0	0	1,360,316	1,472,651	1,646,767	(286,451)
Federal Government	1,050,578	0	0	1,050,578	286,361	767,534	283,044
Other Governments and Citizens Groups	253,577	0	0	253,577	95,275	99,275	154,302
Total Revenues	\$ 12,970,593	\$ 0	\$ 0	\$ 12,970,593	\$ 11,426,854	\$ 12,103,143	\$ 867,450
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 147,018	\$ 0	\$ 0	\$ 147,018	\$ 172,598	\$ 167,713	\$ 20,695
Board of Equalization	797	0	0	797	2,700	2,700	1,903
County Mayor/Executive	283,545	(15)	968	284,498	275,230	300,464	15,966
County Attorney	42,158	0	0	42,158	70,700	55,700	13,542
Election Commission	207,501	(128)	198,129	405,502	238,594	238,594	(166,908)
Register of Deeds	200,377	0	0	200,377	209,898	211,749	11,372
Planning	18,025	0	0	18,025	19,198	19,198	1,173
County Buildings	359,908	(9,445)	2,683	353,146	479,434	493,834	140,688
Other General Administration	992,013	0	0	992,013	1,032,730	1,079,988	87,975
Preservation of Records	20,060	0	0	20,060	17,028	27,518	7,458
<u>Finance</u>							
Accounting and Budgeting	80,188	0	0	80,188	80,574	80,574	386
Property Assessor's Office	256,710	0	0	256,710	265,197	282,197	25,487
County Trustee's Office	235,955	0	0	235,955	239,968	240,668	4,713
County Clerk's Office	281,678	0	73	281,751	304,836	304,836	23,085
<u>Administration of Justice</u>							
Circuit Court	344,404	0	0	344,404	363,273	363,273	18,869

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	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>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 187,199	\$ 0	\$ 1,750	\$ 188,949	\$ 190,723	\$ 193,223	\$ 4,274
Drug Court	191,899	(131)	13,752	205,520	204,186	275,486	69,966
Chancery Court	324,211	0	3,300	327,511	316,828	348,608	21,097
Juvenile Court	27,767	0	0	27,767	32,017	35,017	7,250
District Attorney General	5,327	(1,798)	0	3,529	13,759	11,798	8,269
Judicial Commissioners	31,343	0	0	31,343	35,799	35,799	4,456
<u>Public Safety</u>							
Sheriff's Department	2,592,716	(700)	64,842	2,656,858	2,680,777	2,909,688	252,830
Special Patrols	52,953	0	0	52,953	63,752	63,752	10,799
Jail	1,852,446	(2,656)	13,283	1,863,073	2,204,695	2,191,695	328,622
Fire Prevention and Control	235,254	0	0	235,254	321,500	254,121	18,867
Civil Defense	8,877	0	100	8,977	17,744	17,744	8,767
Rescue Squad	10,100	0	0	10,100	10,100	10,100	0
Other Emergency Management	150,000	0	0	150,000	150,000	150,000	0
County Coroner/Medical Examiner	44,486	0	0	44,486	45,000	57,000	12,514
<u>Public Health and Welfare</u>							
Local Health Center	91,649	0	1,100	92,749	216,555	216,555	123,806
Ambulance/Emergency Medical Services	2,803,798	(6,620)	206,558	3,003,736	3,333,487	3,495,487	491,751
Regional Mental Health Center	6,327	0	0	6,327	6,327	6,327	0
Other Public Health and Welfare	72,081	0	690	72,771	86,351	87,851	15,080
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	70,580	0	69	70,649	69,660	80,260	9,611
Libraries	215,162	0	0	215,162	202,457	220,461	5,299
Other Social, Cultural, and Recreational	35,277	0	0	35,277	36,000	36,000	723
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	91,056	0	0	91,056	111,040	111,445	20,389
Soil Conservation	92,963	0	0	92,963	93,833	93,933	970
<u>Other Operations</u>							
Tourism	44,018	0	0	44,018	90,000	51,318	7,300

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	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>Other Operations (Cont.)</u>							
Industrial Development	\$ 68,562	\$ 0	\$ 0	\$ 68,562	\$ 69,000	\$ 87,106	\$ 18,544
Other Economic and Community Development	311,597	(146,306)	0	165,291	1,500	184,500	19,209
Airport	4,250	0	11,135	15,385	82,200	82,200	66,815
Veterans' Services	33,490	0	200	33,690	41,858	46,508	12,818
Contributions to Other Agencies	16,854	0	0	16,854	16,000	17,000	146
<u>Highways</u>							
Traffic Control	6,906	0	0	6,906	13,392	10,392	3,486
Litter and Trash Collection	44,077	0	70	44,147	44,600	45,100	953
Total Expenditures	<u>\$ 13,193,562</u>	<u>\$ (167,799)</u>	<u>\$ 518,702</u>	<u>\$ 13,544,465</u>	<u>\$ 14,573,098</u>	<u>\$ 15,295,480</u>	<u>\$ 1,751,015</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (222,969)</u>	<u>\$ 167,799</u>	<u>\$ (518,702)</u>	<u>\$ (573,872)</u>	<u>\$ (3,146,244)</u>	<u>\$ (3,192,337)</u>	<u>\$ 2,618,465</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 31,687	\$ 0	\$ 0	\$ 31,687	\$ 0	\$ 31,987	\$ (300)
Transfers In	32,000	0	0	32,000	1,030,305	1,030,305	(998,305)
Total Other Financing Sources	<u>\$ 63,687</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 63,687</u>	<u>\$ 1,030,305</u>	<u>\$ 1,062,292</u>	<u>\$ (998,605)</u>
Net Change in Fund Balance	\$ (159,282)	\$ 167,799	\$ (518,702)	\$ (510,185)	\$ (2,115,939)	\$ (2,130,045)	\$ 1,619,860
Fund Balance, July 1, 2022	<u>8,531,922</u>	<u>(167,799)</u>	<u>0</u>	<u>8,364,123</u>	<u>6,058,532</u>	<u>6,058,532</u>	<u>2,305,591</u>
Fund Balance, June 30, 2023	<u>\$ 8,372,640</u>	<u>\$ 0</u>	<u>\$ (518,702)</u>	<u>\$ 7,853,938</u>	<u>\$ 3,942,593</u>	<u>\$ 3,928,487</u>	<u>\$ 3,925,451</u>

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

Exhibit C-6

Overton County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,381,115	\$ 0	\$ 0	\$ 1,381,115	\$ 1,185,609	\$ 1,185,609	\$ 195,506
Charges for Current Services	355,195	0	0	355,195	258,500	258,500	96,695
Other Local Revenues	103,400	0	0	103,400	50,100	50,100	53,300
State of Tennessee	0	0	0	0	400,000	400,000	(400,000)
Total Revenues	\$ 1,839,710	\$ 0	\$ 0	\$ 1,839,710	\$ 1,894,209	\$ 1,894,209	\$ (54,499)
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 99,388	\$ 0	\$ 0	\$ 99,388	\$ 155,800	\$ 140,520	\$ 41,132
<u>Public Health and Welfare</u>							
Convenience Centers	310,488	(27,325)	49,538	332,701	577,160	480,440	147,739
Transfer Stations	1,310,939	(226)	72,243	1,382,956	1,675,671	1,846,671	463,715
Recycling Center	40,002	0	317	40,319	268,000	209,000	168,681
Other Waste Disposal	0	0	0	0	6,500	6,500	6,500
Postclosure Care Costs	34,719	0	0	34,719	81,000	81,000	46,281
Total Expenditures	\$ 1,795,536	\$ (27,551)	\$ 122,098	\$ 1,890,083	\$ 2,764,131	\$ 2,764,131	\$ 874,048
Excess (Deficiency) of Revenues Over Expenditures	\$ 44,174	\$ 27,551	\$ (122,098)	\$ (50,373)	\$ (869,922)	\$ (869,922)	\$ 819,549
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 111,192	\$ 111,192	\$ (111,192)
Transfers Out	(32,000)	0	0	(32,000)	(32,000)	(32,000)	0
Total Other Financing Sources	\$ (32,000)	\$ 0	\$ 0	\$ (32,000)	\$ 79,192	\$ 79,192	\$ (111,192)
Net Change in Fund Balance	\$ 12,174	\$ 27,551	\$ (122,098)	\$ (82,373)	\$ (790,730)	\$ (790,730)	\$ 708,357
Fund Balance, July 1, 2022	2,348,894	(27,551)	0	2,321,343	2,087,311	2,087,311	234,032
Fund Balance, June 30, 2023	\$ 2,361,068	\$ 0	\$ (122,098)	\$ 2,238,970	\$ 1,296,581	\$ 1,296,581	\$ 942,389

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

Exhibit C-7

Overton County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
American Rescue Plan Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 68,489	\$ 0	\$ 68,489	\$ 0	\$ 0	\$ 68,489
Federal Government	3,517,964	0	3,517,964	2,160,027	2,160,027	1,357,937
Total Revenues	<u>\$ 3,586,453</u>	<u>\$ 0</u>	<u>\$ 3,586,453</u>	<u>\$ 2,160,027</u>	<u>\$ 2,160,027</u>	<u>\$ 1,426,426</u>
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 556	\$ 0	\$ 556	\$ 0	\$ 1,000	\$ 444
<u>Other Operations</u>						
American Rescue Plan Act Grant #1	337,518	100,000	437,518	2,160,027	2,159,027	1,721,509
Total Expenditures	<u>\$ 338,074</u>	<u>\$ 100,000</u>	<u>\$ 438,074</u>	<u>\$ 2,160,027</u>	<u>\$ 2,160,027</u>	<u>\$ 1,721,953</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,248,379</u>	<u>\$ (100,000)</u>	<u>\$ 3,148,379</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,148,379</u>
Net Change in Fund Balance	\$ 3,248,379	\$ (100,000)	\$ 3,148,379	\$ 0	\$ 0	\$ 3,148,379
Fund Balance, July 1, 2022	<u>(1,351,534)</u>	<u>0</u>	<u>(1,351,534)</u>	<u>0</u>	<u>0</u>	<u>(1,351,534)</u>
Fund Balance, June 30, 2023	<u><u>\$ 1,896,845</u></u>	<u><u>\$ (100,000)</u></u>	<u><u>\$ 1,796,845</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,796,845</u></u>

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

Exhibit C-8

Overton 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	\$ 524,249	\$ 481,109	\$ 481,109	\$ 43,140
Other Local Revenues	33,043	45,000	45,000	(11,957)
State of Tennessee	2,646,139	4,582,085	4,590,001	(1,943,862)
Federal Government	170,802	250,000	242,084	(71,282)
Total Revenues	<u>\$ 3,374,233</u>	<u>\$ 5,358,194</u>	<u>\$ 5,358,194</u>	<u>\$ (1,983,961)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 198,190	\$ 202,846	\$ 221,046	\$ 22,856
Highway and Bridge Maintenance	2,046,527	1,593,624	2,307,344	260,817
Operation and Maintenance of Equipment	653,826	937,610	892,110	238,284
Quarry Operations	196,075	261,680	226,700	30,625
Other Charges	178,107	230,000	212,000	33,893
Employee Benefits	496,120	590,065	591,625	95,505
Capital Outlay	211,058	2,069,680	1,782,680	1,571,622
Total Expenditures	<u>\$ 3,979,903</u>	<u>\$ 5,885,505</u>	<u>\$ 6,233,505</u>	<u>\$ 2,253,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (605,670)</u>	<u>\$ (527,311)</u>	<u>\$ (875,311)</u>	<u>\$ 269,641</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 245,165	\$ 245,165	\$ (245,165)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 245,165</u>	<u>\$ 245,165</u>	<u>\$ (245,165)</u>
Net Change in Fund Balance	\$ (605,670)	\$ (282,146)	\$ (630,146)	\$ 24,476
Fund Balance, July 1, 2022	1,669,950	1,090,787	1,090,787	579,163
Fund Balance, June 30, 2023	<u><u>\$ 1,064,280</u></u>	<u><u>\$ 808,641</u></u>	<u><u>\$ 460,641</u></u>	<u><u>\$ 603,639</u></u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 955,019
Due from Other Governments	<u>247,033</u>
Total Assets	<u>\$ 1,202,052</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 247,033</u>
Total Liabilities	<u>\$ 247,033</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 955,019</u>
Total Net Position	<u><u>\$ 955,019</u></u>

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

Exhibit D-2

Overton 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	\$ 1,386,720
Fines/Fees and Other Collections	<u>6,191,425</u>
Total Additions	<u>\$ 7,578,145</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 1,386,720
Payments to State	2,995,729
Payments to Cities, Individuals and Others	<u>3,190,694</u>
Total Deductions	<u>\$ 7,573,143</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 5,002
Net Position, July 1, 2022	<u>950,017</u>
Net Position, June 30, 2023	<u><u>\$ 955,019</u></u>

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

OVERTON COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overton 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 Overton County:

A. Reporting Entity

Overton County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Overton County (the primary government) and its component units. The financial statements of the Overton/Pickett County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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 Overton County School Department operates the public school system in the county, and the voters of Overton 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 Overton County Health and Rehab Center provides residential nursing care to the citizens of Overton County, and the Overton County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the county commission's approval.

The Overton/Pickett County Emergency Communications District was established with the merger of the Pickett County Emergency Communications District and the Overton County Emergency Communications District. The merger was adopted by both boards with an effective date of February 1, 2002. The board of the district includes 13

members: nine are appointed by the Overton County Commission, and the remaining four are appointed by the Pickett County Commission. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt, the district must obtain the county commission's approval. The financial statements of the Overton/Pickett County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Overton 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 Overton County Health and Rehab Center and the Overton/Pickett County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Overton County Health and Rehab Center
318 Billbrey Street
Livingston, TN 38570

Overton/Pickett County Emergency
Communications District
255 Industrial Drive
Livingston, TN 38570

Related Organization – The Industrial Development Authority for Overton County provides assistance in industrial recruitment in Overton County, and the county commission appoints its seven-member board. Overton County did not contribute to the operations of the Industrial Development Authority during the year ended June 30, 2023.

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 Overton 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 Overton 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.

Overton County issues all debt for the discretely presented Overton County School Department and the discretely presented Overton County Health and Rehab Center. There were no debt issues contributed by the county to the school department or the health and rehab center during the year ended June 30, 2023.

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

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

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

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

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

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Overton County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the disposal of Overton County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

American Rescue Plan Fund – This special revenue fund accounts for funding related to the American Rescue Plan Act Grant. Grant revenue is the foundational revenue of this fund.

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

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

Additionally, Overton County reports the following fund types:

Capital Projects Funds – These funds account for financial resources that are used for the acquisition or construction of capital facilities and other capital assets.

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 Overton County.

The discretely presented Overton 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 – This fund is used to account for funds contributed from the General Purpose School fund for construction of a new football stadium.

Additionally, the Overton County School Department reports the following fund type:

Debt Service Fund – The Education Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs on debt issued by the primary government for 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 prior year balances (FY22) 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 Overton 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 Debt Service Fund. Overton County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with

maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Overton County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the school department's investment in the TCRS Stabilization Trust, as discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to .66 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.

Overton County has issued debt on behalf of the Overton County School Department and the Overton County Health and Rehab Center, discretely presented component units that are a part of Overton County's reporting entity. Overton County, the school department, and the health and rehab center have agreed that the school department and health and rehab center will repay Overton County the debt service requirements as they become due. Overton County has recognized a due from component units for the principal of the debt on the government-wide financial statements.

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

3. Inventories

Inventories of the discretely presented Overton County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as

expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Overton 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 Overton County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Overton 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.

Primary Government

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 land and infrastructure with a cost of more than \$1, buildings with a cost of more than \$25,000, and other assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. 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 are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	25-50
Bridges	75

Discretely Presented Overton County School Department

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 land with a cost of more than \$1 and other assets with an initial, individual cost of \$25,000 or more and an estimated useful life of more than one year. 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 discretely presented school department are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5 - 30

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon termination of employment for any purpose other than retirement, all unused sick leave will be forfeited. All vacation pay is accrued when incurred in the government-wide financial statements for the county.

Discretely Presented Overton County School Department

The general policy of the Overton County School Department permits employees to accumulate vacation and sick days. School support personnel earn personal days and are compensated for any unused days before the end of each fiscal year. The general policy of the school department permits the unlimited accumulation of unused sick leave days. Upon retirement, employees with fifteen years of continuous service have the option of applying accumulated sick leave toward retirement in the Tennessee Consolidated Retirement System or receiving a lump sum payment of \$20 per day for all days accumulated up to 200 days. Since the payment of sick leave is at the option of employees as they retire, the amount cannot be reasonably estimated and is not accrued in the government-wide financial statements. All vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented school department.

A liability for vacation pay is reported in governmental funds of the county and the school department 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 compensated absences, other postemployment benefits, pension liabilities, and landfill postclosure care costs, 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.

As of June 30, 2023, Overton County had \$3,948,751 in outstanding debt for the discretely presented Overton County School Department and \$6,450,000 in outstanding debt for the Overton County Health and Rehab Center. This debt is a liability of Overton County, but the capital assets acquired are reported in the financial statements of the school department and the health and rehab center.

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

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

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

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

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

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

assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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 Overton County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Overton County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Overton 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 Overton County. For this purpose, Overton County recognizes benefit

payments when due and payable in accordance with benefit terms. Overton County's OPEB plan is not administered through a trust.

Discretely Presented Overton 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 Overton 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 Overton County School Department

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

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

Primary Government

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

Discretely Presented Overton County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2023, Overton County reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 518,702
Solid/Waste Sanitation	122,098
American Rescue Plan	100,000

B. Fund Deficit

The School Federal Projects Fund (special revenue fund) of the discretely presented Overton County School Department had a deficit in unassigned fund balance of \$21,450 at June 30, 2023. This deficit resulted from

misclassifications related to subfund activity for federal grants maintained in this fund. This deficit was liquidated subsequent to June 30, 2023.

C. Cash Shortage – Prior Year

The State Comptroller issued a special report dated June 4, 2012, regarding allegations of suspected irregularities at the Millard Oakley Public Library, which is a department of the county's General Fund. The investigation revealed a cash shortage of \$5,600 at March 2, 2012, which was attributed to alleged illegal activity by the library's deputy director. Refunds by the bank and funds returned by the deputy director reduced the shortage to \$3,710 at March 26, 2012. On February 18, 2014, the defendant pled guilty to theft of property over \$1,000 and received a three-year sentence suspended to three years of supervised probation and 100 hours community service as well as being ordered to pay restitution of \$3,710. This shortage is not reflected in the financial statements of Overton County at June 30, 2023, due to the uncertainty of collection. Restitution of \$250 was received during the year examined leaving a balance of \$800 at June 30, 2023. Details of the shortage may be found on the Comptroller's website at www.comptroller.tn.gov/ia.

D. Pending Investigation

The Comptroller's Division of Investigations is currently reviewing certain operations of the discretely presented Overton County School Department. Findings, if any, resulting from these reviews will be included in subsequent reports.

E. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Election Commission major appropriations category (the legal level of control) of the General Fund by \$166,908. Expenditures exceeded total appropriations in the discretely presented Education Debt Service Fund by \$391. 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 and Education Debt Service funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Overton County and the Overton 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, Overton 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 Overton County and the discretely presented Overton County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity</u>	<u>Maturity</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	1 to 46 days	N/A	\$ 24,716,846

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. Overton 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. Overton County has no investment policy that would further limit its investment choices. As of June 30, 2023, Overton 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 Overton 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 Overton 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.

At June 30, 2023, the Overton County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 57,924
Developed Market International Equity	N/A	N/A	26,159
Emerging Market International Equity	N/A	N/A	7,474
U.S. Fixed Income	N/A	N/A	37,371
Real Estate	N/A	N/A	18,685
Short-term Securities	N/A	N/A	1,869
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>37,371</u>
Total			<u>\$ 186,853</u>

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

B. Notes Receivable

The General Fund had a long-term note receivable of \$217,907 at June 30, 2023, resulted from funds loaned to the Industrial Development Authority for the purchase of property. The amount of the notes outstanding at June 30, 2023, is reflected as a nonspendable fund balance in the General Fund.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 700,401	\$ 0	\$ 0	\$ 700,401
Intangible Assets - Indefinite Life	51,301	9,960	0	61,261
Total Capital Assets Not Depreciated	<u>\$ 751,702</u>	<u>\$ 9,960</u>	<u>\$ 0</u>	<u>\$ 761,662</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,161,245	\$ 101,910	\$ 0	\$ 14,263,155
Infrastructure	17,421,589	1,740,039	0	19,161,628
Other Capital Assets	9,842,979	807,424	(176,157)	10,474,246
Total Capital Assets Depreciated	<u>\$ 41,425,813</u>	<u>\$ 2,649,373</u>	<u>\$ (176,157)</u>	<u>\$ 43,899,029</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,120,226	\$ 283,276	\$ 0	\$ 4,403,502
Infrastructure	4,641,778	132,246	0	4,774,024
Other Capital Assets	6,144,534	644,301	(143,435)	6,645,400
Total Accumulated Depreciation	<u>\$ 14,906,538</u>	<u>\$ 1,059,823</u>	<u>\$ (143,435)</u>	<u>\$ 15,822,926</u>
Total Capital Assets Depreciated, Net	<u>\$ 26,519,275</u>	<u>\$ 1,589,550</u>	<u>\$ (32,722)</u>	<u>\$ 28,076,103</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,270,977</u>	<u>\$ 1,599,510</u>	<u>\$ (32,722)</u>	<u>\$ 28,837,765</u>

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

Governmental Activities:

General Government	\$ 124,338
Finance	2,131
Administration of Justice	484
Public Safety	363,416
Public Health and Welfare	294,298
Social, Cultural, and Recreational Services	29,408
Highways/Public Works	<u>245,748</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,059,823</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 28,837,765
Add:	
Outstanding principal of capital debt related to school department capital assets	3,948,751
Outstanding principal of capital debt related to health and rehab center capital assets	6,450,000
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(10,848,751)</u>
Net Investment in Capital Assets	<u><u>\$ 28,387,765</u></u>

Discretely Presented Overton County School Department

Governmental Activities:

	Balance 7-1-22		Increases		Decreases		Balance 6-30-23
Capital Assets Not Depreciated:							
Land	\$ 574,963	\$	316,800	\$	0	\$	891,763
Construction in Progress	2,323,787		134,948		(2,323,787)		134,948
Total Capital Assets Not Depreciated	\$ 2,898,750	\$	451,748	\$	(2,323,787)	\$	1,026,711
Capital Assets Depreciated:							
Buildings and Improvements	\$ 23,894,657	\$	6,200,831	\$	(52,426)	\$	30,043,062
Infrastructure	963,193		0		0		963,193
Other Capital Assets	3,880,469		428,213		(121,299)		4,187,383
Total Capital Assets Depreciated	\$ 28,738,319	\$	6,629,044	\$	(173,725)	\$	35,193,638
Less Accumulated Depreciation For:							
Buildings and Improvements	\$ 13,205,256	\$	476,186	\$	(37,174)	\$	13,644,268
Infrastructure	458,915		22,692		0		481,607
Other Capital Assets	2,114,795		209,349		(117,660)		2,206,484
Total Accumulated Depreciation	\$ 15,778,966	\$	708,227	\$	(154,834)	\$	16,332,359
Total Capital Assets Depreciated, Net	\$ 12,959,353	\$	5,920,817	\$	(18,891)	\$	18,861,279
Governmental Activities Capital Assets, Net	\$ 15,858,103	\$	6,372,565	\$	(2,342,678)	\$	19,887,990

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

Governmental Activities:

Instruction	\$ 493,646
Support Services	<u>214,581</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 708,227</u></u>

D. Construction Commitments

At June 30, 2023, the county had uncompleted construction contracts of approximately \$94,250 for the replacement of the jail roof. Funding has been received for these future expenditures.

At June 30, 2023, the discretely presented Overton County School Department had uncompleted construction contracts of approximately \$402,072 and \$253,898 for the replacement of the roof and HVAC units, respectively. Funding for these future expenditures is expected to be received from federal grants.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,842
Discretely Presented School Department:		
General Purpose School	School Federal Projects	460
Nonmajor governmental	General Purpose School	392

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.

The receivables in the General Purpose School Fund and the nonmajor governmental funds totaling \$460 and \$392, respectively, were in transit at June 30, 2023.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Units:	
Governmental Activities	School Department	\$ 3,948,751
"	Health and Rehab Center	6,450,000

The amounts reflected as Due to the Primary Government from the discretely presented component units on the government-wide Statement of Net Position represent debt issued by the primary government for the component units, the principal of which is being contributed by the component units to the primary government to retire the debt.

Interfund Transfers:

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

Primary Government

	<u>Transfer In</u>	
	General	
<u>Transfer Out</u>	<u>Fund</u>	<u>Purpose</u>
Solid Waste/Sanitation Fund	<u>\$ 32,000</u>	Operations
	<u>\$ 32,000</u>	

Discretely Presented Overton County School Department

Transfers Out	Transfers In			Purpose
	General Purpose School Fund	Nonmajor Govern-mental Fund		
General Purpose School Fund	\$ 0	\$ 589,904		Debt retirement
School Federal Projects Fund	159,826	0		Indirect cost
Total	\$ 159,826	\$ 589,904		

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

F. Long-term Debt**Primary Government****General Obligation Bonds and Other Loans**

General Obligation Bonds - Overton County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government, the discretely presented school department, and the discretely presented Overton County Health and Rehab Center. 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 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Overton County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government, the discretely presented school department, and the discretely presented Overton County Health and Rehab Center. 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 each issued for original terms of up to four years for notes and 13 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. Other loans included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

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

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	2.58 to 2.91	%	4-1-42	\$ 9,115,000	\$ 6,450,000
General Obligation Bonds - Refunding	2 to 4		6-1-25	6,325,000	2,140,250
Direct Borrowing and Direct Payment:					
Other Loans	1		8-1-32	2,925,917	2,258,501

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,665,000	\$ 278,151	\$ 1,943,151
2025	1,210,250	216,369	1,426,619
2026	385,000	170,719	555,719
2027	400,000	160,194	560,194
2028	410,000	149,001	559,001
2029-2033	2,250,000	567,478	2,817,478
2034-2038	1,180,000	292,913	1,472,913
2039-2042	1,090,000	89,857	1,179,857
Total	<u>\$ 8,590,250</u>	<u>\$ 1,924,682</u>	<u>\$ 10,514,932</u>

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 240,108	\$ 21,840	\$ 261,948
2025	242,520	19,428	261,948
2026	244,956	16,992	261,948
2027	247,416	14,532	261,948
2028	249,912	12,036	261,948
2029-2033	1,033,589	57,861	1,091,450
Total	<u>\$ 2,258,501</u>	<u>\$ 142,689</u>	<u>\$ 2,401,190</u>

There is \$1,496,467 available in the General Debt Service Fund and \$1,450,701 in the school department's Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$382, based on the 2020 federal census. Total debt per capita, including bonds and other loans, totaled \$482, based on the 2020 federal census.

The school department and the Overton County Health and Rehab Center are currently contributing funds to service the debt issued on their behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and the health and rehab center and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-23
School Department:	
<u>Bonds Payable</u>	
<u>Contributions from the Education Debt Service Fund</u>	
School Refunding Series 2015	\$ 1,690,250
<u>Other Loans Payable - Direct Placement</u>	
<u>Contributions from the Education Debt Service Fund</u>	
Tennessee Energy Efficiency School Initiative Loan	2,258,501
Total School Department	<u>\$ 3,948,751</u>
Health and Rehab Center:	
<u>Bonds Payable</u>	
<u>Contributions from the Health and Rehab Center</u>	
Nursing Home Improvements	\$ 2,260,000
Nursing Home Renovation and Construction	4,190,000
Total Health and Rehab Center	<u>\$ 6,450,000</u>
Total Due from Component Units	<u>\$ 10,398,751</u>

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	\$ 10,393,250	\$ 408,872	\$ 2,496,221
Reductions	<u>(1,803,000)</u>	<u>(408,872)</u>	<u>(237,720)</u>
Balance, June 30, 2023	<u>\$ 8,590,250</u>	<u>\$ 0</u>	<u>\$ 2,258,501</u>
Balance Due Within One Year	<u>\$ 1,665,000</u>	<u>\$ 0</u>	<u>\$ 240,108</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 10,848,751
Less: Balance Due Within One Year - Debt	<u>(1,905,108)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 8,943,643</u></u>

G. Long-term Obligations

Changes in Long-term Obligations

Primary Government

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

Governmental Activities:

	Other Postemployment Benefits	Compensated Absences	Landfill Postclosure Care Costs	Net Pension Liability - Agent Plan *
Balance, July 1, 2022	\$ 1,239,760	\$ 127,269	\$ 17,568	\$ (2,223,922)
Additions	293,041	383,244	386,693	3,280,285
Reductions	<u>(249,867)</u>	<u>(326,466)</u>	<u>(34,719)</u>	<u>(769,356)</u>
Balance, June 30, 2023	<u>\$ 1,282,934</u>	<u>\$ 184,047</u>	<u>\$ 369,542</u>	<u>\$ 287,007</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 138,036</u>	<u>\$ 189,560</u>	<u>\$ 0</u>

* At July 1, 2022, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, Other - June 30, 2023	\$ 2,123,530
Less: Balance Due Within One Year - Other	<u>(327,596)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,795,934</u></u>

Compensated absences, other postemployment benefits, and pensions will be paid from the employing funds, primarily the General Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Overton County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits	Compensated Absences	Net Pension Liability - Agent Plan *
Balance, July 1, 2022	\$ 5,279,525	\$ 90,286	\$ (1,361,153)
Additions	6,470	24,402	1,907,955
Reductions	(171,130)	(88,251)	(385,379)
Balance, June 30, 2023	<u>\$ 5,114,865</u>	<u>\$ 26,437</u>	<u>\$ 161,423</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 13,218</u>	<u>\$ 0</u>

* At July 1, 2022, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, Other - June 30, 2023	\$ 5,302,725
Less: Balance Due Within One Year - Other	<u>(13,218)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 5,289,507</u>

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

H. On-Behalf Payments

Discretely Presented Overton County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Overton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2023, were \$121,611 and \$43,542, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. Overton County participates in the Local Government Property and Casualty Fund (LGPCF), 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.

Overton 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.

Overton County provides health insurance coverage to its employees through 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 Overton 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 annual premiums 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 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 other pending lawsuits. Attorneys representing the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

D. Changes in Administration

County Executive Ben Danner left office August 31, 2022, and was succeeded by Steven Barlow.

Circuit and General Sessions Courts Clerk Barbara Matthews left office August 31, 2022, and was succeeded by Lori Hammock.

Register of Deeds Kim Copeland left office August 31, 2022, and was succeeded by Jimmy Conner.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Overton County closed its landfill in 1994. The Solid Waste/Sanitation Fund reports the postclosure care costs of the closed landfill as expenditures in each period in which they are incurred. The \$369,542 reported as landfill postclosure care liability at June 30, 2023, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and White counties, and participating municipalities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal

grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Overton County did not make appropriations to the DTF for the year ended June 30, 2023. Overton County does not have an equity interest in the DTF. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Thirteenth Judicial District Drug Task Force
1289 S. Walnut Avenue
Cookeville, TN 38501

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Overton County, non-certified employees of the discretely presented Overton County School Department, and employees of the discretely presented Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.09 percent, the non-certified employees of the discretely presented school department comprise 27.61 percent, and the discretely presented Overton County Health and Rehab Center comprises 23.3 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the

member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	251
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	596
Active Employees	<u>425</u>
Total	<u><u>1,272</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Overton 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 Overton County were \$1,024,229 based on a rate of 6.84 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Overton 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)

Overton County's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 39,520,954	\$ 44,222,692	\$ (4,701,738)
Changes for the Year:			
Service Cost	\$ 1,254,455	\$ 0	\$ 1,254,455
Interest	2,696,026	0	2,696,026
Differences Between Expected and Actual Experience	1,005,043	0	1,005,043
Contributions-Employer	0	711,967	(711,967)
Contributions-Employees	0	683,826	(683,826)
Net Investment Income	0	(1,685,792)	1,685,792
Benefit Payments, Including Refunds of Employee Contributions	(1,668,580)	(1,668,580)	0
Administrative Expense	0	(40,870)	40,870
Net Changes	\$ 3,286,944	\$ (1,999,449)	\$ 5,286,393
Balance, June 30, 2022	\$ 42,807,898	\$ 42,223,243	\$ 584,655

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	49.09%	\$ 21,014,397	\$ 20,727,390	\$ 287,007
School Department	27.61%	11,819,261	11,657,837	161,423
Health and Rehab Ctr.	23.30%	9,974,240	9,838,016	136,225
Total		\$ 42,807,898	\$ 42,223,243	\$ 584,655

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

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

Net Pension Liability (Asset) \$ 6,741,861 \$ 584,655 \$ (4,458,027)

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, Overton County recognized pension expense (negative pension expense) of \$891,461.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 839,807	\$ 56,471
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	103,833	0
Changes in Assumptions	2,251,378	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,024,229	N/A
Total	<u>\$ 4,219,247</u>	<u>\$ 56,471</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,081,398	\$ 27,721
School Department	1,156,339	15,592
Health and Rehab Center	981,510	13,158
Total	<u>\$ 4,219,247</u>	<u>\$ 56,471</u>

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

Year Ending June 30	Amount
2024	\$ 678,434
2025	747,373
2026	579,684
2027	1,133,057
2028	0
Thereafter	0

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

Discretely Presented Overton County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Overton County, non-certified employees of the discretely presented Overton County School Department, and employees of the discretely presented Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.09 percent, the non-certified employees of the discretely presented school

department comprise 27.61 percent, and the discretely presented Overton County Health and Rehab Center comprises 23.3 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Overton 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 \$79,796, which is 2.87 percent of covered payroll. In addition, employer contributions of \$30,292, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$40,630) 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 .134126 percent. The proportion as of June 30, 2021, was .120888 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$56,767.

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	\$ 2,222	\$ 24,685
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,807	0
Changes in Assumptions	47,596	0
Changes in Proportion of Net Pension Liability (Asset)	2,939	10,969
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	79,796	N/A
Total	<u>\$ 145,360</u>	<u>\$ 35,654</u>

The school department's employer contributions of \$79,796, 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	\$ 278
2025	409
2026	(1,696)
2027	20,611
2028	1,699
Thereafter	8,609

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

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

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and 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	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		<u>100 %</u>

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 213,285 \$ (40,630) \$ (226,066)

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 Overton 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 Overton County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$997,336 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 (\$4,105,493) 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 .334758 percent. The proportion measured at June 30, 2021, was .333730 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$18,318.

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	\$ 675,338	\$ 693,704
Changes in Assumptions	2,571,894	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	70,202	0
Changes in Proportion of Net Pension Liability (Asset)	4,195	40,536
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	997,336	N/A
Total	<u>\$ 4,318,965</u>	<u>\$ 734,240</u>

The school department's employer contributions of \$997,336 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	\$ 392,276
2025	748,064
2026	(719,826)
2027	2,166,876
2028	0
Thereafter	0

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

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

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

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

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

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

School Department's 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) \$ 8,131,567 \$ (4,105,493) \$ (14,298,151)

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**

Primary Government

Overton County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Discretely Presented Overton County School Department

The discretely presented Overton County School Department offers its employees two deferred compensation plans, each established pursuant to IRC Section 403(b). All costs of administering and funding these programs are 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 Section 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 \$128,669 and teachers contributed \$105,877 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Overton County and the discretely presented Overton 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 meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Overton County and the Overton 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 employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The retirees of the Overton County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	LGPs and LEP- 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 in the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

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

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption 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 Plans (Primary Government)

Plan Description. Employees of Overton County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through 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. Overton 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. Overton County provides a direct subsidy equal to that of active employee for retirees who are at least 55 years old, who worked for the county for ten years, and who had health insurance with the county at least three years.

Employees Covered by Benefit Terms

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

	Overton County	Hwy Dept	Total
Inactive Employees Currently Receiving Benefit Payments	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0	0	0
Active Employees Eligible for Benefits	133	20	153
Total	133	20	153

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 \$10,333 (Overton County - \$7,927, Highway Dept - \$2,406) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Overton County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2021	\$ 782,980	\$ 293,906	\$ 1,076,886
Changes for the Year:			
Service Cost	\$ 109,508	\$ 38,841	\$ 148,349
Interest	19,224	7,144	26,368
Changes of Benefit Terms	105,268	97	105,365
Difference between Expected and Actuarial Experience	(77,983)	(9,386)	(87,369)
Changes in Assumption and Other Inputs	(87,576)	(28,824)	(116,400)
Benefit Payments	(4,968)	(4,058)	(9,026)
Net Changes	\$ 63,473	\$ 3,814	\$ 67,287
Balance June 30, 2022	\$ 846,453	\$ 297,720	\$ 1,144,173

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized OPEB expense of \$268,908 (Overton County - \$223,914, Highway Dept - \$44,994). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DO - County \$10,107, Hwy \$0) (DI - County \$124,003, Hwy \$24,111)	\$ 10,107	\$ 148,114
Changes of Assumptions/Inputs (DO - County \$144,259, Hwy \$46,799) (DI - County \$80,180, Hwy \$25,552)	191,058	105,732
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2022 (DO - County \$7,927 Hwy \$2,406)	10,333	0
Total	\$ 211,498	\$ 253,846

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	County	Hwy	Total Amount
2024	\$ (10,086)	\$ (1,088)	\$ (11,174)
2025	(10,086)	(1,088)	(11,174)
2026	(10,086)	207	(9,879)
2027	(2,205)	1,552	(653)
2028	658	2,188	2,846
Thereafter	(18,012)	(4,635)	(22,647)

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>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
County	\$ 902,168	\$ 846,453	\$ 793,441
Hwy	317,075	297,720	279,369
Total OPEB Liability	<u>\$ 1,219,243</u>	<u>\$ 1,144,173</u>	<u>\$ 1,072,810</u>

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>				
	1%		Current	
	Decrease		Trend Rates	
	7.37 to 3.5%		8.37 to 4.5%	
			1%	
			Increase	
			9.37 to 5.5%	
County	\$	761,267	\$	846,453
Hwy		269,412		297,720
Total OPEB Liability	\$	1,030,679	\$	1,144,173
			\$	1,275,088

Tennessee Plan – Medicare (Primary Government)

Plan Description. Employees of Overton County and the Overton County Highway Department who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan – Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan was closed to the employees of all participating employers that were hired on or after July 1, 2015. The county and highway department's total OPEB liability for the TNM Plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Overton County provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

	Overton County	Hwy Dept.	Total
Inactive Employees Currently Receiving Benefit Payments	8	0	8
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	8	0	8
Active Employees Eligible for Benefit Payments	107	16	123
Total	123	16	139

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2023, the county paid \$2,211 (\$2,178 county and \$33 highway department) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Overton County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2021	\$ 146,785	\$ 16,089	\$ 162,874
Changes for the Year:			
Service Cost	\$ 7,947	\$ 813	\$ 8,760
Interest	3,321	365	3,686
Difference between Expected and Actuarial Experience	(2,236)	513	(1,723)
Changes in Assumption and Other Inputs	(29,519)	(3,324)	(32,843)
Benefit Payments	(1,983)	(10)	(1,993)
Net Changes	\$ (22,470)	\$ (1,643)	\$ (24,113)
Balance June 30, 2022	\$ 124,315	\$ 14,446	\$ 138,761

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized (negative) net OPEB expense of (\$38,429) [(\$38,860) county and \$431 highway department].

At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience		
DO (Overton County \$0, Hwy \$593)		
DI (Overton County \$194,193, Hwy \$827)	\$ 593	\$ 195,020
Changes of Assumptions/Inputs		
DO (Overton County \$26,548, Hwy \$2,436)	28,984	79,204
DI (Overton County \$71,910, Hwy \$7,294)		
Net Difference Between Projected and Benefits Paid After the Measurement Date of June 30, 2022		
DO (Overton County \$2,178 Hwy \$33)	2,211	0
Total	\$ 31,788	\$ 274,224

The amounts 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	County	Hwy	Total Amount
2024	\$ (50,128)	\$ (747)	\$ (50,875)
2025	(50,128)	(747)	(50,875)
2026	(50,128)	(747)	(50,875)
2027	(38,641)	(747)	(39,388)
2028	(32,101)	(813)	(32,914)
Thereafter	(18,429)	(1,291)	(19,720)

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

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

<u>Discount Rate</u>		Current Discount Rate	
	1% Decrease 2.54%		1% Increase 4.54%
Overton County	\$ 144,901	\$ 124,315	\$ 107,330
Hwy Dept.	16,770	14,446	12,504
Total OPEB Liability	<u>\$ 161,671</u>	<u>\$ 138,761</u>	<u>\$ 119,834</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

Plan Description. Employees of the Overton 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 Overton County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Overton County does not provide a direct subsidy and is only subject to the implicit subsidy. 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 for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	28
Inactive Employees Entitled to But not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefit Payments	<u>291</u>
Total	<u><u>319</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$195,554 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Overton County	State of	Total OPEB
	School Department	TN	
	64.1%	35.9%	Liability
Balance July 1, 2021	\$ 5,005,650	\$ 2,510,959	\$ 7,516,609
Changes for the Year:			
Service Cost	\$ 247,113	\$ 138,398	\$ 385,511
Interest	107,735	60,339	168,074
Difference between Expected and Actuarial Experience	410,436	229,870	640,306
Change in Proportion	(187,733)	187,733	0
Changes in Assumption and Other Inputs	(513,960)	(287,849)	(801,809)
Benefit Payments	(155,829)	(87,274)	(243,103)
Net Changes	\$ (92,237)	\$ 241,216	\$ 148,979
Balance June 30, 2022	\$ 4,913,413	\$ 2,752,175	\$ 7,665,588

The Overton 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 Overton 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 \$273,957 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees.

During the year, the Overton County School Department's proportionate share of the collective OPEB liability was 64.1% and the State of Tennessee's share was 35.9%.

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 \$723,420, 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	\$ 800,760	\$ 44,442
Changes of Assumptions	591,824	680,449
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	178,760	293,042
Benefits Paid After the Measurement Date of June 30, 2022	195,554	0
Total	<u>\$ 1,766,898</u>	<u>\$ 1,017,933</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	\$ 94,632
2025	94,632
2026	94,632
2027	94,632
2028	107,253
Thereafter	67,630

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

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

<u>Discount Rate</u>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the
Collective Total OPEB Liability \$ 5,286,160 \$ 4,913,413 \$ 4,560,414

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 7.37 to 3.5%	Curent Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the
Collective Total OPEB Liability \$ 4,412,143 \$ 4,913,413 \$ 5,493,725

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Overton County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and

also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Overton County School Department provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	95
Inactive Employees Entitled to But not Yet Receiving Benefit Payments	38
Active Employees Eligible for Benefit Payments	<u>312</u>
Total	<u><u>445</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2023, the school department paid \$9,001 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability			
	Overton County	State of		
	School Department	TN		Total OPEB
	17.13%	82.87%		Liability
Balance July 1, 2021	\$ 273,875	\$ 1,161,205	\$	1,435,080
Changes for the Year:				
Service Cost	\$ 6,235	\$ 30,161	\$	36,396
Interest	5,349	25,879		31,228
Difference between Expected and Actuarial Experience	(6,429)	(31,104)		(37,533)
Changes in Proportion	(28,032)	28,032		0
Changes in Assumption and Other Inputs	(40,674)	(196,768)		(237,442)
Benefit Payments	(8,872)	(42,918)		(51,790)
Net Changes	\$ (72,423)	\$ (186,718)	\$	(259,141)
Balance June 30, 2022	\$ 201,452	\$ 974,487	\$	1,175,939

The Overton County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Overton 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 is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$144,574 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Overton County School Department's proportionate share of the collective OPEB liability was 17.13 percent and the State of Tennessee's share was 82.87 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 (negative expense) of (\$3,599) including the state's share of the OPEB 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	\$ 6,945	\$ 26,927
Changes of Assumptions	45,506	72,456
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	171,482	557,547
Benefits Paid After the Measurement Date of June 30, 2022	<u>9,001</u>	<u>0</u>
Total	<u>\$ 232,934</u>	<u>\$ 656,930</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	\$ (159,758)
2025	(159,758)
2026	(89,931)
2027	2,423
2028	(21,578)
Thereafter	(4,395)

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 TNM, 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 1-percentage-point lower or 1-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 \$ 229,818 \$ 201,452 \$ 177,994

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Overton County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

J. Purchasing Laws

Offices of County Executive and Highway Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the highway department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. In addition, the county commission adopted the provisions of 12-3-1212, *TCA*. These statutes provide for the purchasing agent to make all purchases for these departments, with purchases exceeding \$25,000 to be made on the basis of competitive bids solicited through public advertisement. The county executive serves as purchasing agent for Overton County.

Office of Director of Schools

Purchasing procedures for the discretely presented Overton County School Department are governed by purchasing laws applicable to the 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 the chairman of the Board of Education), to make all purchases. Furthermore, the Board of Education adopted the provisions of Section 12-3-1212, *TCA*. This

statute requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

VI. OTHER NOTES – DISCRETELY PRESENTED OVERTON COUNTY HEALTH AND REHAB CENTER

A. Summary of Significant Accounting Policies

This summary of significant accounting policies of Overton County Health and Rehab Center is presented to assist in understanding the center's financial statements. The financial statements and notes are representations of the center's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Organization

Overton County Health and Rehab Center is a nonprofit corporation chartered under the laws of the State of Tennessee on April 5, 1962, operating as a political subdivision of Overton County, Tennessee (the county). The purpose of the center is to provide nursing care to residents primarily from the Overton County area. The corporation is managed by a board of five directors who are county commissioners, appointed by the Overton County Commission.

Financial Reporting Entity – Component Unit

The center is a component unit of the primary government of Overton County, Tennessee. The center reports its financial information separately from Overton County; however, the county in its financial report also presents the center's financial information.

Legally, the center is a separate nonprofit entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the county's Board of Commissioners, and the county is contingently liable for all of the center's debt obligations, the center cannot be a primary government. Instead, it qualifies as a component unit according to the directives of the Governmental Accounting Standards Board (GASB).

The GASB specifies that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. Overton County Health and Rehab Center may not issue debt without Overton County, Tennessee's approval, and the county remains contingently liable for all debt obligations. Because the center is both a legal entity and financially accountable to the primary government of Overton County as the county commission appoints all members of the governing board and by the nature of

its fiscal dependence on Overton County as described above, it is a component unit of Overton County, Tennessee.

At June 30, 2023, there was an amount due to Overton County. This is described in detail in Note VI.J. The center did not engage in any other activities that were subject to the approval of Overton County.

Basis of Presentation

The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

As a component unit of Overton County, the accounts of the center are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the center's assets, liabilities, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity, or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the center is determined by its measurement focus. The transactions of the center are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) is segregated into net investment in capital assets, restricted for pensions, and unrestricted components.

When both restricted and unrestricted resources are available for use, it is the center's policy to use restricted resources first and then unrestricted resources as they are needed.

Cash Flow - Cash and Cash Equivalents

Overton County Health and Rehab Center presents its cash flow statement using the direct method. For purposes of cash flow presentation, the center considers cash in operating bank accounts, cash on hand, and certificates of deposit that have original maturities of three months or less as cash and cash equivalents. At June 30, 2023, there were no certificates of deposit that qualified as cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount that the center expects to collect from outstanding balances. The center provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful accounts was \$49,599 at June 30, 2023. Account balances are charged against the allowance after reasonable collection efforts have been exhausted and the potential for recovery is considered remote.

Net Patient Revenue

Gross patient revenue is recorded on an accrual basis based on services rendered at amounts equal to established rates. Allowances for contractual adjustments are recorded for the differences between established rates and amounts estimated to be paid by the Medicare and Medicaid programs and other third-party payors. Contractual adjustments are deducted from gross patient revenue to determine net patient revenue. Amounts paid under the Medicare and Medicaid programs are generally based on fixed rates per patient day, adjusted prospectively. All amounts earned under the Medicare, Medicaid, and other governmental programs are subject to review by the third-party payors. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

Property and Equipment

Property and equipment are stated at cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Purchases of assets with useful lives greater than one year and costing more than \$1,000 are capitalized. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. The center estimates the useful lives of the respective classes of plant and equipment as follows:

<u>Assets</u>	<u>Years</u>
Land and Improvements	5 - 20
Buildings and Improvements	5 - 50
Transportation Equipment	4 - 5
Equipment	3 - 25

Maintenance and repairs are charged to operations when incurred. The center eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income.

Accrued Vacation

Employees of the center earn vacation by a prescribed formula based on length of service. Employees of the center accrue vacation pay when earned.

Pensions

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

Other Postemployment Benefit (OPEB) Plans

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

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) until then. The center has items that qualify for reporting in this category. These items include pension differences between expected and actual experience, pension changes in assumptions, the net difference between projected and actual earnings on pension plan investments, and employer contributions to the pension plan after the measurement date. In addition, OPEB differences between expected and actual experience, OPEB changes in assumptions, and employer payment for the OPEB plans after the measurement date are included in deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The center has items that qualify for reporting in this category. These items include pension differences between

expected and actual experience. In addition, the center had OPEB differences between actual and expected experience and OPEB changes in assumptions that are included in deferred inflows of resources.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Internal Revenue Service has determined that the center is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

Operating Revenues and Expenses

The center's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

Implementation of GASB Statement No. 96

During the fiscal year ended June 30, 2023, the center implemented GASB Statement 96, *Subscription-Based Information Technology Agreements*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. As a result of implementing this standard, the center recognized a SBITA asset and liability in the amount of \$219,562 as of July 1, 2022. The additional disclosures required by this standard are included in Notes IV D, J, and M.

B. Cash and Certificates of Deposit

The center does not have a formal policy regarding types of investments authorized. State statutes authorize the center to make investments in bonds, notes, or treasury bills of the United States, Federal Loan Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks or cooperative debentures, or any of its other

agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2023, the board of directors chose to limit the investment of funds to demand deposits and certificates of deposit accounts at banking institutions.

At June 30, 2023, the carrying amount of cash deposits, including patient funds, plus petty cash of \$199 was \$688,923, and the bank balance was \$757,315. At June 30, 2023, the carrying amount of the certificate of deposit was \$2,164,546, and the bank balance was \$2,164,546.

For deposits with financial institutions, the center follows state statutes which require pledged collateral with a fair value equal to 105 percent of the funds on deposit, less insured amounts. At June 30, 2023, the entire bank balance was covered by federal depository insurance, or pledged securities held as collateral in another institution in the name of the center.

C. Patient Funds Held in Trust

At June 30, 2023, the center held funds totaling \$8,753 on behalf of the residents. The center is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the center for patient care, provided the amount does not include monies stipulated for patients' use only. All funds in excess of \$100 per recipient are required to be placed in an insured interest-bearing account.

In accordance with recent accounting guidance, GASB 84, *Fiduciary Activities*, the center has elected to report these patient funds as assets of the center with a corresponding center liability, as most of the assets upon receipt, are normally expected to be held for three months or less. In addition, management considers the funds to be immaterial.

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Total Capital Assets Not Depreciated	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Capital Assets Depreciated:				
Land/Improvements	\$ 109,178	\$ 0	\$ 0	\$ 109,178
Buildings/Improvements	15,917,947	18,256	0	15,936,203
Transportation Equipment	33,576	0	0	33,576
Equipment	1,116,355	22,206	(14,290)	1,124,271
Total Capital Assets Depreciated	\$ 17,177,056	\$ 40,462	\$ (14,290)	\$ 17,203,228
Less Accumulated Depreciation For:				
Land/Improvements	\$ 68,492	\$ 7,179	\$ 0	\$ 75,671
Buildings/Improvements	3,510,537	413,238	0	3,923,775
Transportation Equipment	33,576	0	0	33,576
Equipment	861,642	44,548	(14,290)	891,900
Total Accumulated Depreciation	\$ 4,474,247	\$ 464,965	\$ (14,290)	\$ 4,924,922
Intangible Right-to-Use Assets:				
SBITA	\$ 0	\$ 219,562	\$ 0	\$ 219,562
Less:Accumulated Amortization - SBITA	0	(14,637)	0	(14,637)
Net Intangible Right-to-Use Assets	\$ 0	\$ 204,925	\$ 0	\$ 204,925
Total Capital Assets Depreciated, Net	\$ 12,702,809	\$ (219,578)	\$ 0	\$ 12,483,231
Business-type Activities Capital Assets, Net	\$ 12,817,809	\$ (219,578)	\$ 0	\$ 12,598,231

E. Concentration of Credit Risk

The center grants credits without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows:

Medicare	36.07	%
Medicaid	33.81	
Insurance	24.15	
Private	5.97	

F. Pension Plan

Plan Description. Employees of Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (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>. Since Overton County Health and Rehab Center is a component unit of Overton County and does not have its own distinct agent multiple-employer pension plan, the plan is treated as a cost-sharing plan for purposes of Overton County Health and Rehab Center's stand-alone financial statements.

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 non-service-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.

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. Overton County Health and Rehab Center 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 Overton County Health and Rehab Center were \$237,071 based on a rate of 6.88 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Overton County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution 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), Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. At June 30, 2022, Overton County Health and Rehab Center reported a liability of \$136,225 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate net pension asset was determined by an actuarial valuation as of that date. Overton County Health and Rehab Center's proportion of the net pension asset was based on a projection of Overton County Health and Rehab Center's contributions to the pension plan relative to the contributions of all participating entities. At the measurement date of June 30, 2022, Overton County Health and Rehab Center's proportion was 23.3 percent. The proportion measured as of June 30, 2021, was 23.27 percent.

Pension Expense. For the year ended June 30, 2023, Overton County Health and Rehab Center recognized pension expense of \$207,710.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, Overton County Health and Rehab Center 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	\$ 195,675	\$ 13,158
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	24,193	0
Changes in Assumptions	524,571	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	237,071	N/A
Total	<u>\$ 981,510</u>	<u>\$ 13,158</u>

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

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	\$ 158,075
2025	174,138
2026	135,066
2027	264,002
2028	0
Thereafter	0

In the table shown 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 historical market returns was used in a building-block method in which a best estimate of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of 2.25 percent. The best estimate 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 three 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 Overton County Health and Rehab Center will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Overton County Health and Rehab Center's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Overton County Health and Rehab Center's proportionate share of the net pension liability (asset) would be if it was 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 Discount Rate	1%
Overton County Health and Rehab Center	Decrease 5.75%	6.75%	Increase 7.75%
<hr/>			
Net Pension Liability (Asset)	\$ 1,570,854	\$ 136,225	\$ (1,038,720)

Payable to the Pension Plan. At June 30, 2023, Overton County Health and Rehab Center reported a payable of \$44,048 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

G. Risk Management

Risks related to the operation of the center are managed through the purchase of commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage for the current year or for the prior five years.

H. Health Care Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the center is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

I. Professional Liability Claims and Insurance

The long-term health care industry has experienced a dramatic increase in personal injury and wrongful death claims based on alleged negligence by the center and its employees in providing care to residents. The center is subject to claims and suits, which arise in the ordinary course of business. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for through commercial insurance.

J. Due to Primary Government

On February 13, 2012, Overton County, Tennessee, passed a resolution to issue general obligations bonds in the aggregate principal amount of \$4,150,000, for the purpose of financing land acquisition, design, and site development for the construction and equipping of a health and rehab facility of the county. The facility was completed in the year ended June 30, 2016. The bonds, known as the General Obligation Bonds, Series 2012, were issued May 9, 2012, and are payable from unlimited ad valorem taxes to be levied on all taxable property within the county. The bonds are additionally payable from, although not secured by, revenues of the center. The full faith and credit of the county is irrevocably pledged for the payment of principal and interest on the bonds.

It is the intent of the center to repay the county bonds from revenues from the center. Therefore, the center has a due to the primary government in the exact amount of the balance of the bonds at June 30, 2023. The county has a liability for the bonds on the county's books with a corresponding amount due from the center. The center is repaying the indebtedness to the county in the form of payments on the bonds to U.S. Bank National Association according to the terms of the bonds. The bonds have a maturity date of April 1, 2033, and bear fixed interest rates ranging from one percent to 3.125 percent.

Interest expense incurred on the bonds for the year ended June 30, 2023, was \$66,629.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 195,000	\$ 63,238
2025	200,000	58,606
2026	205,000	53,606
2027	215,000	48,481
2028	220,000	42,838
2029-2033	1,225,000	113,988
Total	<u>\$ 2,260,000</u>	<u>\$ 380,757</u>

On April 10, 2017, Overton County, Tennessee, passed a resolution to issue general obligation bonds in the aggregate principal amount of not to exceed \$5,110,000, for the purpose of financing, in whole or in part, the (i) construction, renovation, and equipping of nursing home facility (the "center") of the county; (ii) payment of legal, fiscal, administrative, architectural, and engineering costs incident to the foregoing; (iii) reimbursement to the county for funds previously expended for any of the foregoing; and (iv) payment of costs incident to the issuance and sale of the bonds authorized herein. The bonds, known as the General Obligation Bonds, Series 2017, were issued June

20, 2017, in the amount of \$4,965,000 and are payable from unlimited ad valorem taxes to be levied on all taxable property within the county. The bonds are additionally payable from, although not secured by, revenues of the center. The full faith and credit of the county are irrevocably pledged for the payment of principal and interest on the bonds. Funds needed for the payment of the bonds may be reduced by revenues of the center.

It is the intent of the center to repay the county bonds from revenues from the center. Therefore, the center has a due to primary government (the “county”) in the exact amount of the balance of the bonds at June 30, 2023. The county has a liability for the bonds on the county’s books with a corresponding amount due from the center. The center is repaying the indebtedness to the county in the form of payments on the bonds to U.S. Bank National Association according to terms of the bonds. The bonds have a maturity date of April 1, 2042, and bear fixed interest rates ranging from 2.5 percent to 3.25 percent.

Interest expense incurred on the bonds for the year ended June 30, 2023, was \$131,032.

The annual debt service requirements to maturity related to the Overton County General Obligation Bonds, Series 2017 are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 165,000	\$ 127,313
2025	175,000	122,362
2026	180,000	117,113
2027	185,000	111,712
2028	190,000	106,162
2029-2033	1,025,000	453,488
2034-2038	1,180,000	292,913
2039-2042	1,090,000	89,863
Total	<u>\$ 4,190,000</u>	<u>\$ 1,420,926</u>

Changes in long-term debt for the year ended June 30, 2023, was as follows:

	Balance 7-1-22	Reductions	Balance 6-30-23	Due Within One Year
Due to Primary Government:				
Series 2012	\$ 2,450,000	\$ 190,000	\$ 2,260,000	\$ 195,000
Series 2017	4,355,000	165,000	4,190,000	165,000
Total Debt	<u>\$ 6,805,000</u>	<u>\$ 355,000</u>	<u>\$ 6,450,000</u>	<u>\$ 360,000</u>

Changes in other long-term liabilities for the year ended June 30, 2023, was as follows:

	Balance 7-1-22	Additions	Reductions	Balance 6-30-23	Due Within One Year
Other Post-employment Benefits Liability	\$ 124,147	\$ 81,359	\$ 104,803	\$ 100,703	\$ 0
SBITA Liabilities	-	219,562	12,540	207,022	12,379
Total Long-term Obligations	\$ 124,147	\$ 300,921	\$ 117,343	\$ 307,725	\$ 12,379

K. Other Postemployment Benefits (OPEB)

Employees of the Overton County Health and Rehab Center are provided pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGP), and employees hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP), both administered by the Tennessee Department of Finance and Administration. The following is a summary of each of these plans:

Local Government OPEB Plan

Plan Description. Employees of the Overton County Health and Rehab Center are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. The center offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, *Tennessee Code Annotated*, establishes and amends the benefit terms of the LGP. 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 LGP, receives 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. The center does not provide a direct subsidy and is only subject to the implicit subsidy. The LGP is funded on a pay-as-you-go basis and

there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

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

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to But not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefit Payments	<u>70</u>
Total	<u><u>70</u></u>

An insurance committee, created in accordance with Section 8-27-701, *Tennessee Code Annotated*, establishes the required payments to the LGP 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 center paid \$497 to the LGP for OPEB benefits as they came due.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Graded Salary ranges from 3.44 to 8.72% based on age, including, inflation, averaging four percent
Discount Rate	3.54%
Healthcare Cost Trend Rates	8.37% for pre-65 in 2022, decreasing annually over a 7-year period to an ultimate rate of 4.5%. 8.99% for post-65 in 2022, decreasing annually over a 8-year period to an ultimate rate of 4.5%.
Retirees' Share of Benefit Related Cost	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used with weights derived from the current distribution of members among plans offered.

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 general employees for non-disabled post-retirement mortality, with mortality improvement projected generally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a six percent load for males and a 14 percent load for females projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.54 percent. This rate reflects the interest rate derived from yields to 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-year Municipal GO AA index.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 91,033
Changes for the Year:	
Service Cost	\$ 9,939
Interest	2,178
Difference between Expected and Actuarial Experience	(3,848)
Changes in Assumption and Other Inputs	(29,646)
Benefit Payments	(287)
Net Changes	<u>\$ (21,664)</u>
Balance June 30, 2022	<u>\$ 69,369</u>

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 assumptions decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the center recognized OPEB expense of \$69. At June 30, 2023, the center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 25,560
Changes of Assumptions	10,405	45,096
Net Difference Between Projected and Benefits Paid after the Measurement Date	<u>497</u>	<u>0</u>
Total	<u><u>\$ 10,902</u></u>	<u><u>\$ 70,656</u></u>

The amounts shown above for “employer payments subsequent to the measurement date” will be recognized as a reduction to total 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	
2024	\$ (12,048)
2025	(12,048)
2026	(11,518)
2027	(8,535)
2028	(8,051)
Thereafter	(8,051)

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 center 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 discount rate:

<u>Discount Rate</u>			
	1%	Current	1%
	Decrease	Discount	Increase
	2.54%	Rate	4.54%
		3.54%	
<hr/>			
Total OPEB Liability	\$ 75,344	\$ 69,369	\$ 63,834

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the center 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 healthcare cost trend rate:

<u>Healthcare Cost Trend Rate</u>			
	1%	Current	1%
	Decrease	Trend	Increase
	7.37 to 7.99%	Rates	9.37 to 9.99%
	decreasing to 3.5%	8.37 to 8.99%	decreasing to 5.5%
		decreasing to 4.5%	
<hr/>			
Total OPEB Liability \$	61,158	\$ 69,369	\$ 79,051

Closed Tennessee Plan

Plan Description. Employees of Overton County Health and Rehab Center who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered a multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes this plan will be treated as a single-employer plan. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNP does not include pharmacy. In accordance with Section 8-27-209, *Tennessee Code Annotated (TCA)*, benefits of the TNP are established and amended by cooperation of insurance committees created by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and

also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The center provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in trust that meet the criteria of paragraph 4 of GAST Statement No. 75.

Employees Covered by Benefit Terms

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

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	2
Inactive Employees Entitled to But not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefit Payments	<u>36</u>
Total	<u><u>38</u></u>

In accordance with Section 8-27-209, *Tennessee Code Annotated (TCA)*, the state insurance committees established by Sections 8-27-201, 8-27-301, and 8-27-701, (*TCA*), determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the center paid \$465 to the TNP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 33,114
Changes for the Year:	
Service Cost	\$ 1,947
Interest	757
Difference between Expected and Actuarial Experience	4,315
Changes in Assumption and Other Inputs	(8,760)
Benefit Payments	(39)
Net Changes	<u>\$ (1,780)</u>
Balance June 30, 2022	<u><u>\$ 31,334</u></u>

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 assumptions decreased the total OPEB liability.

OPEB Expense. For the year ended June 30, 2023, the center recognized OPEB expense of \$37,504.

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2023, the center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 44,794	\$ 284,905
Changes of Assumptions/Inputs	41,092	18,961
Employer Payments Subsequent to the Measurement Date	<u>465</u>	<u>0</u>
Total	<u><u>\$ 86,351</u></u>	<u><u>\$ 303,866</u></u>

The amounts shown above for “employer payments subsequent to the measurement date” will be recognized as a reduction to total OPEB liability in the following measurement period.

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

<u>Year Ending June 30</u>	<u>County</u>
2024	\$ (40,208)
2025	(38,148)
2026	(31,636)
2027	(40,281)
2028	(44,290)
Thereafter	(23,417)

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 center 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>			<u>Current Discount Rates</u>		
	1% Decrease 2.54%			1% Increase 4.54%	
Total OPEB Liability	\$ 37,412	\$	31,334	\$	26,436

L. Operating Lease

The center had an operating lease for therapy equipment that began in the prior year. The lease is for one year and will automatically renew for successive periods of one year unless either party provides written notice of termination 60 days prior to the automatic renewal date. Since both the lessee and the lessor have the option to terminate the lease without permission from either party, the cancellable period is excluded from the lease term, and this remains a short-term lease for GASB 87 purposes. Rental expense for this lease totaled \$18,950 for the year ended June 30, 2023.

M. Subscription-Based Information Technology Arrangements (SBITA)

The center implemented GASB Statement No. 96 during the year ended June 30, 2023. Due to this implementation, the center's arrangement for the use of accounting software entered into in a prior year met the criteria of a SBITA. As a result, an intangible right-to-use asset and a SBITA liability were

recorded in the amount of \$219,562 as of July 1, 2022, the date of implementation.

The accounting software arrangement is considered effective until terminated. It is estimated that this software will be used for the next fifteen years. The center has used a 2.65% discount rate to determine the present value of the intangible right-to-use asset and SBITA liability. This asset will be amortized over the estimated term of fifteen years. Amortization in the amount of \$14,637 was reported in the Statement of Revenues, Expenditures, and Changes in Fund Net Position for the year ended June 30, 2023. In addition, interest expense in the amount of \$5,176 was reported during the year ended June 30, 2023. The intangible right-to-use asset in the amount of \$219,562, the related accumulated amortization in the amount of \$14,637, and the SBITA liability in the amount of \$207,022 were reported in the Statement of Net Position as of June 30, 2023. See Notes IV A., D., and J. for additional information.

The annual principal and interest requirements of the SBITA liability to maturity are as follows:

Year Ending June 30	Principal	Interest
2024	\$ 12,379	\$ 5,336
2025	12,711	5,004
2026	13,052	4,663
2027	13,402	4,313
2028	13,762	3,954
2029-2033	74,548	14,030
2034-2037	67,168	3,696
Total	<u>\$ 207,022</u>	<u>\$ 40,996</u>

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 821,188	\$ 873,441	\$ 869,285	\$ 963,413	\$ 1,023,158	\$ 1,091,342	\$ 1,100,415	\$ 1,102,174	\$ 1,254,455
Interest	1,736,406	1,777,058	1,915,961	1,984,413	2,100,957	2,213,415	2,323,783	2,466,101	2,696,026
Differences Between Actual and Expected Experience	(994,065)	296,202	(827,796)	85,227	(289,955)	(282,351)	62,577	17,901	1,005,043
Changes in Assumptions	0	0	0	648,060	0	0	0	3,752,296	0
Benefit Payments, Including Refunds of Employee Contributions	(1,076,371)	(1,071,132)	(1,109,892)	(1,167,868)	(1,274,081)	(1,428,330)	(1,589,980)	(1,461,074)	(1,668,580)
Net Change in Total Pension Liability	\$ 487,158	\$ 1,875,569	\$ 847,558	\$ 2,513,245	\$ 1,560,079	\$ 1,594,076	\$ 1,896,795	\$ 5,877,398	\$ 3,286,944
Total Pension Liability, Beginning	22,869,076	23,356,234	25,231,803	26,079,361	28,592,606	30,152,685	31,746,761	33,643,556	39,520,954
Total Pension Liability, Ending (a)	\$ 23,356,234	\$ 25,231,803	\$ 26,079,361	\$ 28,592,606	\$ 30,152,685	\$ 31,746,761	\$ 33,643,556	\$ 39,520,954	\$ 42,807,898
Plan Fiduciary Net Position									
Contributions - Employer	\$ 557,965	\$ 537,490	\$ 573,760	\$ 581,712	\$ 606,389	\$ 646,082	\$ 637,631	\$ 657,921	\$ 711,967
Contributions - Employee	515,219	496,759	532,213	547,104	561,743	619,920	587,516	608,061	683,826
Net Investment Income	3,591,187	778,022	689,545	3,017,854	2,451,687	2,368,897	1,680,589	9,092,406	(1,685,792)
Benefit Payments, Including Refunds of Employee Contributions	(1,076,371)	(1,071,132)	(1,109,892)	(1,167,868)	(1,274,081)	(1,428,330)	(1,589,980)	(1,461,074)	(1,668,580)
Administrative Expense	(15,473)	(19,883)	(30,836)	(35,061)	(40,254)	(38,443)	(36,796)	(36,603)	(40,870)
Other	0	0	3,500	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 3,572,527	\$ 721,256	\$ 658,290	\$ 2,943,741	\$ 2,305,484	\$ 2,168,126	\$ 1,278,960	\$ 8,860,711	\$ (1,999,449)
Plan Fiduciary Net Position, Beginning	21,713,597	25,286,124	26,007,380	26,665,670	29,609,411	31,914,895	34,083,021	35,361,981	44,222,692
Plan Fiduciary Net Position, Ending (b)	\$ 25,286,124	\$ 26,007,380	\$ 26,665,670	\$ 29,609,411	\$ 31,914,895	\$ 34,083,021	\$ 35,361,981	\$ 44,222,692	\$ 42,223,243
Net Pension Liability (Asset), Ending (a - b)	\$ (1,929,890)	\$ (775,577)	\$ (586,309)	\$ (1,016,805)	\$ (1,762,210)	\$ (2,336,260)	\$ (1,718,425)	\$ (4,701,738)	\$ 584,655
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.26%	103.07%	102.25%	103.56%	105.84%	107.36%	105.11%	111.90%	98.63%
Covered Payroll	\$ 10,089,798	\$ 9,935,118	\$ 10,605,526	\$ 10,752,516	\$ 11,208,669	\$ 11,942,343	\$ 11,787,725	\$ 12,068,413	\$ 12,869,768
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.13)%	(7.81)%	(5.53)%	(9.46)%	(15.72)%	(19.56)%	(14.58)%	(38.96)%	4.54%

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 557,965	\$ 537,490	\$ 573,760	\$ 581,712	\$ 606,389	\$ 646,082	\$ 594,023	\$ 612,925	\$ 663,275	\$ 1,024,229
Less: Contributions in Relation to the Actuarially Determined Contribution	(557,965)	(537,490)	(573,760)	(581,712)	(606,389)	(646,082)	(637,631)	(657,921)	(711,967)	(1,024,229)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (43,608)	\$ (44,996)	\$ (48,692)	\$ 0
Covered Payroll	\$ 10,089,798	\$ 9,935,118	\$ 10,605,526	\$ 10,752,516	\$ 11,208,669	\$ 11,942,343	\$ 11,787,725	\$ 12,068,413	\$ 12,869,768	\$ 14,970,503
Contributions as a Percentage of Covered Payroll	5.53%	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%	5.45%	5.53%	6.84%

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 9,956	\$ 21,305	\$ 33,615	\$ 41,215	\$ 25,141	\$ 30,454	\$ 35,243	\$ 46,039	\$ 79,796
Less: Contributions in Relation to the Contractually Required Contribution	(9,956)	(21,305)	(33,615)	(41,215)	(25,141)	(30,454)	(35,243)	(46,039)	(79,796)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 248,908	\$ 532,620	\$ 840,382	\$ 1,024,778	\$ 1,295,946	\$ 1,500,192	\$ 1,738,550	\$ 2,281,503	\$ 2,780,338
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.02%	1.94%	2.03%	2.03%	2.02%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%
2023: Pension - 2.87%, SRT - 1.13%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,053,143	\$ 1,057,677	\$ 1,029,362	\$ 1,004,390	\$ 1,006,914	\$ 1,163,916	\$ 1,153,927	\$ 1,124,932	\$ 1,134,719	\$ 997,336
Less: Contributions in Relation to the Contractually Required Contribution	(1,053,143)	(1,057,677)	(1,029,362)	(1,004,390)	(1,006,914)	(1,163,916)	(1,153,927)	(1,124,932)	(1,134,719)	(997,336)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 11,859,720	\$ 11,699,966	\$ 11,386,739	\$ 11,110,501	\$ 11,094,929	\$ 11,127,307	\$ 10,855,382	\$ 10,879,410	\$ 10,898,365	\$ 11,476,817
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.34%	10.41%	8.69%

Exhibit E-5

Overton County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Overton 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)	0.117325%	0.121048%	0.128041%	0.117908%	0.122466%	0.118881%	0.120888%	0.134126%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,819)	\$ (12,601)	\$ (33,781)	\$ (53,475)	\$ (69,130)	\$ (67,601)	\$ (130,948)	\$ (40,630)
Covered Payroll	\$ 248,908	\$ 532,620	\$ 840,382	\$ 1,024,778	\$ 1,295,946	\$ 1,500,192	\$ 1,738,550	\$ 2,281,503
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.22)%	(5.33)%	(4.51)%	(7.53)%	(1.78)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit E-6

Overton County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Overton 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)	0.302159%	0.312541%	0.315440%	0.314304%	0.316687%	0.331847%	0.326158%	0.333730%	0.334758%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (49,099)	\$ 128,027	\$ 1,971,325	\$ (102,835)	\$ (1,114,396)	\$ (3,411,984)	\$ (2,487,196)	\$ (14,394,558)	\$ (4,105,493)
Covered Payroll	\$ 11,859,720	\$ 11,699,966	\$ 11,386,739	\$ 11,110,501	\$ 11,094,929	\$ 11,127,307	\$ 10,855,382	\$ 10,879,410	\$ 10,898,365
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.04)%	(30.66)%	(22.91)%	(132.31)%	(37.67)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Exhibit E-7

Overton 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

Local Government Plans

Overton County Plan

Total OPEB Liability

	2017	2018	2019	2020	2021	2022
Service Cost	\$ 15,735	\$ 15,283	\$ 24,096	\$ 23,817	\$ 30,885	\$ 109,508
Interest	5,707	7,228	9,449	6,831	5,198	19,224
Change in Benefit Terms	0	0	0	0	388,317	105,268
Differences Between Actual and Expected Experience	0	21,092	(96,310)	(9,578)	(8,506)	(77,983)
Changes in Assumptions or Other Inputs	(9,653)	12,940	8,294	19,278	163,280	(87,576)
Benefit Payments	(3,447)	(4,020)	(10,810)	(12,533)	(1,019)	(4,968)
Net Change in Total OPEB Liability	\$ 8,342	\$ 52,523	\$ (65,281)	\$ 27,815	\$ 578,155	\$ 63,473
Total OPEB Liability, Beginning	181,426	189,768	242,291	177,010	204,825	782,980
Total OPEB Liability, Ending	\$ 189,768	\$ 242,291	\$ 177,010	\$ 204,825	\$ 782,980	\$ 846,453
Covered Employee Payroll	\$ 3,973,352	\$ 4,481,573	\$ 4,999,544	\$ 5,000,348	\$ 5,406,258	\$ 6,349,275
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.78%	5.41%	3.54%	4.10%	14.48%	13.33%

Overton County Highway Plan

Total OPEB Liability

	2017	2018	2019	2020	2021	2022
Service Cost	\$ 5,748	\$ 5,496	\$ 5,296	\$ 6,804	\$ 6,739	\$ 38,841
Interest	1,614	2,125	2,478	2,176	1,410	7,144
Change in Benefit Terms	0	0	0	0	174,629	97
Differences Between Actual and Expected Experience	0	(3,500)	(17,133)	(10,646)	(3,410)	(9,386)
Changes in Assumptions or Other Inputs	(2,508)	5,605	2,348	4,232	57,744	(28,824)
Benefit Payments	0	(338)	(1,186)	(757)	(572)	(4,058)
Net Change in Total OPEB Liability	\$ 4,854	\$ 9,388	\$ (8,197)	\$ 1,809	\$ 236,540	\$ 3,814
Total OPEB Liability, Beginning	49,512	54,366	63,754	55,557	57,366	293,906
Total OPEB Liability, Ending	\$ 54,366	\$ 63,754	\$ 55,557	\$ 57,366	\$ 293,906	\$ 297,720
Covered Employee Payroll	\$ 797,458	\$ 758,423	\$ 818,484	\$ 825,110	\$ 1,048,216	\$ 1,190,050
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.82%	8.41%	6.79%	6.95%	28.04%	25.02%

(Continued)

Exhibit E-7

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Overton County Plans (Cont.)

State Administered Medicare Plans

Overton County Plan

Total OPEB Liability

	2017	2018	2019	2020	2021	2022
Service Cost	\$ 22,732	\$ 19,503	\$ 15,556	\$ 7,426	\$ 9,011	\$ 7,947
Interest	13,545	15,844	13,992	6,385	4,542	3,321
Differences Between Actual and Expected Experience	0	(81,740)	(225,164)	(25,749)	(24,462)	(2,236)
Changes in Assumptions or Other Inputs	(48,528)	(3,551)	3,932	37,683	(37,209)	(29,519)
Benefit Payments	(2,550)	(4,088)	(5,263)	(4,296)	(3,163)	(1,983)
Net Change in Total OPEB Liability	\$ (14,801)	\$ (54,032)	\$ (196,947)	\$ 21,449	\$ (51,281)	\$ (22,470)
Total OPEB Liability, Beginning	442,397	427,596	373,564	176,617	198,066	146,785
Total OPEB Liability, Ending	<u>\$ 427,596</u>	<u>\$ 373,564</u>	<u>\$ 176,617</u>	<u>\$ 198,066</u>	<u>\$ 146,785</u>	<u>\$ 124,315</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

Overton County Highway Plan

Total OPEB Liability

	2017	2018	2019	2020	2021	2022
Service Cost	\$ 849	\$ 746	\$ 0	\$ 855	\$ 1,190	\$ 813
Interest	421	502	0	598	471	365
Differences Between Actual and Expected Experience	0	0	0	(1,346)	199	513
Changes in Benefit Terms	0	(14,531)	16,299	0	0	0
Changes in Assumptions or Other Inputs	(1,457)	0	0	3,960	(5,862)	(3,324)
Benefit Payments	0	(113)	0	(256)	(19)	(10)
Net Change in Total OPEB Liability	\$ (187)	\$ (13,396)	\$ 16,299	\$ 3,811	\$ (4,021)	\$ (1,643)
Total OPEB Liability, Beginning	13,583	13,396	0	16,299	20,110	16,089
Total OPEB Liability, Ending	<u>\$ 13,396</u>	<u>\$ 0</u>	<u>\$ 16,299</u>	<u>\$ 20,110</u>	<u>\$ 16,089</u>	<u>\$ 14,446</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

Exhibit E-7

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Overton County Plans (Cont.)

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

Note 2: Changes in assumptions.

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

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

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

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

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

Exhibit E-8

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

Local Education Plan

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 337,837	\$ 311,697	\$ 266,003	\$ 235,416	\$ 315,398	\$ 385,511
Interest	182,077	219,830	194,779	194,741	153,431	168,074
Changes in Benefit Terms	0	(1,013,086)	(204,578)	0	0	0
Differences Between Actual and Expected Experience	0	(131,244)	635,664	400,491	81,124	640,306
Changes in Assumptions or Other Inputs	(289,836)	152,065	(419,372)	734,254	468,243	(801,809)
Benefit Payments	(254,268)	(274,645)	(303,965)	(244,123)	(256,147)	(243,103)
Net Change in Total OPEB Liability	\$ (24,190)	\$ (735,383)	\$ 168,531	\$ 1,320,779	\$ 762,049	\$ 148,979
Total OPEB Liability, Beginning	6,024,823	6,000,633	5,265,250	5,433,781	6,754,560	7,516,609
Total OPEB Liability, Ending	<u>\$ 6,000,633</u>	<u>\$ 5,265,250</u>	<u>\$ 5,433,781</u>	<u>\$ 6,754,560</u>	<u>\$ 7,516,609</u>	<u>\$ 7,665,588</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,090,315	\$ 1,614,289	\$ 1,781,720	\$ 2,124,220	\$ 2,510,959	\$ 2,752,175
Employer Proportionate Share of the Total OPEB Liability	3,910,318	3,650,961	3,652,061	4,630,340	5,005,650	4,913,413
Covered Employee Payroll	\$ 15,452,856	\$ 15,824,867	\$ 15,828,081	\$ 16,242,107	\$ 16,744,855	\$ 18,242,534
Net OPEB Liability as a Percentage of Covered Employee Payroll	38.83%	33.27%	34.33%	41.59%	44.89%	42.02%

State Administered Medicare Plan

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 67,589	\$ 55,245	\$ 24,518	\$ 34,100	\$ 37,199	\$ 36,396
Interest	85,496	96,598	47,631	51,525	34,628	31,228
Changes in Benefit Terms	0	(1,203,949)	0	(199,069)	0	0
Differences Between Actual and Expected Experience	0	(225,219)	(90,989)	(6,935)	54,420	(37,533)
Changes in Assumptions or Other Inputs	(250,587)	(10,478)	212,336	265,353	(195,900)	(237,442)
Benefit Payments	(103,800)	(105,548)	(53,132)	(48,618)	(49,583)	(51,790)
Net Change in Total OPEB Liability	\$ (201,302)	\$ (1,393,351)	\$ 140,364	\$ 96,356	\$ (119,236)	\$ (259,141)
Total OPEB Liability, Beginning	2,912,249	2,710,947	1,317,596	1,457,960	1,554,316	1,435,080
Total OPEB Liability, Ending	<u>\$ 2,710,947</u>	<u>\$ 1,317,596</u>	<u>\$ 1,457,960</u>	<u>\$ 1,554,316</u>	<u>\$ 1,435,080</u>	<u>\$ 1,175,939</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,257,256	\$ 1,182,084	\$ 1,069,398	\$ 1,315,006	\$ 1,161,205	\$ 974,487
Employer Proportionate Share of the Total OPEB Liability	1,453,691	135,512	388,562	239,310	273,875	201,452
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plans (Cont.)

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

Note 2: Changes in assumptions.

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

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

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

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

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

OVERTON 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 Adjustments	2.125%

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for debt issued for the construction and equipping of a county administrative facility. This fund was closed during the year.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for debt issued for road and bridge projects. This fund was closed during the year.

Exhibit F-1

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

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable

Total Assets

LIABILITIES

Due to Other Funds
Total Liabilities

FUND BALANCES

Restricted:
 Restricted for General Government
 Restricted for Public Safety
Total Fund Balances

Total Liabilities and Fund Balances

Special Revenue Funds			Total Nonmajor Governmental Funds
Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
\$ 0	\$ 0	\$ 1,300	\$ 1,300
15,202	68,375	0	83,577
0	0	542	542
<hr/>			
\$ 15,202	\$ 68,375	\$ 1,842	\$ 85,419
<hr/>			
<hr/>			
\$ 0	\$ 0	\$ 1,842	\$ 1,842
\$ 0	\$ 0	\$ 1,842	\$ 1,842
<hr/>			
<hr/>			
\$ 15,202	\$ 0	\$ 0	\$ 15,202
0	68,375	0	68,375
\$ 15,202	\$ 68,375	\$ 0	\$ 83,577
<hr/>			
\$ 15,202	\$ 68,375	\$ 1,842	\$ 85,419
<hr/>			
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Exhibit F-2

Overton 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			Capital Projects Funds
	Courthouse and Jail Maintenance	Drug Control	Total	General Capital Projects
<u>Revenues</u>				
Local Taxes	\$ 392	\$ 0	\$ 392	\$ 0
Fines, Forfeitures, and Penalties	0	22,931	22,931	0
Other Local Revenues	0	4,231	4,231	0
Total Revenues	<u>\$ 392</u>	<u>\$ 27,162</u>	<u>\$ 27,554</u>	<u>\$ 0</u>
<u>Expenditures</u>				
Current:				
Public Safety	\$ 0	\$ 114,317	\$ 114,317	\$ 0
Other Operations	4	0	4	0
Capital Projects	0	0	0	53,898
Total Expenditures	<u>\$ 4</u>	<u>\$ 114,317</u>	<u>\$ 114,321</u>	<u>\$ 53,898</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 388</u>	<u>\$ (87,155)</u>	<u>\$ (86,767)</u>	<u>\$ (53,898)</u>
Net Change in Fund Balances	\$ 388	\$ (87,155)	\$ (86,767)	\$ (53,898)
Fund Balance, July 1, 2022	<u>14,814</u>	<u>155,530</u>	<u>170,344</u>	<u>53,898</u>
Fund Balance, June 30, 2023	<u>\$ 15,202</u>	<u>\$ 68,375</u>	<u>\$ 83,577</u>	<u>\$ 0</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 392
Fines, Forfeitures, and Penalties	0	0	22,931
Other Local Revenues	0	0	4,231
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,554</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 0	\$ 0	\$ 114,317
Other Operations	0	0	4
Capital Projects	47,936	101,834	101,834
Total Expenditures	<u>\$ 47,936</u>	<u>\$ 101,834</u>	<u>\$ 216,155</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (47,936)</u>	<u>\$ (101,834)</u>	<u>\$ (188,601)</u>
Net Change in Fund Balances	\$ (47,936)	\$ (101,834)	\$ (188,601)
Fund Balance, July 1, 2022	<u>47,936</u>	<u>101,834</u>	<u>272,178</u>
Fund Balance, June 30, 2023	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83,577</u>

Exhibit F-3

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 392	\$ 385	\$ 385	\$ 7
Total Revenues	\$ 392	\$ 385	\$ 385	\$ 7
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 0	\$ 200	\$ 200	\$ 200
<u>Other Operations</u>				
Other Charges	4	50	50	46
Total Expenditures	\$ 4	\$ 250	\$ 250	\$ 246
Excess (Deficiency) of Revenues Over Expenditures	\$ 388	\$ 135	\$ 135	\$ 253
Net Change in Fund Balance	\$ 388	\$ 135	\$ 135	\$ 253
Fund Balance, July 1, 2022	14,814	14,736	14,736	78
Fund Balance, June 30, 2023	\$ 15,202	\$ 14,871	\$ 14,871	\$ 331

Exhibit F-4

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 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>							
Fines, Forfeitures, and Penalties	\$ 22,931	\$ 0	\$ 0	\$ 22,931	\$ 11,300	\$ 30,308	\$ (7,377)
Other Local Revenues	4,231	0	0	4,231	2,000	2,000	2,231
Fees Received From County Officials	0	0	0	0	200	200	(200)
Total Revenues	\$ 27,162	\$ 0	\$ 0	\$ 27,162	\$ 13,500	\$ 32,508	\$ (5,346)
<u>Expenditures</u>							
Public Safety							
Drug Enforcement	\$ 114,317	\$ (69,180)	\$ 2,083	\$ 47,220	\$ 24,660	\$ 73,668	\$ 26,448
Total Expenditures	\$ 114,317	\$ (69,180)	\$ 2,083	\$ 47,220	\$ 24,660	\$ 73,668	\$ 26,448
Excess (Deficiency) of Revenues Over Expenditures	\$ (87,155)	\$ 69,180	\$ (2,083)	\$ (20,058)	\$ (11,160)	\$ (41,160)	\$ 21,102
Net Change in Fund Balance	\$ (87,155)	\$ 69,180	\$ (2,083)	\$ (20,058)	\$ (11,160)	\$ (41,160)	\$ 21,102
Fund Balance, July 1, 2022	155,530	(69,180)	0	86,350	78,272	78,272	8,078
Fund Balance, June 30, 2023	\$ 68,375	\$ 0	\$ (2,083)	\$ 66,292	\$ 67,112	\$ 37,112	\$ 29,180

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Overton 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	\$ 448,965	\$ 440,124	\$ 440,124	\$ 8,841
Other Local Revenues	1,004,752	23,000	23,000	981,752
State of Tennessee	662,046	571,326	571,326	90,720
Other Governments and Citizens Groups	1,739,661	0	1,739,661	0
Total Revenues	<u>\$ 3,855,424</u>	<u>\$ 1,034,450</u>	<u>\$ 2,774,111</u>	<u>\$ 1,081,313</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,391,872	\$ 1,049,471	\$ 1,404,471	\$ 12,599
Education	1,057,720	0	1,057,720	0
<u>Interest on Debt</u>				
General Government	239,919	54,666	254,679	14,760
Education	126,628	0	126,628	0
<u>Other Debt Service</u>				
General Government	26,167	45,500	45,500	19,333
Education	300	0	300	0
Total Expenditures	<u>\$ 2,842,606</u>	<u>\$ 1,149,637</u>	<u>\$ 2,889,298</u>	<u>\$ 46,692</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,012,818</u>	<u>\$ (115,187)</u>	<u>\$ (115,187)</u>	<u>\$ 1,128,005</u>
Net Change in Fund Balance	\$ 1,012,818	\$ (115,187)	\$ (115,187)	\$ 1,128,005
Fund Balance, July 1, 2022	<u>483,649</u>	<u>636,685</u>	<u>636,685</u>	<u>(153,036)</u>
Fund Balance, June 30, 2023	<u>\$ 1,496,467</u>	<u>\$ 521,498</u>	<u>\$ 521,498</u>	<u>\$ 974,969</u>

Custodial Funds

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

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

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

Exhibit H-1

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 955,019	\$ 955,019
Due from Other Governments	247,033	0	247,033
Total Assets	<u>\$ 247,033</u>	<u>\$ 955,019</u>	<u>\$ 1,202,052</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 247,033	\$ 0	\$ 247,033
Total Liabilities	<u>\$ 247,033</u>	<u>\$ 0</u>	<u>\$ 247,033</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 955,019	\$ 955,019
Total Net Position	<u>\$ 0</u>	<u>\$ 955,019</u>	<u>\$ 955,019</u>

Exhibit H-2

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 1,386,720	\$ 0	\$ 1,386,720
Fines/Fees and Other Collections	0	6,191,425	6,191,425
Total Additions	\$ 1,386,720	\$ 6,191,425	\$ 7,578,145
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 1,386,720	\$ 0	\$ 1,386,720
Payments to State	0	2,995,729	2,995,729
Payments to Cities, Individuals and Others	0	3,190,694	3,190,694
Total Deductions	\$ 1,386,720	\$ 6,186,423	\$ 7,573,143
Change in Net Position	\$ 0	\$ 5,002	\$ 5,002
Net Position July 1, 2022	0	950,017	950,017
Net Position June 30, 2023	\$ 0	\$ 955,019	\$ 955,019

Overton County School Department

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for transactions associated with the construction of a football stadium at Livingston Academy.

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 16,058,346	\$ 12,696	\$ 2,539,941	\$ 0	\$ (13,505,709)
Support Services	12,524,771	15,987	2,892,331	439,401	(9,177,052)
Operation of Non-instructional Services	4,063,747	488,179	4,210,908	0	635,340
Interest on Long-term Debt	126,628	0	0	0	(126,628)
Total Governmental Activities	<u>\$ 32,773,492</u>	<u>\$ 516,862</u>	<u>\$ 9,643,180</u>	<u>\$ 439,401</u>	<u>\$ (22,174,049)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,249,181
Local Option Sales Taxes					3,264,723
Wheel Tax					695,543
Wholesale Beer Tax					116,112
Mixed Drink Tax					16,431
Other Local Taxes					280
Grants and Contributions Not Restricted for Specific Programs					21,408,710
Unrestricted Investment Income					11,057
Miscellaneous					52,485
Total General Revenues					<u>\$ 27,814,522</u>
Insurance Recovery					<u>\$ 9,785</u>
Change in Net Position					\$ 5,650,258
Net Position, July 1, 2022					<u>30,192,631</u>
Net Position, June 30, 2023					<u><u>\$ 35,842,889</u></u>

Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 777,009	\$ 777,009
Equity in Pooled Cash and Investments	10,082,632	26,834	174,926	2,141,800	12,426,192
Inventories	0	0	0	66,693	66,693
Due from Other Governments	1,717,529	651,783	0	29,150	2,398,462
Due from Other Funds	460	0	0	392	852
Property Taxes Receivable	2,283,584	0	0	0	2,283,584
Allowance for Uncollectible Property Taxes	(29,110)	0	0	0	(29,110)
Restricted Assets	186,853	0	0	0	186,853
Total Assets	<u>\$ 14,241,948</u>	<u>\$ 678,617</u>	<u>\$ 174,926</u>	<u>\$ 3,015,044</u>	<u>\$ 18,110,535</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 7,837	\$ 7,837
Accrued Payroll	18,930	0	0	0	18,930
Payroll Deductions Payable	0	19	0	0	19
Due to State of Tennessee	0	48	0	0	48
Total Liabilities	<u>\$ 18,930</u>	<u>\$ 67</u>	<u>\$ 0</u>	<u>\$ 7,837</u>	<u>\$ 26,834</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,183,596	\$ 0	\$ 0	\$ 0	\$ 2,183,596
Deferred Delinquent Property Taxes	68,294	0	0	0	68,294
Other Deferred/Unavailable Revenue	273,400	0	0	0	273,400
Total Deferred Inflows of Resources	<u>\$ 2,525,290</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,525,290</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 66,693	\$ 66,693
Restricted:					
Restricted for Education	85,069	0	0	1,422,949	1,508,018
Restricted for Hybrid Retirement Stabilization Funds	186,853	0	0	0	186,853
Committed:					
Committed for Education	0	700,000	174,926	1,517,565	2,392,491
Assigned:					
Assigned for Education	64,110	0	0	0	64,110
Unassigned	11,361,696	(21,450)	0	0	11,340,246
Total Fund Balances	<u>\$ 11,697,728</u>	<u>\$ 678,550</u>	<u>\$ 174,926</u>	<u>\$ 3,007,207</u>	<u>\$ 15,558,411</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,241,948</u>	<u>\$ 678,617</u>	<u>\$ 174,926</u>	<u>\$ 3,015,044</u>	<u>\$ 18,110,535</u>

Exhibit I-3

Overton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Overton County School Department
June 30, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 15,558,411
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 891,763	
Add: construction in progress	134,948	
Add: buildings and improvements net of accumulated depreciation	16,398,794	
Add: infrastructure net of accumulated depreciation	481,586	
Add: other capital assets net of accumulated depreciation	<u>1,980,899</u>	19,887,990
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for bonds	\$ (1,690,250)	
Less: contributions due on primary government debt for other loans	(2,258,501)	
Less: net OPEB liability	(5,114,865)	
Less: net pension liability	(161,423)	
Less: compensated absences payable	<u>(26,437)</u>	(9,251,476)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,620,663	
Less: deferred inflows of resources related to pensions	(785,485)	
Add: deferred outflows of resources related to OPEB	1,999,832	
Less: deferred inflows of resources related to OPEB	<u>(1,674,863)</u>	5,160,147
(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	\$ 40,630	
Add: net pension asset - teacher legacy pension plan	<u>4,105,493</u>	4,146,123
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>341,694</u>
Net position of governmental activities (Exhibit A)		<u>\$ 35,842,889</u>

Exhibit I-4

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 5,665,615	\$ 0	\$ 0	\$ 695,543	\$ 6,361,158
Licenses and Permits	1,539	0	0	0	1,539
Charges for Current Services	12,696	0	0	488,179	500,875
Other Local Revenues	119,622	0	0	1,360,068	1,479,690
State of Tennessee	21,744,861	0	0	15,102	21,759,963
Federal Government	864,357	5,581,676	0	1,601,283	8,047,316
Total Revenues	\$ 28,408,690	\$ 5,581,676	\$ 0	\$ 4,160,175	\$ 38,150,541
<u>Expenditures</u>					
Current:					
Instruction	\$ 14,985,810	\$ 2,058,528	\$ 0	\$ 0	\$ 17,044,338
Support Services	8,744,151	2,399,116	0	0	11,143,267
Operation of Non-Instructional Services	1,082,458	0	0	2,981,289	4,063,747
Capital Outlay	687,893	985,765	3,470,294	0	5,143,952
Debt Service:					
Principal on Debt	0	0	0	1,057,720	1,057,720
Interest on Debt	0	0	0	126,628	126,628
Other Debt Service	0	0	0	7,191	7,191
Total Expenditures	\$ 25,500,312	\$ 5,443,409	\$ 3,470,294	\$ 4,172,828	\$ 38,586,843
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,908,378	\$ 138,267	\$ (3,470,294)	\$ (12,653)	\$ (436,302)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 9,785	\$ 0	\$ 0	\$ 0	\$ 9,785
Transfers In	159,826	0	0	589,904	749,730
Transfers Out	(589,904)	(159,826)	0	0	(749,730)
Total Other Financing Sources (Uses)	\$ (420,293)	\$ (159,826)	\$ 0	\$ 589,904	\$ 9,785
Net Change in Fund Balances	\$ 2,488,085	\$ (21,559)	\$ (3,470,294)	\$ 577,251	\$ (426,517)
Fund Balance, July 1, 2022	9,209,643	700,109	3,645,220	2,429,956	15,984,928
Fund Balance, June 30, 2023	\$ 11,697,728	\$ 678,550	\$ 174,926	\$ 3,007,207	\$ 15,558,411

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (426,517)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,757,005	
Less: current-year depreciation expense	<u>(708,227)</u>	4,048,778
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(18,891)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 341,694	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(328,398)</u>	13,296
(4) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provide current financial resources to governmental funds, while contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on bonds to primary government	\$ 820,000	
Add: principal contributions on other loans to primary government	<u>237,720</u>	1,057,720
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	\$ 63,849	
Change in net pension asset/liability - agent plan	(1,522,576)	
Change in net pension asset - teacher retirement plan	(90,318)	
Change in net pension asset - teacher legacy pension plan	(10,289,065)	
Change in deferred outflows related to pensions	(582,611)	
Change in deferred inflows related to pensions	13,493,328	
Change in OPEB liability	164,660	
Change in deferred outflows related to OPEB	83,309	
Change in deferred inflows related to OPEB	<u>(344,704)</u>	975,872
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,650,258</u>

Exhibit I-6

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

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Debt Service	
<u>ASSETS</u>					
Cash	\$ 7,611	\$ 769,398	\$ 777,009	\$ 0	\$ 777,009
Equity in Pooled Cash and Investments	691,099	0	691,099	1,450,701	2,141,800
Inventories	61,026	5,667	66,693	0	66,693
Due from Other Governments	29,150	0	29,150	0	29,150
Due from Other Funds	392	0	392	0	392
Total Assets	<u>\$ 789,278</u>	<u>\$ 775,065</u>	<u>\$ 1,564,343</u>	<u>\$ 1,450,701</u>	<u>\$ 3,015,044</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 7,837	\$ 7,837	\$ 0	\$ 7,837
Total Liabilities	<u>\$ 0</u>	<u>\$ 7,837</u>	<u>\$ 7,837</u>	<u>\$ 0</u>	<u>\$ 7,837</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 61,026	\$ 5,667	\$ 66,693	\$ 0	\$ 66,693
Restricted:					
Restricted for Education	661,388	761,561	1,422,949	0	1,422,949
Committed:					
Committed for Education	66,864	0	66,864	1,450,701	1,517,565
Total Fund Balances	<u>\$ 789,278</u>	<u>\$ 767,228</u>	<u>\$ 1,556,506</u>	<u>\$ 1,450,701</u>	<u>\$ 3,007,207</u>
Total Liabilities and Fund Balances	<u>\$ 789,278</u>	<u>\$ 775,065</u>	<u>\$ 1,564,343</u>	<u>\$ 1,450,701</u>	<u>\$ 3,015,044</u>

Exhibit I-7

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

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 695,543	\$ 695,543
Charges for Current Services	488,179	0	488,179	0	488,179
Other Local Revenues	159	1,359,909	1,360,068	0	1,360,068
State of Tennessee	15,102	0	15,102	0	15,102
Federal Government	1,601,283	0	1,601,283	0	1,601,283
Total Revenues	\$ 2,104,723	\$ 1,359,909	\$ 3,464,632	\$ 695,543	\$ 4,160,175
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 2,009,849	\$ 971,440	\$ 2,981,289	\$ 0	\$ 2,981,289
Debt Service:					
Principal on Debt	0	0	0	1,057,720	1,057,720
Interest on Debt	0	0	0	126,628	126,628
Other Debt Service	0	0	0	7,191	7,191
Total Expenditures	\$ 2,009,849	\$ 971,440	\$ 2,981,289	\$ 1,191,539	\$ 4,172,828
Excess (Deficiency) of Revenues Over Expenditures	\$ 94,874	\$ 388,469	\$ 483,343	\$ (495,996)	\$ (12,653)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 589,904	\$ 589,904
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 589,904	\$ 589,904
Net Change in Fund Balances	\$ 94,874	\$ 388,469	\$ 483,343	\$ 93,908	\$ 577,251
Fund Balance, July 1, 2022	694,404	378,759	1,073,163	1,356,793	2,429,956
Fund Balance, June 30, 2023	\$ 789,278	\$ 767,228	\$ 1,556,506	\$ 1,450,701	\$ 3,007,207

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,665,615	\$ 0	\$ 0	\$ 5,665,615	\$ 4,925,393	\$ 4,925,393	\$ 740,222
Licenses and Permits	1,539	0	0	1,539	1,400	1,400	139
Charges for Current Services	12,696	0	0	12,696	5,280	5,280	7,416
Other Local Revenues	119,622	0	0	119,622	60,250	60,250	59,372
State of Tennessee	21,744,861	0	0	21,744,861	20,883,477	24,720,312	(2,975,451)
Federal Government	864,357	0	0	864,357	571,761	840,187	24,170
Total Revenues	\$ 28,408,690	\$ 0	\$ 0	\$ 28,408,690	\$ 26,447,561	\$ 30,552,822	\$ (2,144,132)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 12,336,428	\$ (38,888)	\$ 4,222	\$ 12,301,762	\$ 13,292,393	\$ 13,133,109	\$ 831,347
Alternative Instruction Program	81,504	0	0	81,504	81,174	82,589	1,085
Special Education Program	1,886,200	0	1,200	1,887,400	1,939,685	1,983,311	95,911
Career and Technical Education Program	681,678	(2,500)	34,426	713,604	753,478	2,366,795	1,653,191
<u>Support Services</u>							
Attendance	164,383	0	0	164,383	170,980	182,225	17,842
Health Services	109,052	(400)	0	108,652	322,925	195,811	87,159
Other Student Support	221,136	0	0	221,136	943,465	855,116	633,980
Regular Instruction Program	1,012,237	(2,668)	2,000	1,011,569	937,589	1,042,203	30,634
Special Education Program	277,044	0	0	277,044	286,800	292,981	15,937
Career and Technical Education Program	16,939	0	0	16,939	22,938	243,278	226,339
Technology	283,054	0	0	283,054	154,461	319,581	36,527
Other Programs	165,153	0	0	165,153	0	165,153	0
Board of Education	442,525	(3,420)	0	439,105	419,102	504,907	65,802
Director of Schools	154,913	(175)	0	154,738	154,365	155,947	1,209
Office of the Principal	1,854,196	(3,147)	0	1,851,049	1,902,093	1,951,645	100,596
Fiscal Services	352,597	(27)	0	352,570	369,952	378,092	25,522
Operation of Plant	1,964,926	(214)	0	1,964,712	2,114,909	2,153,174	188,462
Maintenance of Plant	459,812	(17,140)	0	442,672	369,338	738,151	295,479

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,266,184	\$ (21,000)	\$ 0	\$ 1,245,184	\$ 1,157,006	\$ 1,448,403	\$ 203,219
<u>Operation of Non-Instructional Services</u>							
Food Service	8,167	(7,837)	0	330	5,000	5,000	4,670
Community Services	590,306	(4,767)	5,051	590,590	616,256	618,581	27,991
Early Childhood Education	483,985	(2,734)	17,211	498,462	458,652	514,619	16,157
<u>Capital Outlay</u>							
Regular Capital Outlay	687,893	(358,000)	0	329,893	0	1,442,500	1,112,607
Total Expenditures	<u>\$ 25,500,312</u>	<u>\$ (462,917)</u>	<u>\$ 64,110</u>	<u>\$ 25,101,505</u>	<u>\$ 26,472,561</u>	<u>\$ 30,773,171</u>	<u>\$ 5,671,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,908,378</u>	<u>\$ 462,917</u>	<u>\$ (64,110)</u>	<u>\$ 3,307,185</u>	<u>\$ (25,000)</u>	<u>\$ (220,349)</u>	<u>\$ 3,527,534</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 9,785	\$ 0	\$ 0	\$ 9,785	\$ 0	\$ 262,218	\$ (252,433)
Transfers In	159,826	0	0	159,826	25,000	25,000	134,826
Transfers Out	(589,904)	0	0	(589,904)	(589,904)	(589,904)	0
Total Other Financing Sources	<u>\$ (420,293)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (420,293)</u>	<u>\$ (564,904)</u>	<u>\$ (302,686)</u>	<u>\$ (117,607)</u>
Net Change in Fund Balance	\$ 2,488,085	\$ 462,917	\$ (64,110)	\$ 2,886,892	\$ (589,904)	\$ (523,035)	\$ 3,409,927
Fund Balance, July 1, 2022	<u>9,209,643</u>	<u>(462,917)</u>	<u>0</u>	<u>8,746,726</u>	<u>6,724,442</u>	<u>6,724,442</u>	<u>2,022,284</u>
Fund Balance, June 30, 2023	<u><u>\$ 11,697,728</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (64,110)</u></u>	<u><u>\$ 11,633,618</u></u>	<u><u>\$ 6,134,538</u></u>	<u><u>\$ 6,201,407</u></u>	<u><u>\$ 5,432,211</u></u>

Exhibit I-9

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Overton 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	\$ 5,581,676	\$ 0	\$ 0	\$ 5,581,676	\$ 9,628,833	\$ 10,423,325	\$ (4,841,649)
Total Revenues	\$ 5,581,676	\$ 0	\$ 0	\$ 5,581,676	\$ 9,628,833	\$ 10,423,325	\$ (4,841,649)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,141,473	\$ (5,116)	\$ 0	\$ 1,136,357	\$ 1,330,171	\$ 1,457,764	\$ 321,407
Special Education Program	858,821	0	3,098	861,919	780,611	1,141,763	279,844
Career and Technical Education Program	58,234	0	0	58,234	48,381	58,760	526
<u>Support Services</u>							
Health Services	292,793	(2,278)	13,258	303,773	395,740	332,017	28,244
Other Student Support	671,231	(4,936)	0	666,295	1,394,020	1,439,319	773,024
Regular Instruction Program	982,899	0	0	982,899	939,519	1,196,222	213,323
Special Education Program	220,665	0	0	220,665	193,224	281,509	60,844
Career and Technical Education Program	1,279	0	0	1,279	3,919	1,279	0
Technology	18,831	(18,831)	0	0	18,831	18,831	18,831
Fiscal Services	46,200	(44,500)	0	1,700	46,200	46,200	44,500
Transportation	165,218	0	0	165,218	176,154	218,390	53,172
<u>Operation of Non-Instructional Services</u>							
Food Service	0	0	0	0	2,161	2,161	2,161
<u>Capital Outlay</u>							
Regular Capital Outlay	985,765	(394,650)	665,734	1,256,849	4,272,976	3,997,184	2,740,335
Total Expenditures	\$ 5,443,409	\$ (470,311)	\$ 682,090	\$ 5,655,188	\$ 9,601,907	\$ 10,191,399	\$ 4,536,211
Excess (Deficiency) of Revenues Over Expenditures	\$ 138,267	\$ 470,311	\$ (682,090)	\$ (73,512)	\$ 26,926	\$ 231,926	\$ (305,438)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (159,826)	\$ 0	\$ 0	\$ (159,826)	\$ (26,926)	\$ (231,926)	\$ 72,100
Total Other Financing Sources	\$ (159,826)	\$ 0	\$ 0	\$ (159,826)	\$ (26,926)	\$ (231,926)	\$ 72,100
Net Change in Fund Balance	\$ (21,559)	\$ 470,311	\$ (682,090)	\$ (233,338)	\$ 0	\$ 0	\$ (233,338)
Fund Balance, July 1, 2022	700,109	(470,311)	0	229,798	0	0	229,798
Fund Balance, June 30, 2023	\$ 678,550	\$ 0	\$ (682,090)	\$ (3,540)	\$ 0	\$ 0	\$ (3,540)

Exhibit I-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 488,179	\$ 0	\$ 488,179	\$ 447,900	\$ 447,900	\$ 40,279
Other Local Revenues	159	0	159	19,500	19,500	(19,341)
State of Tennessee	15,102	0	15,102	17,600	17,600	(2,498)
Federal Government	1,601,283	0	1,601,283	1,660,000	1,660,000	(58,717)
Total Revenues	<u>\$ 2,104,723</u>	<u>\$ 0</u>	<u>\$ 2,104,723</u>	<u>\$ 2,145,000</u>	<u>\$ 2,145,000</u>	<u>\$ (40,277)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,009,849	\$ (3,139)	\$ 2,006,710	\$ 2,145,000	\$ 2,145,000	\$ 138,290
Total Expenditures	<u>\$ 2,009,849</u>	<u>\$ (3,139)</u>	<u>\$ 2,006,710</u>	<u>\$ 2,145,000</u>	<u>\$ 2,145,000</u>	<u>\$ 138,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 94,874</u>	<u>\$ 3,139</u>	<u>\$ 98,013</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 98,013</u>
Net Change in Fund Balance	\$ 94,874	\$ 3,139	\$ 98,013	\$ 0	\$ 0	\$ 98,013
Fund Balance, July 1, 2022	<u>694,404</u>	<u>(3,139)</u>	<u>691,265</u>	<u>117,102</u>	<u>117,102</u>	<u>574,163</u>
Fund Balance, June 30, 2023	<u>\$ 789,278</u>	<u>\$ 0</u>	<u>\$ 789,278</u>	<u>\$ 117,102</u>	<u>\$ 117,102</u>	<u>\$ 672,176</u>

Exhibit I-11

Overton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Overton County School Department
Education Debt Service Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 695,543	\$ 601,244	\$ 601,244	\$ 94,299
Total Revenues	\$ 695,543	\$ 601,244	\$ 601,244	\$ 94,299
<u>Expenditures</u>				
Principal on Debt				
Education	\$ 1,057,720	\$ 1,057,720	\$ 1,057,720	\$ 0
Interest on Debt				
Education	126,628	126,628	126,628	0
Other Debt Service				
Education	7,191	6,800	6,800	(391)
Total Expenditures	\$ 1,191,539	\$ 1,191,148	\$ 1,191,148	\$ (391)
Excess (Deficiency) of Revenues Over Expenditures	\$ (495,996)	\$ (589,904)	\$ (589,904)	\$ 93,908
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 589,904	\$ 589,904	\$ 589,904	\$ 0
Total Other Financing Sources	\$ 589,904	\$ 589,904	\$ 589,904	\$ 0
Net Change in Fund Balance	\$ 93,908	\$ 0	\$ 0	\$ 93,908
Fund Balance, July 1, 2022	1,356,793	1,114,766	1,114,766	242,027
Fund Balance, June 30, 2023	\$ 1,450,701	\$ 1,114,766	\$ 1,114,766	\$ 335,935

MISCELLANEOUS SCHEDULES

Exhibit J-1

Overton 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	Paid and/or Matured During Period	Outstanding 6-30-23
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding - Series 2019	\$ 2,095,000	4 %	10-3-19	6-1-24	\$ 875,000	\$ 425,000	\$ 450,000
USDA Rural Development Bonds - Community Facilities - Ambulance	203,000	2.125	2-9-22	11-22-22	203,000	203,000	0
Total Payable through General Debt Service Fund					<u>\$ 1,078,000</u>	<u>\$ 628,000</u>	<u>\$ 450,000</u>
<u>Contributions Due by the Overton County Health and Rehab Center to the General Debt Service Fund</u>							
Nursing Home Improvements	4,150,000	2.58	5-9-12	4-1-33	\$ 2,450,000	\$ 190,000	\$ 2,260,000
Nursing Home Renovation and Construction	4,965,000	2.91	6-26-17	4-1-42	4,355,000	165,000	4,190,000
Total Contributions Due by the Overton County Health and Rehab Center to the General Debt Service Fund					<u>\$ 6,805,000</u>	<u>\$ 355,000</u>	<u>\$ 6,450,000</u>
<u>Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund</u>							
School Refunding Bonds, Series 2015	4,230,000	2 to 4	3-5-15	6-1-25	\$ 2,510,250	\$ 820,000	\$ 1,690,250
Total Bonds Payable					<u>\$ 10,393,250</u>	<u>\$ 1,803,000</u>	<u>\$ 8,590,250</u>
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Road and Bridge Projects	700,000	2.997	3-12-21	7-15-22	\$ 262,872	\$ 262,872	\$ 0
Road and Bridge Projects	195,000	3.180	11-17-21	7-15-22	146,000	146,000	0
Total Notes Payable					<u>\$ 408,872</u>	<u>\$ 408,872</u>	<u>\$ 0</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund</u>							
Tennessee Energy Efficiency School Initiative Loan	2,925,917	1	1-29-19	8-1-32	\$ 2,496,221	\$ 237,720	\$ 2,258,501

Exhibit J-2

Overton County, Tennessee

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,665,000	\$ 278,151	\$ 1,943,151
2025	1,210,250	216,369	1,426,619
2026	385,000	170,719	555,719
2027	400,000	160,194	560,194
2028	410,000	149,001	559,001
2029	425,000	138,201	563,201
2030	435,000	126,713	561,713
2031	450,000	114,163	564,163
2032	465,000	101,175	566,175
2033	475,000	87,226	562,226
2034	220,000	72,650	292,650
2035	230,000	66,050	296,050
2036	235,000	59,150	294,150
2037	245,000	51,513	296,513
2038	250,000	43,550	293,550
2039	260,000	35,425	295,425
2040	270,000	26,975	296,975
2041	275,000	18,200	293,200
2042	285,000	9,257	294,257
Total	\$ 8,590,250	\$ 1,924,682	\$ 10,514,932

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 240,108	\$ 21,840	\$ 261,948
2025	242,520	19,428	261,948
2026	244,956	16,992	261,948
2027	247,416	14,532	261,948
2028	249,912	12,036	261,948
2029	252,420	9,528	261,948
2030	254,952	6,996	261,948
2031	257,508	4,440	261,948
2032	260,100	1,848	261,948
2033	8,609	35,049	43,658
Total	\$ 2,258,501	\$ 142,689	\$ 2,401,190

Overton County, Tennessee
Schedule of Notes Receivable
June 30, 2023

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-23
<u>General Fund</u>						
Purchase of Industrial Property	Overton County Industrial Development Authority	\$ 358,000	6-12-17	6-1-37	5%	<u>\$ 217,907</u>

Exhibit J-4

Overton County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Overton County School Department

For the Year Ended June 30, 2023

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	General	Operations	\$ 32,000
Total Transfers Primary Government			<u>\$ 32,000</u>
<u>DISCRETELY PRESENTED OVERTON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Debt Service	Debt retirement	\$ 589,904
School Federal Projects	General Purpose School	Indirect cost	<u>159,826</u>
Total Transfers Discretely Presented Overton County School Department			<u>\$ 749,730</u>

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

Official	Authorization	Bond	Surety
County Executive - Ben Danner (7/1/22-8/31/22)	Section 8-24-102, TCA	\$ (1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 19,399		
County Executive - Steven Barlow (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 75,769		
Total County Executive compensation	\$ 95,168		
Highway Superintendent	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 90,636		
Director of Schools	State Board of Education and County Board of Education	100,000	RLI Insurance Company
Base salary	\$ 95,983		
Chief executive officer training supplement	1,000		
Total compensation	\$ 96,983		
Trustee	Section 8-24-102, TCA	987,641	Pennsylvania National Mutual Casualty Insurance Company
Base salary/Total compensation	\$ 82,396		
Assessor of Property	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 82,396		
County Clerk	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 82,396		
Circuit and General Sessions Courts Clerk - Barbara Matthews (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 16,796		
Circuit and General Sessions Courts Clerk - Lori Hammock (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 65,600		
Total Circuit and General Sessions Courts Clerk compensation	\$ 82,396		
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	(1)	Local Government Insurance Pool
Base salary	\$ 82,396		
Special commissioner fees	13,365		
Total compensation	\$ 95,761		
Register of Deeds - Kim Copeland (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 16,796		
Register of Deeds - Jimmy Conner (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation	65,600		
Total Register of Deeds compensation	\$ 82,396		
Sheriff	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary	\$ 90,636		
Law enforcement training supplement	800		
Total compensation	\$ 91,436		
Director of Accounts and Budgets	County Commission	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ 70,001		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Local Government Insurance Pool
Employee Fidelity - School Department		400,000	Tennessee Risk Management Trust

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

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,157,024	\$ 0	\$ 357,659	\$ 0	\$ 0	\$ 357,659
Trustee's Collections - Prior Year	143,135	0	9,938	0	0	9,938
Circuit Clerk/Clerk and Master Collections - Prior Years	38,636	0	2,680	0	0	2,680
Interest and Penalty	47,929	0	3,326	0	0	3,326
Payments in-Lieu-of Taxes - Local Utilities	317,756	0	22,038	0	0	22,036
Payments in-Lieu-of Taxes - Other	5,169	0	358	0	0	358
<u>County Local Option Taxes</u>						
Local Option Sales Tax	903,143	0	979,417	0	0	0
Hotel/Motel Tax	71,718	0	0	0	0	0
Litigation Tax - General	62,885	333	0	0	0	0
Litigation Tax - Special Purpose	0	59	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	12,696	0	0	0	0	0
Business Tax	219,059	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	122,553
<u>Statutory Local Taxes</u>						
Bank Excise Tax	82,176	0	5,699	0	0	5,699
Beer Privilege Tax	2,042	0	0	0	0	0
Total Local Taxes	\$ 7,063,368	\$ 392	\$ 1,381,115	\$ 0	\$ 0	\$ 524,249
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 47,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	525	0	0	0	0	0
Total Licenses and Permits	\$ 48,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 820	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	11,328	0	0	0	0	0
Drug Control Fines	0	0	0	1,069	0	0
Veterans Treatment Court Fees	522	0	0	0	0	0
Jail Fees	2,665	0	0	0	0	0
DUI Treatment Fines	837	0	0	0	0	0
Data Entry Fee - Circuit Court	1,266	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	803	0	0	0	0	0
DUI Treatment Fines	1,514	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	16,294	0	0	0	0	0
Officers Costs	30,441	0	0	0	0	0
Game and Fish Fines	90	0	0	0	0	0
Drug Control Fines	0	0	0	56	0	0
Drug Court Fees	4,523	0	0	0	0	0
Veterans Treatment Court Fees	3,103	0	0	0	0	0
Jail Fees	18,123	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,554	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	214	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,383	0	0	0	0	0
Data Entry Fee - Chancery Court	3,098	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 21,806	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 105,586	\$ 0	\$ 0	\$ 22,931	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 334,552	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	20,643	0	0	0
Patient Charges	1,753,258	0	0	0	0	0
Service Charges	1	0	0	0	0	0
<u>Fees</u>						
Copy Fees	2,012	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	40,646	0	0	0	0	0
Additional Fees - Titling and Registration	24,770	0	0	0	0	0
Data Processing Fee - Register	9,222	0	0	0	0	0
Data Processing Fee - Sheriff	1,582	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,200	0	0	0	0	0
Data Processing Fee - County Clerk	3,129	0	0	0	0	0
<u>Education Charges</u>						
Tuition - Other	45,577	0	0	0	0	0
Total Charges for Current Services	\$ 1,884,597	\$ 0	\$ 355,195	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,489	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Lease/Rentals	\$ 29,370	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Materials and Supplies	0	0	0	0	0	5,827
Commissary Sales	63,436	0	0	0	0	0
Sale of Recycled Materials	300	0	103,328	0	0	2,347
Miscellaneous Refunds	7,201	0	72	0	0	24,122
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	747
Damages Recovered from Individuals	80	0	0	4,231	0	0
Contributions and Gifts	2,000	0	0	0	0	0
Total Other Local Revenues	<u>\$ 102,387</u>	<u>\$ 0</u>	<u>\$ 103,400</u>	<u>\$ 4,231</u>	<u>\$ 68,489</u>	<u>\$ 33,043</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 310,618	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	59,375	0	0	0	0	0
General Sessions Court Clerk	98,301	0	0	0	0	0
Clerk and Master	82,366	0	0	0	0	0
Register	124,545	0	0	0	0	0
Sheriff	10,414	0	0	0	0	0
Trustee	416,135	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,101,754</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>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	17,736	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 20,800	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	38,875	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	184,918
Litter Program	67,285	0	0	0	0	0
Other Public Works Grants	0	0	0	0	0	7,916
<u>Other State Revenues</u>						
Income Tax	1,264	0	0	0	0	0
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	7,553	0	0	0	0	0
Alcoholic Beverage Tax	74,922	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	118,603	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	77,005	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	30,346	0	0	0	0	0
Emergency Hospital - Prisoners	84,574	0	0	0	0	0
Contracted Prisoner Boarding	484,592	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,424,794
Petroleum Special Tax	0	0	0	0	0	28,511
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	38,986	0	0	0	0	0
Other State Revenues	254,411	0	0	0	0	0
Total State of Tennessee	\$ 1,360,316	\$ 0	\$ 0	\$ 0	\$ 0	2,646,139

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	American Rescue Plan	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 600,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	170,802
American Rescue Plan Act Grant #1	0	0	0	0	3,517,964	0
Other Federal through State	214,628	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	235,925	0	0	0	0	0
Total Federal Government	<u>\$ 1,050,578</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,517,964</u>	<u>\$ 170,802</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 46,683	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	86,089	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	32,568	0	0	0	0	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	88,237	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 253,577</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 12,970,593</u>	<u>\$ 392</u>	<u>\$ 1,839,710</u>	<u>\$ 27,162</u>	<u>\$ 3,586,453</u>	<u>\$ 3,374,233</u>

(Continued)

Exhibit J-6

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

	Debt Service Fund	
	General Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 399,744	\$ 6,272,086
Trustee's Collections - Prior Year	11,108	174,119
Circuit Clerk/Clerk and Master Collections - Prior Years	2,995	46,991
Interest and Penalty	3,717	58,298
Payments in-Lieu-of Taxes - Local Utilities	24,630	386,460
Payments in-Lieu-of Taxes - Other	401	6,286
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	1,882,560
Hotel/Motel Tax	0	71,718
Litigation Tax - General	0	63,218
Litigation Tax - Special Purpose	0	59
Litigation Tax - Jail, Workhouse, or Courthouse	0	12,696
Business Tax	0	219,059
Mineral Severance Tax	0	122,553
<u>Statutory Local Taxes</u>		
Bank Excise Tax	6,370	99,944
Beer Privilege Tax	0	2,042
Total Local Taxes	\$ 448,965	\$ 9,418,089
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	\$ 0	\$ 47,905
<u>Permits</u>		
Beer Permits	0	525
Total Licenses and Permits	\$ 0	\$ 48,430

(Continued)

Exhibit J-6

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

	<u>Debt Service</u>		
	<u>Fund</u>		
	General	Debt	Total
	Service		
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 820
Officers Costs		0	11,328
Drug Control Fines		0	1,069
Veterans Treatment Court Fees		0	522
Jail Fees		0	2,665
DUI Treatment Fines		0	837
Data Entry Fee - Circuit Court		0	1,266
Courtroom Security Fee		0	8
<u>Criminal Court</u>			
Drug Court Fees		0	803
DUI Treatment Fines		0	1,514
<u>General Sessions Court</u>			
Fines		0	16,294
Officers Costs		0	30,441
Game and Fish Fines		0	90
Drug Control Fines		0	56
Drug Court Fees		0	4,523
Veterans Treatment Court Fees		0	3,103
Jail Fees		0	18,123
Data Entry Fee - General Sessions Court		0	5,554
<u>Juvenile Court</u>			
Fines		0	214
<u>Chancery Court</u>			
Officers Costs		0	4,383
Data Entry Fee - Chancery Court		0	3,098

(Continued)

Exhibit J-6

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

	Debt Service Fund	
	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	\$ 0	\$ 21,806
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 128,517
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Tipping Fees	\$ 0	\$ 334,552
Surcharge - Waste Tire Disposal	0	20,643
Patient Charges	0	1,753,258
Service Charges	0	1
<u>Fees</u>		
Copy Fees	0	2,012
Greenbelt Late Application Fee	0	200
Telephone Commissions	0	40,646
Additional Fees - Titling and Registration	0	24,770
Data Processing Fee - Register	0	9,222
Data Processing Fee - Sheriff	0	1,582
Sexual Offender Registration Fee - Sheriff	0	4,200
Data Processing Fee - County Clerk	0	3,129
<u>Education Charges</u>		
Tuition - Other	0	45,577
Total Charges for Current Services	\$ 0	\$ 2,239,792
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 1,004,752	\$ 1,073,241

(Continued)

Exhibit J-6

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
Lease/Rentals	\$ 0	\$	29,370
Sale of Materials and Supplies	0		5,827
Commissary Sales	0		63,436
Sale of Recycled Materials	0		105,975
Miscellaneous Refunds	0		31,395
<u>Nonrecurring Items</u>			
Sale of Equipment	0		747
Damages Recovered from Individuals	0		4,311
Contributions and Gifts	0		2,000
Total Other Local Revenues	\$ 1,004,752	\$	1,316,302
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	310,618
Circuit Court Clerk	0		59,375
General Sessions Court Clerk	0		98,301
Clerk and Master	0		82,366
Register	0		124,545
Sheriff	0		10,414
Trustee	0		416,135
Total Fees Received From County Officials	\$ 0	\$	1,101,754
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$	9,000
Aging Programs	0		17,736

(Continued)

Exhibit J-6

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
<u>State of Tennessee (Cont.)</u>			
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	\$ 0	\$	20,800
<u>Health and Welfare Grants</u>			
Health Department Programs	0		38,875
<u>Public Works Grants</u>			
State Aid Program	0		184,918
Litter Program	0		67,285
Other Public Works Grants	0		7,916
<u>Other State Revenues</u>			
Income Tax	0		1,264
Beer Tax	0		19,200
Vehicle Certificate of Title Fees	0		7,553
Alcoholic Beverage Tax	0		74,922
Opioid Settlement Funds - TN Abatement Council	0		118,603
State Revenue Sharing - T.V.A.	662,046		662,046
State Revenue Sharing - Telecommunications	0		77,005
State Shared Sports Gaming Privilege Tax	0		30,346
Emergency Hospital - Prisoners	0		84,574
Contracted Prisoner Boarding	0		484,592
Gasoline and Motor Fuel Tax	0		2,424,794
Petroleum Special Tax	0		28,511
Registrar's Salary Supplement	0		15,164
Other State Grants	0		38,986
Other State Revenues	0		254,411
Total State of Tennessee	\$ 662,046	\$	4,668,501

(Continued)

Exhibit J-6

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

	Debt Service Fund	
	General Debt Service	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 0	\$ 600,025
Disaster Relief	0	170,802
American Rescue Plan Act Grant #1	0	3,517,964
Other Federal through State	0	214,628
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	235,925
Total Federal Government	<u>\$ 0</u>	<u>\$ 4,739,344</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 46,683
Contributions	1,739,661	1,825,750
<u>Citizens Groups</u>		
Donations	0	32,568
<u>Other</u>		
Opioid Settlement Funds - Past Remediation	0	88,237
Total Other Governments and Citizens Groups	<u>\$ 1,739,661</u>	<u>\$ 1,993,238</u>
Total	<u>\$ 3,855,424</u>	<u>\$ 25,653,967</u>

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,019,725	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,019,725
Trustee's Collections - Prior Year	56,058	0	0	0	0	56,058
Circuit Clerk/Clerk and Master Collections - Prior Years	15,132	0	0	0	0	15,132
Interest and Penalty	18,423	0	0	0	0	18,423
Payments in-Lieu-of Taxes - Local Utilities	124,523	0	0	0	0	124,523
Payments in-Lieu-of Taxes - Other	2,024	0	0	0	0	2,024
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,264,723	0	0	0	0	3,264,723
Wheel Tax	0	0	0	0	695,543	695,543
Mixed Drink Tax	16,431	0	0	0	0	16,431
Other County Local Option Taxes	280	0	0	0	0	280
<u>Statutory Local Taxes</u>						
Bank Excise Tax	32,184	0	0	0	0	32,184
Wholesale Beer Tax	116,112	0	0	0	0	116,112
Total Local Taxes	\$ 5,665,615	\$ 0	\$ 0	\$ 0	\$ 695,543	\$ 6,361,158
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,539	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,539
Total Licenses and Permits	\$ 1,539	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,539
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 288,048	\$ 0	\$ 0	\$ 288,048

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 25,217	\$ 0	\$ 0	\$ 25,217
Income from Breakfast	0	0	69,921	0	0	69,921
A la Carte Sales	0	0	104,993	0	0	104,993
Receipts from Individual Schools	12,696	0	0	0	0	12,696
Total Charges for Current Services	\$ 12,696	\$ 0	\$ 488,179	\$ 0	\$ 0	\$ 500,875
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 11,057	\$ 0	\$ 159	\$ 0	\$ 0	\$ 11,216
Lease/Rentals	15,987	0	0	0	0	15,987
Sale of Materials and Supplies	727	0	0	0	0	727
E-Rate Funding	35,493	0	0	0	0	35,493
Miscellaneous Refunds	51,758	0	0	0	0	51,758
<u>Nonrecurring Items</u>						
Sale of Equipment	3,250	0	0	0	0	3,250
Contributions and Gifts	1,350	0	0	0	0	1,350
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	1,359,909	0	1,359,909
Total Other Local Revenues	\$ 119,622	\$ 0	\$ 159	\$ 1,359,909	\$ 0	\$ 1,479,690
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 165,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 165,153

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	Total
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 19,788,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,788,916
Early Childhood Education	510,092	0	0	0	0	510,092
School Food Service	0	0	15,102	0	0	15,102
Other State Education Funds	771,252	0	0	0	0	771,252
Career Ladder Program	32,600	0	0	0	0	32,600
Other Vocational	314,662	0	0	0	0	314,662
<u>Other State Revenues</u>						
Other State Grants	89,966	0	0	0	0	89,966
Safe Schools	72,220	0	0	0	0	72,220
Total State of Tennessee	\$ 21,744,861	\$ 0	\$ 15,102	\$ 0	\$ 0	\$ 21,759,963
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 963,276	\$ 0	\$ 0	\$ 963,276
USDA - Commodities	0	0	79,792	0	0	79,792
Breakfast	0	0	351,064	0	0	351,064
USDA - Other	0	0	207,151	0	0	207,151
Vocational Education - Basic Grants to States	0	78,167	0	0	0	78,167
Title I Grants to Local Education Agencies	0	961,087	0	0	0	961,087
Special Education - Grants to States	0	980,496	0	0	0	980,496
Special Education Preschool Grants	0	46,030	0	0	0	46,030
Rural Education	0	8,553	0	0	0	8,553
21st Century Community Learning Centers	530,469	0	0	0	0	530,469
Eisenhower Professional Development State Grants	0	178,582	0	0	0	178,582

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Debt Service Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
COVID-19 Grant B	\$ 0	\$ 1,186,345	\$ 0	\$ 0	\$ 0	\$ 1,186,345
COVID-19 Grant D	81,000	122,776	0	0	0	203,776
American Rescue Plan Act Grant #1	0	1,329,913	0	0	0	1,329,913
American Rescue Plan Act Grant #2	0	105,459	0	0	0	105,459
American Rescue Plan Act Grant #3	0	12,011	0	0	0	12,011
American Rescue Plan Act Grant #4	0	1,589	0	0	0	1,589
Other Federal through State	252,888	570,668	0	0	0	823,556
Total Federal Government	\$ 864,357	\$ 5,581,676	\$ 1,601,283	\$ 0	\$ 0	\$ 8,047,316
Total	\$ 28,408,690	\$ 5,581,676	\$ 2,104,723	\$ 1,359,909	\$ 695,543	\$ 38,150,541

Exhibit J-8

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	102,800	
Social Security		7,747	
Pensions		2,798	
Medical Insurance		20,253	
Audit Services		9,455	
Communication		90	
Dues and Memberships		3,496	
Travel		379	
Total County Commission			\$ 147,018

Board of Equalization

Board and Committee Members Fees	\$	750	
Legal Notices, Recording, and Court Costs		47	
Total Board of Equalization			797

County Mayor/Executive

County Official/Administrative Officer	\$	95,168	
Supervisor/Director		50,001	
Deputy(ies)		31,473	
In-service Training		675	
Social Security		13,051	
Pensions		11,843	
Medical Insurance		21,118	
Communication		4,282	
Data Processing Services		17,014	
Dues and Memberships		2,690	
Legal Notices, Recording, and Court Costs		7,487	
Maintenance and Repair Services - Vehicles		363	
Postal Charges		3,262	
Travel		3,508	
Other Contracted Services		1,785	
Gasoline		451	
Office Supplies		13,507	
Office Equipment		5,867	
Total County Mayor/Executive			283,545

County Attorney

Social Security	\$	633	
Legal Services		41,525	
Total County Attorney			42,158

Election Commission

County Official/Administrative Officer	\$	74,156	
Deputy(ies)		37,430	
Election Commission		5,320	
Election Workers		19,565	
Social Security		9,429	

(Continued)

Exhibit J-8

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Pensions	\$	7,551	
Medical Insurance		6,751	
Communication		1,337	
Data Processing Services		8,173	
Legal Notices, Recording, and Court Costs		2,660	
Maintenance and Repair Services - Equipment		11,414	
Postal Charges		207	
Printing, Stationery, and Forms		547	
Other Contracted Services		20,530	
Office Supplies		2,431	
Total Election Commission			\$ 207,501

Register of Deeds

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		35,163	
Accountants/Bookkeepers		26,559	
Social Security		9,822	
Pensions		9,692	
Medical Insurance		20,227	
Communication		1,314	
Data Processing Services		8,526	
Dues and Memberships		770	
Travel		160	
Other Contracted Services		480	
Office Supplies		1,419	
Office Equipment		3,849	
Total Register of Deeds			200,377

Planning

Board and Committee Members Fees	\$	4,900	
Social Security		375	
Contracts with Government Agencies		12,750	
Total Planning			18,025

County Buildings

Custodial Personnel	\$	35,864	
Maintenance Personnel		35,959	
Part-time Personnel		6,868	
Social Security		5,927	
Pensions		4,854	
Medical Insurance		6,751	
Communication		18,635	
Maintenance and Repair Services - Buildings		84,813	
Maintenance and Repair Services - Equipment		2,979	
Maintenance and Repair Services - Vehicles		1,673	
Other Contracted Services		23,188	
Custodial Supplies		9,668	

(Continued)

Exhibit J-8

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

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

Electricity	\$	92,722	
Gasoline		3,392	
Natural Gas		17,893	
Propane Gas		362	
Small Tools		282	
Tires and Tubes		598	
Uniforms		2,904	
Other Supplies and Materials		192	
Other Charges		228	
Office Equipment		80	
Other Equipment		4,076	
Total County Buildings			\$ 359,908

Other General Administration

Teachers	\$	2,750	
Social Security		210	
Life Insurance		8,108	
Unemployment Compensation		3,286	
On-behalf Payments to OPEB		638	
Other Fringe Benefits		9,060	
Evaluation and Testing		3,808	
Remittance of Revenue Collected		20,923	
Other Contracted Services		300	
Other Supplies and Materials		9,476	
Liability Insurance		419,969	
Premiums on Corporate Surety Bonds		14,025	
Trustee's Commission		170,235	
Workers' Compensation Insurance		323,669	
Other Charges		5,556	
Total Other General Administration			992,013

Preservation of Records

Supervisor/Director	\$	13,760	
Social Security		1,041	
Pensions		816	
Travel		85	
Other Contracted Services		240	
Office Supplies		328	
Other Equipment		3,790	
Total Preservation of Records			20,060

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	70,001	
Social Security		5,350	
Pensions		4,737	
Dues and Memberships		100	
Total Accounting and Budgeting			80,188

(Continued)

Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		39,732	
Assessment Personnel		32,888	
Clerical Personnel		27,836	
Social Security		13,407	
Pensions		12,374	
Medical Insurance		13,951	
Communication		2,210	
Data Processing Services		2,945	
Dues and Memberships		1,675	
Maintenance and Repair Services - Vehicles		490	
Postal Charges		565	
Travel		458	
Other Contracted Services		18,037	
Gasoline		838	
Office Supplies		1,428	
Other Charges		5,022	
Other Equipment		458	
Total Property Assessor's Office			\$ 256,710

County Trustee's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		38,182	
Accountants/Bookkeepers		30,003	
Social Security		11,252	
Pensions		10,189	
Medical Insurance		20,702	
Communication		1,767	
Data Processing Services		16,331	
Dues and Memberships		765	
Legal Notices, Recording, and Court Costs		69	
Postal Charges		1,670	
Other Contracted Services		11,189	
Office Supplies		1,421	
Office Equipment		10,019	
Total County Trustee's Office			235,955

County Clerk's Office

County Official/Administrative Officer	\$	82,396
Deputy(ies)		32,562
Accountants/Bookkeepers		29,746
Clerical Personnel		52,133
Social Security		14,695
Pensions		13,333
Medical Insurance		20,702
Communication		1,505
Dues and Memberships		997

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Legal Notices, Recording, and Court Costs	\$	222	
Postal Charges		14,852	
Travel		307	
Other Contracted Services		10,687	
Office Supplies		4,041	
Office Equipment		3,500	
Total County Clerk's Office			\$ 281,678

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		36,414	
Accountants/Bookkeepers		36,845	
Clerical Personnel		76,518	
Other Salaries and Wages		3,600	
Jury and Witness Expense		4,736	
Social Security		17,771	
Pensions		15,947	
Medical Insurance		39,979	
Communication		3,022	
Data Processing Services		17,562	
Dues and Memberships		1,244	
Legal Notices, Recording, and Court Costs		703	
Postal Charges		1,000	
Other Contracted Services		540	
Office Supplies		5,829	
Office Equipment		298	
Total Circuit Court			344,404

General Sessions Court

Judge(s)	\$	112,895	
Deputy(ies)		33,549	
Social Security		11,035	
Pensions		9,910	
Medical Insurance		13,502	
Dues and Memberships		860	
Travel		2,058	
Office Supplies		3,390	
Total General Sessions Court			187,199

Drug Court

Supervisor/Director	\$	51,454	
Guidance Personnel		50,350	
Part-time Personnel		4,362	
Communication		6,497	
Dues and Memberships		4,925	
Travel		6,949	

(Continued)

Exhibit J-8

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

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

Drug Treatment	\$	23,131	
Other Contracted Services		21,631	
Drugs and Medical Supplies		12,926	
Office Supplies		9,194	
Utilities		480	
Total Drug Court			\$ 191,899

Chancery Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		42,598	
Accountants/Bookkeepers		36,975	
Clerical Personnel		58,734	
Social Security		16,055	
Pensions		9,359	
Medical Insurance		28,800	
Communication		4,301	
Data Processing Services		13,875	
Dues and Memberships		645	
Other Contracted Services		2,831	
Office Supplies		7,956	
Premiums on Corporate Surety Bonds		250	
Office Equipment		19,436	
Total Chancery Court			324,211

Juvenile Court

Guidance Personnel	\$	24,168	
Social Security		1,849	
Dues and Memberships		150	
Travel		700	
Other Contracted Services		900	
Total Juvenile Court			27,767

District Attorney General

In-service Training	\$	5,327	
Total District Attorney General			5,327

Judicial Commissioners

County Official/Administrative Officer	\$	12,008	
Supervisor/Director		17,171	
Social Security		2,164	
Total Judicial Commissioners			31,343

Public SafetySheriff's Department

County Official/Administrative Officer	\$	90,636	
Supervisor/Director		35,037	
Deputy(ies)		543,493	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Investigator(s)	\$	261,769	
Captain(s)		67,353	
Lieutenant(s)		43,869	
Sergeant(s)		183,699	
Salary Supplements		20,800	
Clerical Personnel		60,995	
School Resource Officer		165,415	
Overtime Pay		48,013	
Other Salaries and Wages		2,088	
In-service Training		3,405	
Social Security		109,976	
Pensions		99,493	
Medical Insurance		199,592	
Communication		36,110	
Data Processing Services		8,060	
Dues and Memberships		3,740	
Legal Notices, Recording, and Court Costs		1,140	
Maintenance and Repair Services - Equipment		3,063	
Maintenance and Repair Services - Vehicles		28,908	
Postal Charges		1,200	
Travel		1,859	
Other Contracted Services		19,775	
Gasoline		142,591	
Instructional Supplies and Materials		4,759	
Law Enforcement Supplies		3,354	
Office Supplies		8,888	
Tires and Tubes		12,114	
Uniforms		3,495	
Vehicle Parts		17,608	
Other Supplies and Materials		12,841	
Law Enforcement Equipment		14,175	
Motor Vehicles		159,774	
Office Equipment		163,458	
Other Equipment		10,171	
Total Sheriff's Department			\$ 2,592,716

Special Patrols

Deputy(ies)	\$	35,287	
Social Security		2,661	
Pensions		2,369	
Medical Insurance		6,751	
Maintenance and Repair Services - Vehicles		436	
Disposal Fees		1,836	
Gasoline		2,959	
Other Supplies and Materials		654	
Total Special Patrols			52,953

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Jail

Supervisor/Director	\$	42,145	
Lieutenant(s)		43,722	
Sergeant(s)		212,219	
Guards		451,642	
Overtime Pay		69,843	
In-service Training		965	
Social Security		59,890	
Pensions		53,071	
Medical Insurance		104,100	
Evaluation and Testing		4,624	
Maintenance and Repair Services - Buildings		45,109	
Maintenance and Repair Services - Equipment		1,156	
Medical and Dental Services		382,940	
Travel		9,855	
Other Contracted Services		24,420	
Custodial Supplies		52,478	
Diesel Fuel		237	
Electricity		49,203	
Food Supplies		148,267	
Gasoline		221	
Natural Gas		62,794	
Prisoners Clothing		9,794	
Uniforms		4,484	
Water and Sewer		452	
Other Supplies and Materials		15,652	
Other Charges		778	
Office Equipment		1,477	
Other Equipment		908	
Total Jail			\$ 1,852,446

Fire Prevention and Control

Contracts with Government Agencies	\$	1,000	
Contributions		110,000	
Electricity		2,897	
Liability Insurance		63,721	
Vehicle and Equipment Insurance		45,133	
Workers' Compensation Insurance		12,503	
Total Fire Prevention and Control			235,254

Civil Defense

Supervisor/Director	\$	6,345	
Social Security		485	
Communication		992	
Dues and Memberships		460	
Electricity		595	
Total Civil Defense			8,877

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Rescue Squad

Contributions	\$ 10,100	
Total Rescue Squad		\$ 10,100

Other Emergency Management

Contributions	\$ 150,000	
Total Other Emergency Management		150,000

County Coroner/Medical Examiner

Other Contracted Services	\$ 44,486	
Total County Coroner/Medical Examiner		44,486

Public Health and WelfareLocal Health Center

Other Salaries and Wages	\$ 18,538	
Social Security	1,418	
Pensions	1,159	
Communication	7,679	
Contracts with Other Public Agencies	18,180	
Maintenance and Repair Services - Buildings	3,494	
Travel	1,929	
Other Contracted Services	11,667	
Office Supplies	1,144	
Utilities	12,271	
Office Equipment	12,392	
Other Equipment	1,778	
Total Local Health Center		91,649

Ambulance/Emergency Medical Services

Assistant(s)	\$ 24,836	
Supervisor/Director	80,695	
Accountants/Bookkeepers	29,524	
Medical Personnel	42,196	
Paraprofessionals	690,621	
Clerical Personnel	21,942	
Attendants	520,746	
Overtime Pay	340,441	
In-service Training	5,145	
Social Security	129,786	
Pensions	115,406	
Medical Insurance	216,784	
Communication	18,797	
Data Processing Services	17,381	
Dues and Memberships	1,310	
Evaluation and Testing	1,571	
Licenses	2,500	
Maintenance and Repair Services - Buildings	14,783	
Maintenance and Repair Services - Equipment	4,747	

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Maintenance and Repair Services - Vehicles	\$	113,208	
Travel		310	
Tuition		18,857	
Other Contracted Services		107,499	
Custodial Supplies		2,889	
Drugs and Medical Supplies		116,235	
Electricity		20,140	
Gasoline		99,626	
Natural Gas		6,557	
Office Supplies		4,872	
Tires and Tubes		7,360	
Uniforms		12,662	
Water and Sewer		823	
Office Equipment		5,247	
Other Equipment		8,302	
Total Ambulance/Emergency Medical Services	\$		2,803,798

Regional Mental Health Center

Contracts with Other Public Agencies	\$	6,327	
Total Regional Mental Health Center			6,327

Other Public Health and Welfare

Cafeteria Personnel	\$	35,774	
Social Security		2,722	
Licenses		50	
Custodial Supplies		2,623	
Food Supplies		27,814	
Gasoline		3,098	
Total Other Public Health and Welfare			72,081

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Supervisor/Director	\$	50,293	
Part-time Personnel		1,070	
Social Security		3,914	
Pensions		3,403	
Data Processing Services		503	
Licenses		220	
Maintenance and Repair Services - Vehicles		1,006	
Custodial Supplies		110	
Food Supplies		554	
Gasoline		57	
Office Supplies		614	
Motor Vehicles		8,000	
Other Equipment		836	
Total Senior Citizens Assistance			70,580

(Continued)

Exhibit J-8

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

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

Librarians	\$	48,979	
Clerical Personnel		31,680	
Part-time Personnel		46,127	
Social Security		9,310	
Pensions		5,461	
Medical Insurance		13,951	
Communication		5,931	
Data Processing Services		1,687	
Dues and Memberships		145	
Maintenance and Repair Services - Buildings		11,583	
Travel		31	
Custodial Supplies		1,079	
Library Books/Media		4,636	
Office Supplies		5,507	
Utilities		13,515	
Other Supplies and Materials		4,139	
Other Charges		8,335	
Office Equipment		3,066	
Total Libraries			\$ 215,162

Other Social, Cultural, and Recreational

Communication	\$	1,277	
Contributions		9,000	
Other Charges		25,000	
Total Other Social, Cultural, and Recreational			35,277

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	61,710	
Extension Service Medicare		3,936	
Pensions		6,331	
Medical Insurance		7,866	
Unemployment Compensation		3	
Other Fringe Benefits		1,765	
Communication		2,995	
Contributions		214	
Dues and Memberships		290	
Travel		2,705	
Office Supplies		34	
Workers' Compensation Insurance		72	
Office Equipment		3,135	
Total Agricultural Extension Service			91,056

Soil Conservation

Assistant(s)	\$	34,789	
Deputy(ies)		34,566	
Social Security		4,964	

(Continued)

Exhibit J-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation (Cont.)

Pensions	\$	4,693	
Medical Insurance		<u>13,951</u>	
Total Soil Conservation			\$ 92,963

Other OperationsTourism

Advertising	\$	25,518	
Data Processing Services		<u>18,500</u>	
Total Tourism			44,018

Industrial Development

Contributions	\$	32,606	
Other Contracted Services		24,680	
Other Charges		<u>11,276</u>	
Total Industrial Development			68,562

Other Economic and Community Development

Land	\$	165,291	
Other Equipment		<u>146,306</u>	
Total Other Economic and Community Development			311,597

Airport

Airport Improvement	\$	<u>4,250</u>	
Total Airport			4,250

Veterans' Services

Supervisor/Director	\$	21,043	
Social Security		1,570	
Pensions		1,222	
Communication		1,686	
Contributions		3,976	
Data Processing Services		400	
Travel		987	
Office Supplies		106	
Other Charges		<u>2,500</u>	
Total Veterans' Services			33,490

Contributions to Other Agencies

Contributions	\$	<u>16,854</u>	
Total Contributions to Other Agencies			16,854

HighwaysTraffic Control

Road Signs	\$	<u>6,906</u>	
Total Traffic Control			6,906

(Continued)

Exhibit J-8

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

General Fund (Cont.)Highways (Cont.)Litter and Trash Collection

Supervisor/Director	\$	23,637	
Social Security		1,878	
Advertising		14,179	
Maintenance and Repair Services - Vehicles		632	
Custodial Supplies		960	
Gasoline		2,791	
Total Litter and Trash Collection			\$ 44,077

Total General Fund \$ 13,193,562

Courthouse and Jail Maintenance FundOther OperationsOther Charges

Trustee's Commission	\$	4	
Total Other Charges			\$ 4

Total Courthouse and Jail Maintenance Fund 4

Solid Waste/Sanitation FundGeneral GovernmentOther General Administration

Life Insurance	\$	525	
Other Fringe Benefits		720	
Data Processing Services		7,941	
Evaluation and Testing		608	
Legal Notices, Recording, and Court Costs		503	
Office Supplies		1,723	
Liability Insurance		30,510	
Trustee's Commission		22,262	
Workers' Compensation Insurance		32,703	
Office Equipment		1,893	
Total Other General Administration			\$ 99,388

Public Health and WelfareConvenience Centers

Laborers	\$	217,188	
Social Security		16,418	
Medical Insurance		6,751	
Communication		4,694	
Maintenance and Repair Services - Buildings		4,432	
Maintenance and Repair Services - Equipment		1,317	
Rentals		5,100	
Custodial Supplies		539	
Electricity		8,267	
Water and Sewer		9,040	
Solid Waste Equipment		36,742	
Total Convenience Centers			310,488

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations

Supervisor/Director	\$	61,067	
Deputy(ies)		35,037	
Foremen		37,865	
Equipment Operators		71,885	
Truck Drivers		105,679	
Social Security		22,611	
Pensions		24,460	
Medical Insurance		47,566	
Communication		693	
Licenses		2,625	
Maintenance and Repair Services - Buildings		4,028	
Maintenance and Repair Services - Equipment		29,347	
Disposal Fees		660,839	
Other Contracted Services		79,010	
Diesel Fuel		63,623	
Lubricants		3,528	
Tires and Tubes		12,666	
Other Supplies and Materials		400	
Other Charges		400	
Solid Waste Equipment		47,610	
Total Transfer Stations			\$ 1,310,939

Recycling Center

Communication	\$	2,130	
Maintenance and Repair Services - Buildings		5,936	
Maintenance and Repair Services - Equipment		7,367	
Custodial Supplies		2,482	
Electricity		3,469	
Gasoline		947	
Propane Gas		2,432	
Uniforms		8,224	
Water and Sewer		3,398	
Other Supplies and Materials		3,415	
Other Equipment		202	
Total Recycling Center			40,002

Postclosure Care Costs

Testing	\$	34,520	
Other Charges		199	
Total Postclosure Care Costs			34,719

Total Solid Waste/Sanitation Fund \$ 1,795,536

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	2,500	
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(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Dues and Memberships	\$	740	
Maintenance and Repair Services - Buildings		500	
Towing Services		675	
Veterinary Services		1,275	
Other Contracted Services		6,724	
Animal Food and Supplies		3,067	
Other Supplies and Materials		761	
Trustee's Commission		111	
Other Equipment		97,964	
Total Drug Enforcement			\$ 114,317

Total Drug Control Fund \$ 114,317

American Rescue Plan FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	556	
Total Other General Administration			\$ 556

Other OperationsAmerican Rescue Plan Act Grant #1

Maintenance and Repair Services - Buildings	\$	37,460	
Building Construction		135,698	
Highway Equipment		164,360	
Total American Rescue Plan Act Grant #1			337,518

Total American Rescue Plan Fund 338,074

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	90,636	
Supervisor/Director		46,728	
Overtime Pay		18,084	
Communication		10,666	
Dues and Memberships		3,575	
Evaluation and Testing		3,486	
Legal Services		300	
Legal Notices, Recording, and Court Costs		353	
Licenses		22	
Maintenance and Repair Services - Buildings		5,757	
Travel		2,625	
Other Contracted Services		2,495	
Custodial Supplies		1,056	
Electricity		3,741	
Office Supplies		829	
Utilities		3,263	
Other Charges		4,574	
Total Administration			\$ 198,190

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance

Supervisor/Director	\$	189,168	
Equipment Operators		448,094	
Truck Drivers		120,773	
Laborers		38,774	
Overtime Pay		69,632	
Asphalt - Cold Mix		514,446	
Asphalt - Hot Mix		13,952	
Asphalt - Liquid		354,786	
Crushed Stone		245,647	
Pipe		6,403	
Pipe - Metal		22,878	
Road Signs		4,501	
Salt		5,304	
Sand		321	
Other Supplies and Materials		5,319	
Other Charges		6,529	
Total Highway and Bridge Maintenance			\$ 2,046,527

Operation and Maintenance of Equipment

Supervisor/Director	\$	10,280	
Mechanic(s)		63,382	
Overtime Pay		16,188	
Freight Expenses		3,103	
Maintenance and Repair Services - Equipment		93,316	
Equipment and Machinery Parts		60,442	
Gasoline		223,531	
Lubricants		8,525	
Small Tools		4,518	
Tires and Tubes		38,822	
Uniforms		4,476	
Highway Equipment		127,243	
Total Operation and Maintenance of Equipment			653,826

Quarry Operations

Supervisor/Director	\$	39,595	
Equipment Operators		73,993	
Overtime Pay		14,860	
Lease Payments		10,000	
Permits		2,372	
Electricity		37,189	
Equipment and Machinery Parts		16,460	
Uniforms		1,606	
Total Quarry Operations			196,075

Other Charges

Liability Insurance	\$	61,020	
Trustee's Commission		35,731	
Workers' Compensation Insurance		81,356	
Total Other Charges			178,107

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Employee Benefits

Social Security	\$	89,256	
Pensions		80,614	
Life Insurance		3,810	
Medical Insurance		313,626	
Unemployment Compensation		7,254	
Other Fringe Benefits		1,560	
Total Employee Benefits			\$ 496,120

Capital Outlay

Engineering Services	\$	22,367	
Matching Share		3,774	
Asphalt		184,917	
Total Capital Outlay			211,058

Total Highway/Public Works Fund \$ 3,979,903

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	983,000	
Principal on Notes		408,872	
Total General Government			\$ 1,391,872

Education

Principal on Bonds	\$	820,000	
Principal on Other Loans		237,720	
Total Education			1,057,720

Interest on DebtGeneral Government

Interest on Bonds	\$	238,464	
Interest on Notes		1,455	
Total General Government			239,919

Education

Interest on Bonds	\$	102,400	
Interest on Other Loans		24,228	
Total Education			126,628

Other Debt ServiceGeneral Government

Fiscal Agent Charges	\$	400	
Trustee's Commission		25,767	
Total General Government			26,167

Education

Other Debt Service	\$	300	
Total Education			300

Total General Debt Service Fund 2,842,606

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Highway Equipment	\$	53,898	
Total General Administration Projects			\$ 53,898
Total General Capital Projects Fund			\$ 53,898
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Equipment	\$	47,936	
Total Highway and Street Capital Projects			\$ 47,936
Total Highway Capital Projects Fund			47,936
Total Governmental Funds - Primary Government			\$ 22,365,836

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,053,767	
Career Ladder Program	15,132	
Homebound Teachers	10,722	
Educational Assistants	188,680	
Other Salaries and Wages	94,360	
Certified Substitute Teachers	72,640	
Non-certified Substitute Teachers	156,295	
Social Security	493,862	
Pensions	618,157	
Life Insurance	4,185	
Medical Insurance	1,550,550	
Unemployment Compensation	4,270	
Local Retirement	80,675	
Employer Medicare	116,178	
Payments to Retirees	90,912	
Other Fringe Benefits	1,014	
Other Contracted Services	390,859	
Instructional Supplies and Materials	84,459	
Textbooks - Bound	1,130	
Software	27,930	
Other Supplies and Materials	87,160	
In Service/Staff Development	2,100	
Fee Waivers	33,537	
Other Charges	428	
Regular Instruction Equipment	157,426	
Total Regular Instruction Program		\$ 12,336,428

Alternative Instruction Program

Teachers	\$ 60,530	
Career Ladder Program	1,000	
Social Security	3,337	
Pensions	5,347	
Life Insurance	25	
Medical Insurance	10,464	
Unemployment Compensation	21	
Employer Medicare	780	
Total Alternative Instruction Program		81,504

Special Education Program

Teachers	\$ 1,038,665
Career Ladder Program	1,000
Homebound Teachers	14,117
Educational Assistants	221,144
Speech Pathologist	60,368
Certified Substitute Teachers	380
Non-certified Substitute Teachers	412

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	77,647	
Pensions		80,576	
Life Insurance		592	
Medical Insurance		276,980	
Unemployment Compensation		898	
Local Retirement		26,015	
Employer Medicare		18,170	
Contracts with Private Agencies		1,000	
Other Contracted Services		61,861	
Instructional Supplies and Materials		4,525	
Other Supplies and Materials		1,450	
Other Charges		400	
Total Special Education Program			\$ 1,886,200

Career and Technical Education Program

Teachers	\$	444,109	
Bus Drivers		246	
Other Salaries and Wages		372	
Certified Substitute Teachers		1,045	
Non-certified Substitute Teachers		2,775	
Social Security		25,863	
Pensions		36,183	
Life Insurance		214	
Medical Insurance		80,813	
Unemployment Compensation		189	
Local Retirement		2,096	
Employer Medicare		6,062	
Maintenance and Repair Services - Equipment		716	
Travel		495	
Tuition		1,733	
Instructional Supplies and Materials		7,933	
Other Supplies and Materials		20,850	
In Service/Staff Development		1,755	
Other Charges		2,544	
Vocational Instruction Equipment		45,685	
Total Career and Technical Education Program			681,678

Support Services

Attendance

Supervisor/Director	\$	76,721
Career Ladder Program		500
Clerical Personnel		7,000
Other Salaries and Wages		26,819
Social Security		6,570
Pensions		9,523
Life Insurance		35

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Medical Insurance	\$	12,819	
Unemployment Compensation		29	
Employer Medicare		1,537	
Other Fringe Benefits		36	
Travel		148	
Software		17,612	
Other Supplies and Materials		80	
In Service/Staff Development		2,961	
Attendance Equipment		1,993	
Total Attendance			\$ 164,383

Health Services

Supervisor/Director	\$	61,812	
Medical Personnel		3,920	
Other Salaries and Wages		1,000	
Certified Substitute Teachers		285	
Non-certified Substitute Teachers		1,500	
Social Security		3,804	
Pensions		5,696	
Life Insurance		50	
Medical Insurance		16,138	
Unemployment Compensation		21	
Local Retirement		516	
Employer Medicare		851	
Other Fringe Benefits		309	
Travel		141	
Other Supplies and Materials		9,448	
In Service/Staff Development		3,561	
Total Health Services			109,052

Other Student Support

Guidance Personnel	\$	60,030	
Bus Drivers		239	
Other Salaries and Wages		6,665	
Social Security		3,617	
Pensions		5,759	
Life Insurance		260	
Medical Insurance		13,928	
Unemployment Compensation		37	
Employer Medicare		848	
Other Fringe Benefits		28	
Contracts with Government Agencies		88,562	
Evaluation and Testing		16,775	
Other Contracted Services		1,126	
Other Supplies and Materials		183	
Other Equipment		23,079	
Total Other Student Support			221,136

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	153,616	
Teachers		1,980	
Career Ladder Program		5,300	
Librarians		326,226	
Bus Drivers		165	
Clerical Personnel		15,304	
Other Salaries and Wages		153,032	
Certified Substitute Teachers		285	
Non-certified Substitute Teachers		600	
Social Security		37,919	
Pensions		56,535	
Life Insurance		260	
Medical Insurance		103,354	
Unemployment Compensation		237	
Local Retirement		83	
Employer Medicare		8,941	
Travel		8,496	
Other Contracted Services		3,500	
Library Books/Media		2,381	
Other Supplies and Materials		28,588	
In Service/Staff Development		57,227	
Other Equipment		48,208	
Total Regular Instruction Program			\$ 1,012,237

Special Education Program

Supervisor/Director	\$	73,648	
Psychological Personnel		56,213	
Medical Personnel		47,815	
Clerical Personnel		18,555	
Other Salaries and Wages		11,752	
Social Security		11,785	
Pensions		16,440	
Life Insurance		48	
Medical Insurance		33,356	
Unemployment Compensation		93	
Local Retirement		110	
Employer Medicare		2,774	
Travel		3,593	
In Service/Staff Development		862	
Total Special Education Program			277,044

Career and Technical Education Program

Supervisor/Director	\$	12,689	
Career Ladder Program		200	
Social Security		738	
Pensions		1,120	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Life Insurance	\$	5	
Medical Insurance		2,010	
Unemployment Compensation		4	
Employer Medicare		173	
Total Career and Technical Education Program			\$ 16,939

Technology

Other Salaries and Wages	\$	104,237	
Social Security		6,287	
Pensions		7,649	
Life Insurance		25	
Medical Insurance		17,171	
Unemployment Compensation		50	
Employer Medicare		1,470	
Internet Connectivity		5,000	
Travel		4,910	
Software		19,624	
Other Supplies and Materials		1,382	
Other Charges		9,468	
Other Equipment		105,781	
Total Technology			283,054

Other Programs

On-behalf Payments to OPEB	\$	165,153	
Total Other Programs			165,153

Board of Education

Secretary to Board	\$	1,760	
Board and Committee Members Fees		23,985	
Social Security		1,313	
Pensions		121	
Unemployment Compensation		1	
Employer Medicare		373	
Audit Services		7,000	
Legal Services		39,138	
Medical and Dental Services		5,900	
Travel		244	
Other Contracted Services		1,212	
Other Supplies and Materials		194	
Liability Insurance		49,857	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		141,183	
Workers' Compensation Insurance		147,287	
In Service/Staff Development		19,920	
Refund to Applicant for Criminal Investigation		1,417	
Other Charges		1,270	
Total Board of Education			442,525

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	95,983	
Assistant(s)		2,083	
Career Ladder Program		1,000	
Social Security		5,572	
Pensions		8,609	
Life Insurance		25	
Medical Insurance		14,102	
Unemployment Compensation		21	
Employer Medicare		1,303	
Dues and Memberships		15,094	
Postal Charges		4,442	
Travel		224	
Office Supplies		133	
Other Supplies and Materials		13	
In Service/Staff Development		4,769	
Other Charges		240	
Administration Equipment		1,300	
Total Director of Schools			\$ 154,913

Office of the Principal

Principals	\$	503,809	
Career Ladder Program		3,000	
Assistant Principals		407,789	
Secretary(ies)		455,005	
Other Salaries and Wages		19,363	
Social Security		80,798	
Pensions		110,318	
Life Insurance		340	
Medical Insurance		222,745	
Unemployment Compensation		691	
Local Retirement		1,303	
Employer Medicare		18,892	
Other Fringe Benefits		58	
Office Supplies		5,708	
Software		2,800	
Other Supplies and Materials		126	
Excess Risk Insurance		17,815	
In Service/Staff Development		1,732	
Administration Equipment		1,904	
Total Office of the Principal			1,854,196

Fiscal Services

Accountants/Bookkeepers	\$	125,112	
Secretary(ies)		63,634	
Other Salaries and Wages		58,656	
Social Security		14,334	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Pensions	\$	17,021	
Medical Insurance		42,500	
Unemployment Compensation		118	
Employer Medicare		3,352	
Dues and Memberships		50	
Maintenance and Repair Services - Equipment		525	
Other Contracted Services		1,674	
Data Processing Supplies		3,560	
Office Supplies		375	
Software		12,517	
Other Supplies and Materials		572	
In Service/Staff Development		8,597	
Total Fiscal Services			\$ 352,597

Operation of Plant

Custodial Personnel	\$	568,848	
Social Security		33,109	
Pensions		36,296	
Medical Insurance		143,409	
Unemployment Compensation		746	
Employer Medicare		7,996	
Communication		53,867	
Maintenance and Repair Services - Equipment		1,705	
Other Contracted Services		93,701	
Custodial Supplies		66,890	
Electricity		543,358	
Natural Gas		87,296	
Propane Gas		65,870	
Water and Sewer		52,322	
Chemicals		19,863	
Other Supplies and Materials		3,792	
Boiler Insurance		3,694	
Building and Contents Insurance		169,923	
Other Charges		159	
Plant Operation Equipment		12,082	
Total Operation of Plant			1,964,926

Maintenance of Plant

Supervisor/Director	\$	30,140	
Maintenance Personnel		178,323	
Overtime Pay		330	
Social Security		15,959	
Pensions		14,888	
Life Insurance		13	
Medical Insurance		26,882	
Unemployment Compensation		100	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Employer Medicare	\$	3,732	
Other Fringe Benefits		55,632	
Maintenance and Repair Services - Buildings		9,874	
Maintenance and Repair Services - Equipment		9,627	
Maintenance and Repair Services - Vehicles		373	
Other Contracted Services		42,310	
Custodial Supplies		119	
Equipment and Machinery Parts		14,910	
General Construction Materials		30,209	
Small Tools		2,517	
Uniforms		1,781	
Chemicals		2,720	
Other Supplies and Materials		8,907	
Vehicle and Equipment Insurance		4,769	
In Service/Staff Development		1,770	
Other Charges		1,207	
Maintenance Equipment		2,720	
Total Maintenance of Plant			\$ 459,812

Transportation

Supervisor/Director	\$	31,860
Mechanic(s)		93,651
Bus Drivers		548,305
Other Salaries and Wages		7,919
Social Security		38,501
Pensions		31,463
Life Insurance		13
Medical Insurance		76,941
Unemployment Compensation		535
Employer Medicare		9,754
Other Fringe Benefits		141
Maintenance and Repair Services - Equipment		272
Medical and Dental Services		3,400
Travel		10,088
Other Contracted Services		2,705
Crushed Stone		793
Custodial Supplies		807
Diesel Fuel		136,541
Garage Supplies		2,806
Gasoline		4,963
Lubricants		11,422
Small Tools		1,343
Tires and Tubes		19,871
Uniforms		1,180
Vehicle Parts		50,506
Other Supplies and Materials		3,152

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle and Equipment Insurance	\$	34,971	
In Service/Staff Development		3,138	
Other Charges		147	
Transportation Equipment		138,996	
Total Transportation			\$ 1,266,184

Operation of Non-Instructional Services

Food Service

Other Charges	\$	7,837	
Food Service Equipment		330	
Total Food Service			8,167

Community Services

Supervisor/Director	\$	41,155	
Teachers		305,190	
Educational Assistants		86,535	
Other Salaries and Wages		27,750	
Social Security		27,605	
Pensions		33,586	
Medical Insurance		6,587	
Unemployment Compensation		239	
Employer Medicare		6,491	
Other Fringe Benefits		2,243	
Instructional Supplies and Materials		12,805	
Other Supplies and Materials		14,469	
Other Charges		21,925	
Other Equipment		3,726	
Total Community Services			590,306

Early Childhood Education

Teachers	\$	232,808	
Clerical Personnel		3,870	
Educational Assistants		74,242	
Other Salaries and Wages		31,178	
Certified Substitute Teachers		1,425	
Non-certified Substitute Teachers		2,362	
Social Security		20,538	
Pensions		27,745	
Life Insurance		120	
Medical Insurance		54,299	
Unemployment Compensation		226	
Employer Medicare		4,819	
Other Fringe Benefits		1,608	
Travel		10	
Instructional Supplies and Materials		4,467	
Other Supplies and Materials		14,929	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

In Service/Staff Development	\$ 287	
Regular Instruction Equipment	9,052	
Total Early Childhood Education		\$ 483,985

Capital Outlay

Regular Capital Outlay

Architects	\$ 2,154	
Other Contracted Services	8,000	
Building Construction	288,536	
Land	350,000	
Other Equipment	39,203	
Total Regular Capital Outlay		687,893

Total General Purpose School Fund \$ 25,500,312

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 170,345	
Educational Assistants	107,254	
Other Salaries and Wages	457,340	
Certified Substitute Teachers	4,235	
Non-certified Substitute Teachers	6,150	
Social Security	43,158	
Pensions	59,384	
Life Insurance	88	
Medical Insurance	134,897	
Unemployment Compensation	443	
Local Retirement	1,988	
Employer Medicare	10,138	
Other Fringe Benefits	6,501	
Instructional Supplies and Materials	22,966	
Software	17,420	
Regular Instruction Equipment	99,166	
Total Regular Instruction Program		\$ 1,141,473

Special Education Program

Teachers	\$ 48,564	
Educational Assistants	530,832	
Other Salaries and Wages	1,922	
Certified Substitute Teachers	570	
Non-certified Substitute Teachers	1,125	
Social Security	32,666	
Pensions	33,134	
Medical Insurance	155,198	
Unemployment Compensation	942	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Local Retirement	\$	2,406	
Employer Medicare		7,673	
Other Fringe Benefits		8,115	
Instructional Supplies and Materials		14,958	
Other Supplies and Materials		5,448	
Special Education Equipment		15,268	
Total Special Education Program			\$ 858,821

Career and Technical Education Program

Educational Assistants	\$	13,971	
Social Security		803	
Pensions		960	
Medical Insurance		6,403	
Unemployment Compensation		18	
Employer Medicare		188	
Maintenance and Repair Services - Equipment		507	
Instructional Supplies and Materials		27,060	
Other Charges		1,465	
Vocational Instruction Equipment		6,859	
Total Career and Technical Education Program			58,234

Support Services

Health Services

Supervisor/Director	\$	7,187	
Medical Personnel		179,206	
Social Security		10,263	
Pensions		10,998	
Medical Insurance		46,089	
Unemployment Compensation		191	
Local Retirement		1,548	
Employer Medicare		2,400	
Other Fringe Benefits		1,115	
Travel		1,262	
Drugs and Medical Supplies		20,316	
Other Charges		81	
Health Equipment		12,137	
Total Health Services			292,793

Other Student Support

Guidance Personnel	\$	445,177	
Bus Drivers		398	
Other Salaries and Wages		23,648	
Social Security		27,709	
Pensions		30,495	
Medical Insurance		67,454	
Unemployment Compensation		239	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Local Retirement	\$	8,435	
Employer Medicare		6,476	
Other Fringe Benefits		4,562	
Travel		10,112	
Other Supplies and Materials		17,001	
In Service/Staff Development		8,118	
Other Charges		21,407	
Total Other Student Support			\$ 671,231

Regular Instruction Program

Supervisor/Director	\$	79,943	
Secretary(ies)		6,693	
Other Salaries and Wages		345,734	
In-service Training		2,750	
Social Security		22,940	
Pensions		32,932	
Life Insurance		39	
Medical Insurance		54,156	
Unemployment Compensation		162	
Local Retirement		146	
Employer Medicare		5,966	
Other Fringe Benefits		2,146	
Travel		7,575	
Other Contracted Services		188,050	
Library Books/Media		1,064	
Software		4,200	
Other Supplies and Materials		18,517	
In Service/Staff Development		65,965	
Other Charges		136,395	
Other Equipment		7,526	
Total Regular Instruction Program			982,899

Special Education Program

Supervisor/Director	\$	6,695	
Psychological Personnel		49,823	
Other Salaries and Wages		76,331	
Social Security		8,211	
Pensions		7,113	
Life Insurance		52	
Medical Insurance		16,931	
Unemployment Compensation		65	
Local Retirement		3,641	
Employer Medicare		1,920	
Other Fringe Benefits		873	
Communication		1,200	
Contracts with Private Agencies		1,661	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Evaluation and Testing	\$	694	
Postal Charges		30	
Travel		4,601	
Other Supplies and Materials		12,049	
In Service/Staff Development		14,955	
Other Equipment		13,820	
Total Special Education Program			\$ 220,665

Career and Technical Education Program

In Service/Staff Development	\$	1,279	
Total Career and Technical Education Program			1,279

Technology

Other Equipment	\$	18,831	
Total Technology			18,831

Fiscal Services

Other Contracted Services	\$	46,200	
Total Fiscal Services			46,200

Transportation

Bus Drivers	\$	17,810	
Other Salaries and Wages		5,555	
Social Security		1,416	
Pensions		1,219	
Unemployment Compensation		28	
Employer Medicare		331	
Other Fringe Benefits		3,000	
Contracts with Parents		15,859	
Transportation Equipment		120,000	
Total Transportation			165,218

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	222,283	
Plant Operation Equipment		763,482	
Total Regular Capital Outlay			985,765

Total School Federal Projects Fund \$ 5,443,409

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	75,136	
Clerical Personnel		7,613	
Cafeteria Personnel		599,975	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Temporary Personnel	\$	20,230	
Social Security		39,519	
Pensions		46,223	
Life Insurance		25	
Medical Insurance		143,661	
Unemployment Compensation		756	
Employer Medicare		8,956	
Other Fringe Benefits		23,461	
Dues and Memberships		1,078	
Maintenance and Repair Services - Equipment		32,366	
Travel		618	
Other Contracted Services		34,290	
Food Supplies		719,107	
USDA - Commodities		79,792	
Other Supplies and Materials		99,368	
In Service/Staff Development		2,574	
Food Service Equipment		75,101	
Total Food Service			\$ 2,009,849

Total Central Cafeteria Fund \$ 2,009,849

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	971,440	
Total Community Services			\$ 971,440

Total Internal School Fund 971,440

Education Debt Service Fund

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	1,057,720	
Total Education			\$ 1,057,720

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	126,628	
Total Education			126,628

Other Debt Service

Education

Trustee's Commission	\$	6,891	
Debt Service Contribution to Primary Government		300	
Total Education			7,191

Total Education Debt Service Fund 1,191,539

(Continued)

Exhibit J-9

Overton County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Overton County School Department (Cont.)

Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Architects	\$	36,438	
Engineering Services		4,385	
Building Construction		<u>3,429,471</u>	
Total Regular Capital Outlay			<u>\$ 3,470,294</u>

Total Education Capital Projects Fund			<u>\$ 3,470,294</u>
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Total Governmental Funds - Overton County School Department			<u><u>\$ 38,586,843</u></u>
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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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Overton County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 7, 2023. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Overton County Health and Rehab Center and the financial statements of the Internal School Fund of the Overton County School Department (discretely presented component unit) as described in our report on Overton County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Overton County's internal control over financial reporting (internal control) as a basis for designing the 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 Overton County's internal control. Accordingly, we do not express an opinion on the effectiveness of Overton County's internal control.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Overton 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 Findings and Questioned Costs as items: 2023-001 and 2023-002.

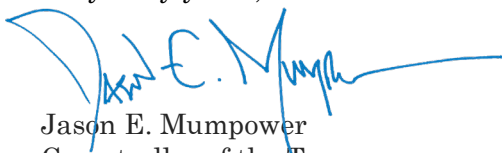
Overton County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Overton County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Overton 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 Overton 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

November 7, 2023

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Overton 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 Overton County's major federal programs for the year ended June 30, 2023. Overton 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, Overton 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 Overton 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 Overton 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 Overton 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 Overton 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 Overton 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 Overton 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 Overton 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 Overton 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.

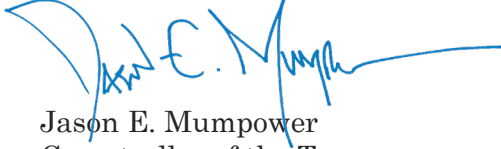
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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 Overton County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Overton County's basic financial statements. We issued our report thereon dated November 7, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2023

JEM/tg

Overton County, Tennessee, and the Overton County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10)
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	N/A	\$ 351,064
National School Lunch Program	10.555	N/A	1,068,546 (6)
National School Lunch Program	10.555	225TN333N8903	94,485 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	225TN100S9009	3,135
Passed Through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	79,792 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	4,260 (6)
Total U.S. Department of Agriculture			<u>\$ 1,601,282</u>
U.S. Department of Housing and Urban Development:			
Passed Through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(4)	\$ 600,025
Total U.S. Department of Housing and Urban Development			<u>\$ 600,025</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 7,278
Total U.S. Department of the Interior			<u>\$ 7,278</u>
U.S. Department of Transportation:			
Passed Through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(7)	\$ 22,407
Total U.S. Department of Transportation			<u>\$ 22,407</u>
U.S. Department of the Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 3,517,964
Total U.S. Department of the Treasury			<u>\$ 3,517,964</u>
U.S. National Foundation on the Arts and the Humanities:			
Passed Through State Department of State:			
Grants to States	45.310	(8)	\$ 1,445
Total U.S. National Foundation on the Arts and the Humanities			<u>\$ 1,445</u>
U.S. Department of Education:			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 966,067
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	980,496 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	105,441 (6)
Special Education - Preschool Grants	84.173	N/A	46,030 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.173X	N/A	12,011 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	78,167
Twenty-first Century Community Learning Centers	84.287	N/A	530,469
Rural Education	84.358	N/A	8,553
Supporting Effective Instruction State Grants	84.367	N/A	178,582
Comprehensive Literacy Development	84.371	N/A	82,776
Student Support and Academic Enrichment Program	84.424	N/A	64,554
COVID 19 - Education Stabilization Fund - Governor's Emergency			
Education Relief Fund (Early Literacy Network) (ESSER II)	84.425C	N/A	40,000 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund (ESSER I)	84.425D	N/A	208 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,207,345 (6)

(Continued)

Overton County, Tennessee, and the Overton County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education: (Cont.)			
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	\$ 1,344,943 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	1,589 (6)
Passed Through Tennessee Higher Education Commission: Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	P334A170004	158,050
Total U.S. Department of Education			<u>\$ 5,805,281</u>
U.S. Delta Regional Authority:			
Passed Through State Department of State: 2018 HAVA Election Security Grants	90.404	TN18101001	\$ 9,483
Total U.S. Delta Regional Authority			<u>\$ 9,483</u>
U.S. Department of Health and Human Services:			
Passed Through Upper Cumberland Development District: Aging Cluster: (5)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 7,147
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	41,955 (6)
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	4,080 (6)
Nutrition Services Incentive Program	93.053	(4)	13,319
COVID 19 - National Family Caregiver Support, Title III, Part E	93.052	(4)	293
Direct Program:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	171,225
Passed Through State Department of Health: COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	(4)	114,500 (6)
Passed Through State Department of Education: COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	479,075 (6)
Public Health Emergency Response; Cooperative Agreement for Emergency Response; Public Health Crisis Response	93.354	N/A	27,039
COVID 19 - Temporary Assistance for Needy Families	93.558	N/A	94,837
Total U.S. Department of Health and Human Services			<u>\$ 953,470</u>
U.S. Department of Homeland Security:			
Passed Through State Department of Military: Disaster Grants - Public Assistance	97.036	(9)	\$ 170,802
Total U.S. Department of Homeland Security			<u>\$ 170,802</u>
Total Expenditures of Federal Grants			<u>\$ 12,689,437</u>

(Continued)

Overton County, Tennessee, and the Overton County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Court State Supplement - State Department of Children Services	N/A	N/A	\$ 9,000
Three Star Grant Program - State Department of Economic and Community Development	N/A	N/A	29,818
Coordinated School Health - State Department of Education	N/A	N/A	99,056
High School SBE Start Up & Expansion - State Department of Education	N/A	N/A	9,310
Innovative School Models (ISM) - State Department of Education	N/A	N/A	154,164
Learning Camp Transportation - State Department of Education	N/A	N/A	58,001
Lottery Education Afterschool Programs - State Department of Education	N/A	N/A	70,677
Middle School STEM Start Up Expansion - State Department of Education	N/A	N/A	49,188
Safe Schools - State Department of Education	N/A	N/A	72,220
School Resource Officer Grant - State Department of Education	N/A	N/A	28,375
Summer Learning Camp - State Department of Education	N/A	N/A	201,529
Voluntary Pre-K - State Department of Education	N/A	N/A	510,092
Local Health Services - State Department of Health	N/A	GG-23-75675-01	34,841
Local Health Services - State Department of Health	N/A	GG-22-71388-00	4,034
Disaster Grants - Public Assistance - State Department of Military	N/A	FEMA-4601-DR-TN	7,916
Archives Development Grant - State Department of State	N/A	N/A	3,789
Training Opportunities to the Public (TOP) Grant - State Department of State	N/A	N/A	5,379
Litter Program - State Department of Transportation	N/A	Z23LIT067	42,532
Litter Program - State Department of Transportation	N/A	Z22LIT067	24,753
Governor's Investment in Vocational Education (GIVE) - Tennessee College of Applied Technology Livingston	N/A	N/A	61,591
Senior Center Competitive Grant - Tennessee Commission on Aging and Disability	N/A	N/A	8,000
Training Equipment Grant - Tennessee Corrections Institute	N/A	N/A	8,682
Supporting Postsecondary Access in Rural Communities (SPARC) - Tennessee Higher Education Commission	N/A	N/A	102,000
Aging Program - Upper Cumberland Development District	N/A	N/A	5,800
Special Programs for the Aging, Title III, Part C, Nutrition Services - Upper Cumberland Development District	N/A	N/A	3,936
Total State Grants			<u>\$ 1,604,683</u>

N/A = Not Applicable
FAL = Federal Assistance Listing

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Overton County elected not to use the 10% de minimus 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 \$1,598,147; Special Education Cluster total \$1,143,978; Aging Cluster total \$66,501.
- (6) FAL No. 10.555 total \$1,247,083; FAL No. 84.027 total \$1,085,937; FAL No. 84.173 total \$58,041; FAL No. 84.425 total \$2,594,085;
FAL No. 93.045 total \$46,035; FAL No. 93.323 total \$593,575.
- (7) Z22THS220 total \$13,802; Z23THS212 total \$8,605.
- (8) LS-252485-OLS-22 total \$1,420; LS-250238-OLS-21 total \$25.
- (9) FEMA-4594-DR-TN total \$28,311; FEMA-4601-DR-TN total \$142,491.
- (10) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes: Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 77,469
Supporting Effective Instruction State Grant	84.367	17,927
Student Support and Academic Enrichment Program	84.424	943
Total amounts consolidated for administration purposes		<u>\$ 96,339</u>

Overton 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 Overton 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
<u>OFFICE OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS</u>					
2022	242	2022-001	County commissioners were not paid in compliance with state statute.	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2022	242	2022-002	General Purpose School Funds were inappropriately transferred to the internal school funds.	N/A	Corrected
2022	244	2022-003	Operations of the school department are currently being reviewed.	N/A	Ongoing Investigation
<u>OFFICE OF COUNTY CLERK</u>					
2022	244	2022-004	An investigation in the Overton County Clerk's Office resulted in the clerk pleading guilty to one count of violation of the computer act.	N/A	Corrected
2022	244	2022-005	The county commission minutes were not maintained properly.	N/A	Corrected

Prior-year Federal Awards Findings

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

OVERTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * Assistance Listing Number: 84.287 Twenty-first Century Community Learning Centers
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **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 plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2023-001

EXPENDITURES EXCEEDED APPROPRIATIONS (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the county commission in the Election Commission major appropriation category of the General Fund by \$166,908. 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." This deficiency exists because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

I concur with this finding.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-002

OPERATIONS OF THE SCHOOL DEPARTMENT ARE CURRENTLY BEING REVIEWED (Noncompliance Under *Government Auditing Standards*)

The Comptroller's Division of Investigations is currently reviewing certain operations of the school department. Findings, if any, resulting from this review will be included in a subsequent report.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2023-003

BANK STATEMENTS WERE NOT RECONCILED PROPERLY WITH THE GENERAL LEDGER

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

Bank statements were not reconciled properly with the general ledger in a timely manner. Bank reconciliations were performed as much as six months after receiving the bank statement, and our examination revealed errors in posting and maintaining the balance of cash during the year. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to accurately reconcile bank statements with the general ledger monthly allows errors to remain undiscovered and uncorrected. This deficiency can be attributed to a lack of management oversight. Cash in bank at June 30, 2023, was verified by substantive testing and alternative auditing procedures and is presented properly in the financial statements of this report.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any differences discovered should be identified and corrected promptly.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with this 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.

Overton 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 DIRECTOR OF ACCOUNTS AND BUDGETS

2023-001	Expenditures exceeded appropriations.	240
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2023-003	Bank statements were not reconciled properly with the general ledger.	241
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Overton County Government

306 W. Main St. Rm 232 • Livingston, TN 38570
Phone: (931) 823-5638 • Fax: (931) 823-9417 • Email: overtonexec@twlakes.net

Steven Barlow
County Executive

Corrective Action Plan

Overton County Office of Director of Accounts and Budgets

FINDING: EXPENDITURES EXCEEDED APPROPRIATIONS

Response and Corrective Action Plan Prepared by:
Connie York, Director of Accounts and Budgets

Person Responsible for Implementing the Corrective Action:
Connie York, Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:
September 12, 2023

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Our office will review any large purchases and contracts approved by the County Commission to determine the appropriate purchase order has been pulled. Purchase order rules will be reviewed with the departments.

Signature: _____

Connie York

Overton County Circuit Court Clerk
Lori Hammock
1000 John T. Poindexter Drive
Livingston, Tn. 38570
Phone 931-823-2312
Fax 931-823-9728

Corrective Action Plan

OVERTON COUNTY CIRCUIT AND GENERAL SESSIONS COURTS CLERK

**FINDING: BANK STATEMENTS WERE NOT RECONCILED
PROPERLY WITH THE GENERAL LEDGER**

Response and Corrective Action Plan Prepared by:
Lori Hammock, Circuit and General Sessions Courts Clerk

Person Responsible for Implementing the Corrective Action:
Lori Hammock, Circuit and General Sessions Courts Clerk

Anticipated Completion Date of Corrective Action:
Already Completed, was completed when July's bank statements were reconciled.

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Action has already been corrected. All bank statements up to this date has been reconciled to the General Ledger and there are no issues.

Signature: _____

Lori Hammock 10/24/23

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 Overton County.

OVERTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Overton County does not have a central system of accounting, budgeting, and purchasing for all departments. Overton County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent but exclude the school department. 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing that includes all departments is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Overton County. Therefore, 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.