

ANNUAL FINANCIAL REPORT

SCOTT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
SCOTT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

AMY SOSVILLE, CPA
Auditor 4

STEPHEN ALRED
JACOB ROGERS
DOUG SANDIDGE, CISA, CFE
State Auditors

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

SCOTT COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Scott County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	29-30
Ambulance Service Fund	C-6	31
Highway/Public Works Fund	C-7	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	33
Index and Notes to the Financial Statements		34-83
REQUIRED SUPPLEMENTARY INFORMATION:		84
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	85
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	86
Schedule of Contributions Based on Participation in the Teacher Pension Plan of TCRS – Discretely Presented Scott County School Department	E-3	87
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Scott County School Department	E-4	88

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Pension Plan of TCRS – Discretely Presented Scott County School Department	E-5	89
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Scott County School Department	E-6	90
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Scott County School Department	E-7	91
Notes to the Required Supplementary Information		92
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		93
Nonmajor Governmental Funds:		94-95
Combining Balance Sheet	F-1	96-99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	100-103
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	F-3	104
Drug Control Fund	F-4	105
General Capital Projects Fund	F-5	106
Education Capital Projects Fund	F-6	107
Major Governmental Funds:		108
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Debt Service Fund	G-1	109
Rural Debt Service Fund	G-2	110
Fiduciary Funds:		111
Combining Statement of Fiduciary Assets and Liabilities	H-1	112
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	113-115
Component Unit:		
Discretely Presented Scott County School Department:		116
Statement of Activities	I-1	117
Balance Sheet – Governmental Funds	I-2	118
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	119
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	120
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	121
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	123
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	124-125
School Federal Projects Fund	I-9	126
Central Cafeteria Fund	I-10	127

	Exhibit	Page(s)
Miscellaneous Schedules:		128
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	129-130
Schedule of Long-term Debt Requirements by Year	J-2	131-132
Schedule of Transfers – Primary Government and Discretely Presented Scott County School Department	J-3	133
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Scott County School Department	J-4	134
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	135-146
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Scott County School Department	J-6	147-150
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	151-167
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Scott County School Department	J-8	168-176
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	J-9	177
<u>SINGLE AUDIT SECTION</u>		178
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		179-180
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		181-183
Schedule of Expenditures of Federal Awards and State Grants		184-185
Summary Schedule of Prior-year Findings		186
Schedule of Findings and Questioned Costs		187-191
Management's Corrective Action Plan		192-195

Summary of Audit Findings

Annual Financial Report
Scott County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Scott County as of and for the year ended June 30, 2017.

Results

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

Our audit resulted in three findings and recommendations, which we have reviewed with Scott 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 FINANCE

- ◆ The county had deficiencies in budget operations.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF FINANCE

- ◆ The office had deficiencies related to time records.

OTHER FINDINGS

- ◆ A county commissioner is serving as a compensated county medical examiner contrary to state statute and an attorney general's opinion.
-

INTRODUCTORY SECTION

Scott County Officials

June 30, 2017

Officials

Dale Perdue, County Mayor
Donald Sexton, Superintendent of Roads
Billy Hall, Director of Schools
Jimmy Byrd, Trustee
Anthony Sexton, Assessor of Property
Patricia Phillips, County Clerk
Donnie Phillips, Circuit and General Sessions Courts Clerk
Mike Potter, Clerk and Master
Porter Rector, Jr., Register of Deeds
Ronnie Phillips, Sheriff
Ginger Reynolds, Director of Finance

Board of County Commissioners

Dale Perdue, County Mayor, Chairman
Sheila Buttram
Kenny Chadwell
Rick Russ
Robyn McBroom
David Day
Robin Newman
Rick Burke

June Jeffers
Sam Lyles
Trent Cross
Ernest Phillips
Patti Brown
Mike Slaven
Eric Newport

Financial Management Committee

Mike Slaven, Chairman
Dale Perdue, County Mayor
Donald Sexton, Superintendent of Roads
Billy Hall, Director of Schools

Kenny Chadwell
June Jeffers
Ernest Phillips

Board of Education

Esther Abbot, Chairman
Diane Smith
Kim Kidd
John Thompson

Linda Sharp
Tommy Silcox
Llew Stanley

Audit Committee

Jerry Slaven
Melvin Stephens
Dave Cross

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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 Scott County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the 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 Scott County, Tennessee, as of June 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 85-92 be presented to supplement the basic financial statements. Such 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. 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scott County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

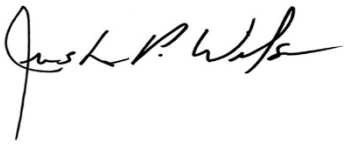
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2017, on our consideration of Scott 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 Scott 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 Scott County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 3, 2017

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Scott County, Tennessee
Statement of Net Position
June 30, 2017

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>ASSETS</u>		
Cash	\$ 2,281	\$ 18,050
Equity in Pooled Cash and Investments	4,566,575	9,958,963
Inventories	56,015	0
Accounts Receivable	1,327,136	955
Allowance for Uncollectibles	(1,151,609)	0
Due from Other Governments	1,163,510	719,212
Property Taxes Receivable	5,383,948	2,220,309
Allowance for Uncollectible Property Taxes	(287,313)	(118,190)
Net Pension Asset - Agent Plan	115,181	66,092
Net Pension Asset - Teacher Plan	0	15,699
Capital Assets:		
Assets Not Depreciated:		
Land	1,964,885	910,561
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,207,897	17,058,308
Other Capital Assets	1,378,966	1,390,673
Infrastructure	3,057,156	6,095
Total Assets	<u>\$ 29,784,628</u>	<u>\$ 32,246,727</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 80,092
Pension Changes in Investment Earnings	568,500	2,413,333
Pension Contributions after Measurement Date	427,679	1,240,585
Pension Other Deferrals	0	162,812
Total Deferred Outflows of Resources	<u>\$ 996,179</u>	<u>\$ 3,896,822</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 601,713	\$ 19,746
Accrued Payroll	56,900	2,593,037
Accrued Interest Payable	26,914	0
Payroll Deductions Payable	656	65,189
Due to State of Tennessee	5,128	3,381
Capital Outlay Notes Payable	7,620	0
Other Current Liabilities	0	341,218
Noncurrent Liabilities:		
Due Within One Year	2,030,403	0
Due in More Than One Year	30,257,905	5,774,991
Total Liabilities	<u>\$ 32,987,239</u>	<u>\$ 8,797,562</u>

(Continued)

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 4,769,639	\$ 1,968,070
Pension Changes in Experience	531,536	2,567,151
Pension Other Deferrals	0	11,228
Total Deferred Inflows of Resources	<u>\$ 5,301,175</u>	<u>\$ 4,546,449</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 8,597,850	\$ 19,365,637
Restricted for:		
General Government	4,804	0
Administration of Justice	24,743	0
Public Safety	110,958	0
Public Health and Welfare	513,532	0
Social, Cultural, and Recreation	53	0
Highway/Public Works	233,788	0
Debt Service	663,621	0
Capital Projects	374,566	0
Pensions	115,181	81,791
Other Purposes	16,449	0
Education	0	885,107
Unrestricted	<u>(18,163,152)</u>	<u>2,467,003</u>
Total Net Position	<u>\$ (7,507,607)</u>	<u>\$ 22,799,538</u>

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

Exhibit B

Scott County, Tennessee
Statement of Activities
For the Year Ended June 30, 2017

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	Component Unit
					Government Total Governmental Activities	Scott County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,955,118	\$ 410,600	\$ 309,898	\$ 0	\$ (2,234,620)	\$ 0
Finance	853,606	502,397	0	0	(351,209)	0
Administration of Justice	848,604	438,661	9,000	0	(400,943)	0
Public Safety	3,671,227	791,359	478,298	0	(2,401,570)	0
Public Health and Welfare	2,188,517	2,070,101	259,340	0	140,924	0
Social, Cultural, and Recreational Services	139,028	0	0	0	(139,028)	0
Agriculture and Natural Resources	26,555	0	0	0	(26,555)	0
Highways	2,727,566	0	2,099,591	845,613	217,638	0
Education	237,243	0	0	0	(237,243)	0
Interest on Long-term Debt	604,532	0	0	0	(604,532)	0
Total Governmental Activities	<u>\$ 14,251,996</u>	<u>\$ 4,213,118</u>	<u>\$ 3,156,127</u>	<u>\$ 845,613</u>	<u>\$ (6,037,138)</u>	<u>\$ 0</u>
Component Unit:						
Scott County School Department	\$ 25,131,764	\$ 226,018	\$ 4,290,448	\$ 237,243	\$ 0	\$ (20,378,055)
Total Component Unit	<u>\$ 25,131,764</u>	<u>\$ 226,018</u>	<u>\$ 4,290,448</u>	<u>\$ 237,243</u>	<u>\$ 0</u>	<u>\$ (20,378,055)</u>

(Continued)

Exhibit B

Scott 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	Component Unit
					Total Governmental Activities	Scott County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,288,181	\$ 2,023,921
Property Taxes Levied for General Debt Services					329,914	0
Property Taxes Levied for Rural Debt Service					693,615	0
Property Taxes Levied for Capital					114,573	0
Local Option Sales Taxes					351,758	1,408,806
Wheel Tax					595,641	0
Litigation Taxes					100,667	0
Business Taxes					115,737	0
Other Taxes					181,399	1,974
Grants and Contributions Not Restricted to Specific Programs					1,831,212	18,398,936
Unrestricted Investment Income					119,585	688
Miscellaneous					167,184	64,099
Total General Revenues					<u>\$ 7,889,466</u>	<u>\$ 21,898,424</u>
Change in Net Position					\$ 1,852,328	\$ 1,520,369
Net Position, July 1, 2016					<u>(9,359,935)</u>	<u>21,279,169</u>
Net Position, June 30, 2017					<u><u>\$ (7,507,607)</u></u>	<u><u>\$ 22,799,538</u></u>

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

Exhibit C-1

Scott County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	1,231,165	117,405	633,211	1,048,678	564,270
Inventories	56,015	0	0	0	0
Accounts Receivable	48,390	1,278,746	0	0	0
Allowance for Uncollectibles	0	(1,151,609)	0	0	0
Due from Other Governments	295,939	0	850,225	0	8,333
Due from Other Funds	2,181	0	0	0	0
Property Taxes Receivable	4,053,442	0	0	409,815	789,737
Allowance for Uncollectible Property Taxes	(215,776)	0	0	(21,816)	(42,721)
Total Assets	<u>\$ 5,471,456</u>	<u>\$ 244,542</u>	<u>\$ 1,483,436</u>	<u>\$ 1,436,677</u>	<u>\$ 1,319,619</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 51,949	\$ 13,691	\$ 534,293	\$ 0	0
Accrued Payroll	1,000	32,438	22,257	0	0
Payroll Deductions Payable	0	436	220	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	0	5,128	0	0	0
Capital Outlay Notes Payable	0	0	7,620	0	0
Total Liabilities	<u>\$ 52,949</u>	<u>\$ 51,693</u>	<u>\$ 564,390</u>	<u>\$ 0</u>	<u>0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,592,931	\$ 0	\$ 0	\$ 363,256	\$ 697,484
Deferred Delinquent Property Taxes	233,975	0	0	23,639	47,003

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>DEFERRED INFLOWS OF RESOURCES (CONT.)</u>					
Other Deferred/Unavailable Revenue	\$ 214,022	\$ 6,547	\$ 158,903	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 4,040,928	\$ 6,547	\$ 158,903	\$ 386,895	\$ 744,487
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 56,015	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	4,804	0	0	0	0
Restricted for Administration of Justice	24,743	0	0	0	0
Restricted for Public Safety	13,196	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	53	0	0	0	0
Restricted for Highways/Public Works	0	0	74,885	0	0
Restricted for Debt Service	0	0	0	338,707	281,186
Restricted for Capital Projects	0	0	500,000	0	0
Restricted for Other Purposes	16,449	0	0	0	0
Committed:					
Committed for General Government	25,698	0	0	0	0
Committed for Public Health and Welfare	0	186,302	0	0	0
Committed for Other Operations	4,433	0	0	0	0
Committed for Highways/Public Works	0	0	185,258	0	0
Committed for Debt Service	0	0	0	711,075	293,946
Assigned:					
Assigned for Public Safety	19,304	0	0	0	0
Unassigned	1,212,884	0	0	0	0
Total Fund Balances	\$ 1,377,579	\$ 186,302	\$ 760,143	\$ 1,049,782	\$ 575,132
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,471,456	\$ 244,542	\$ 1,483,436	\$ 1,436,677	\$ 1,319,619

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>ASSETS</u>			
Cash	\$ 2,181	\$	2,281
Equity in Pooled Cash and Investments	971,846		4,566,575
Inventories	0		56,015
Accounts Receivable	0		1,327,136
Allowance for Uncollectibles	0		(1,151,609)
Due from Other Governments	9,013		1,163,510
Due from Other Funds	0		2,181
Property Taxes Receivable	130,954		5,383,948
Allowance for Uncollectible Property Taxes	(7,000)		(287,313)
Total Assets	\$ 1,106,994	\$	11,062,724
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,780	\$	601,713
Accrued Payroll	1,205		56,900
Payroll Deductions Payable	0		656
Due to Other Funds	2,181		2,181
Due to State of Tennessee	0		5,128
Capital Outlay Notes Payable	0		7,620
Total Liabilities	\$ 5,166	\$	674,198
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 115,968	\$	4,769,639
Deferred Delinquent Property Taxes	7,620		312,237

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>DEFERRED INFLOWS OF RESOURCES (CONT.)</u>			
Other Deferred/Unavailable Revenue	\$ 0	\$	379,472
Total Deferred Inflows of Resources	\$ 123,588	\$	5,461,348
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$	56,015
Restricted:			
Restricted for General Government	0		4,804
Restricted for Administration of Justice	0		24,743
Restricted for Public Safety	97,762		110,958
Restricted for Public Health and Welfare	513,532		513,532
Restricted for Social, Cultural, and Recreational Services	0		53
Restricted for Highways/Public Works	0		74,885
Restricted for Debt Service	0		619,893
Restricted for Capital Projects	366,946		866,946
Restricted for Other Purposes	0		16,449
Committed:			
Committed for General Government	0		25,698
Committed for Public Health and Welfare	0		186,302
Committed for Other Operations	0		4,433
Committed for Highways/Public Works	0		185,258
Committed for Debt Service	0		1,005,021
Assigned:			
Assigned for Public Safety	0		19,304
Unassigned	0		1,212,884
Total Fund Balances	\$ 978,240	\$	4,927,178
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,106,994	\$	11,062,724

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

Exhibit C-2

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2017

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)		\$	4,927,178
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,964,885	
Add: infrastructure net of accumulated depreciation		3,057,156	
Add: buildings and improvements net of accumulated depreciation		12,207,897	
Add: other capital assets net of accumulated depreciation		<u>1,378,966</u>	18,608,904
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(667,378)	
Less: other loans payable		(20,350,939)	
Less: bonds payable		(8,750,000)	
Less: compensated absences payable		(223,915)	
Less: landfill postclosure care costs		(1,883,744)	
Less: other postemployment benefits liability		(281,032)	
Less: accrued interest on bonds, notes, and capital leases		(26,914)	
Less: unamortized premium on debt		<u>(131,300)</u>	(32,315,222)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	996,179	
Less: deferred inflows of resources related to pensions		<u>(531,536)</u>	464,643
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds			115,181
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>691,709</u>
Net position (deficit) of governmental activities (Exhibit A)		\$	<u><u>(7,507,607)</u></u>

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

Exhibit C-3

Scott County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Revenues</u>					
Local Taxes	\$ 4,566,227	\$ 0	\$ 235	\$ 959,123	\$ 863,514
Licenses and Permits	44,536	0	0	760	0
Fines, Forfeitures, and Penalties	133,568	0	0	0	0
Charges for Current Services	254,888	1,643,036	0	0	0
Other Local Revenues	465,172	917	22,465	160,748	0
Fees Received From County Officials	783,961	0	0	0	0
State of Tennessee	1,979,343	0	2,794,004	0	0
Federal Government	238,059	0	154,313	0	0
Other Governments and Citizens Groups	0	0	0	0	358,229
Total Revenues	\$ 8,465,754	\$ 1,643,953	\$ 2,971,017	\$ 1,120,631	\$ 1,221,743
<u>Expenditures</u>					
Current:					
General Government	\$ 1,203,814	\$ 0	\$ 0	\$ 0	\$ 0
Finance	892,455	0	0	0	0
Administration of Justice	883,155	0	0	0	0
Public Safety	3,567,812	0	0	0	0
Public Health and Welfare	340,026	1,748,400	0	0	0
Social, Cultural, and Recreational Services	134,834	0	0	0	0
Agriculture and Natural Resources	29,303	0	0	0	0
Other Operations	1,299,550	0	0	0	0
Highways	235	0	2,652,220	0	0
Support Services	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	351,131	872,600	651,000
Interest on Debt	0	0	11,182	248,128	193,744

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 149,243	\$ 26,454
Capital Projects	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	\$ 8,351,184	\$ 1,748,400	\$ 3,014,533	\$ 1,269,971	\$ 871,198
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 114,570	 \$ (104,447)	 \$ (43,516)	 \$ (149,340)	 \$ 350,545
 <u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Insurance Recovery	0	0	0	0	0
Transfers In	5,000	0	0	0	30,641
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 5,000	\$ 0	\$ 500,000	\$ 0	\$ 30,641
 Net Change in Fund Balances	 \$ 119,570	 \$ (104,447)	 \$ 456,484	 \$ (149,340)	 \$ 381,186
Fund Balance, July 1, 2016	1,258,009	290,749	303,659	1,199,122	193,946
 Fund Balance, June 30, 2017	 \$ 1,377,579	 \$ 186,302	 \$ 760,143	 \$ 1,049,782	 \$ 575,132

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 135,958	\$	6,525,057
Licenses and Permits	0		45,296
Fines, Forfeitures, and Penalties	64,045		197,613
Charges for Current Services	227,388		2,125,312
Other Local Revenues	12,486		661,788
Fees Received From County Officials	0		783,961
State of Tennessee	44,348		4,817,695
Federal Government	0		392,372
Other Governments and Citizens Groups	0		358,229
Total Revenues	<u>\$ 484,225</u>	<u>\$</u>	<u>15,907,323</u>
<hr/>			
<u>Expenditures</u>			
Current:			
General Government	\$ 30,771	\$	1,234,585
Finance	0		892,455
Administration of Justice	35		883,190
Public Safety	80,995		3,648,807
Public Health and Welfare	201,761		2,290,187
Social, Cultural, and Recreational Services	250		135,084
Agriculture and Natural Resources	0		29,303
Other Operations	0		1,299,550
Highways	20,003		2,672,458
Support Services	179,850		179,850
Debt Service:			
Principal on Debt	0		1,874,731
Interest on Debt	0		453,054

(Continued)

Exhibit C-3

Scott 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>			
Debt Service (Cont.)			
Other Debt Service	\$ 0	\$	175,697
Capital Projects	4,167		4,167
Capital Projects - Donated	57,393		57,393
Total Expenditures	<u>\$ 575,225</u>	<u>\$</u>	<u>15,830,511</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (91,000)</u>	<u>\$</u>	<u>76,812</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$	500,000
Proceeds from Sale of Capital Assets	705		705
Insurance Recovery	21,967		21,967
Transfers In	0		35,641
Transfers Out	(35,641)		(35,641)
Total Other Financing Sources (Uses)	<u>\$ (12,969)</u>	<u>\$</u>	<u>522,672</u>
Net Change in Fund Balances	\$ (103,969)	\$	599,484
Fund Balance, July 1, 2016	<u>1,082,209</u>		<u>4,327,694</u>
Fund Balance, June 30, 2017	<u>\$ 978,240</u>	<u>\$</u>	<u>4,927,178</u>

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

Exhibit C-4

Scott 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, 2017

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)		\$	599,484
(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	\$	210,987	
Less: current-year depreciation expense		(952,577)	(741,590)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			10,494
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$	691,709	
Less: deferred delinquent property taxes and other deferred June 30, 2016		(527,874)	163,835
(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 effect of these differences in the treatment of long-term debt and related items:			
Add: change in premium on debt issuances	\$	17,030	
Add: principal payments on notes		351,131	
Add: principal payments on other loans		883,600	
Add: principal payments on bonds		640,000	
Less: note, bond, other loan, or capital lease proceeds		(500,000)	1,391,761
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	7,189	
Change in compensated absences payable		2,797	
Change in net pension liability/asset		(292,120)	
Change in deferred outflows related to pensions		19,271	
Change in deferred inflows related to pensions		634,731	
Change in other postemployment benefits liability		(41,564)	
Change in landfill postclosure care costs		98,040	428,344
Change in net position of governmental activities (Exhibit B)		\$	<u>1,852,328</u>

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

Exhibit C-5

Scott County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,566,227	\$ 4,460,573	\$ 4,460,573	\$ 105,654
Licenses and Permits	44,536	36,800	36,800	7,736
Fines, Forfeitures, and Penalties	133,568	166,400	166,400	(32,832)
Charges for Current Services	254,888	348,400	348,400	(93,512)
Other Local Revenues	465,172	353,250	380,034	85,138
Fees Received From County Officials	783,961	848,500	888,215	(104,254)
State of Tennessee	1,979,343	1,992,364	2,106,908	(127,565)
Federal Government	238,059	43,000	358,678	(120,619)
Total Revenues	\$ 8,465,754	\$ 8,249,287	\$ 8,746,008	\$ (280,254)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 171,149	\$ 175,927	\$ 183,002	\$ 11,853
County Mayor/Executive	169,432	183,197	183,197	13,765
County Attorney	56,158	56,987	56,987	829
Election Commission	210,647	224,859	224,859	14,212
Register of Deeds	156,785	163,060	163,060	6,275
County Buildings	439,643	465,022	465,022	25,379
<u>Finance</u>				
Accounting and Budgeting	290,794	295,518	295,518	4,724
Property Assessor's Office	217,471	223,630	223,630	6,159
County Trustee's Office	162,675	160,775	163,847	1,172
County Clerk's Office	221,515	237,822	237,822	16,307
<u>Administration of Justice</u>				
Circuit Court	279,283	286,438	286,438	7,155
General Sessions Court	421,481	375,461	464,220	42,739
Chancery Court	147,180	151,235	151,235	4,055
District Attorney General	23,211	25,000	25,000	1,789
Office of Public Defender	12,000	12,000	12,000	0
<u>Public Safety</u>				
Sheriff's Department	1,664,418	1,641,497	1,737,360	72,942
Administration of the Sexual Offender Registry	16,583	0	17,800	1,217
Jail	1,570,790	1,554,486	1,589,386	18,596
Juvenile Services	236,324	259,087	255,422	19,098
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	53,102	50,314	54,460	1,358
Rescue Squad	8,000	8,000	8,000	0
County Coroner/Medical Examiner	16,595	21,659	21,659	5,064
<u>Public Health and Welfare</u>				
Local Health Center	91,851	58,789	103,789	11,938
Other Local Health Services	246,530	274,100	274,100	27,570
General Welfare Assistance	475	2,250	2,250	1,775
Other Local Welfare Services	1,170	244	1,171	1
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	82,223	78,312	88,430	6,207
Libraries	52,611	52,825	52,825	214
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	29,303	48,699	48,701	19,398

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Other Operations</u>				
Tourism	\$ 70,444	\$ 70,710	\$ 70,710	\$ 266
Airport	507,592	301,757	544,857	37,265
Veterans' Services	47,021	48,002	48,002	981
Contributions to Other Agencies	82,000	82,000	82,000	0
Miscellaneous	592,493	558,550	626,459	33,966
<u>Highways</u>				
Highway and Bridge Maintenance	235	235	235	0
Total Expenditures	\$ 8,351,184	\$ 8,150,447	\$ 8,765,453	\$ 414,269
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 114,570	\$ 98,840	\$ (19,445)	\$ 134,015
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Total Other Financing Sources	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Net Change in Fund Balance				
Fund Balance, July 1, 2016	\$ 1,258,009	\$ 1,251,268	\$ 1,251,268	\$ 6,741
Fund Balance, June 30, 2017	\$ 1,377,579	\$ 1,350,108	\$ 1,231,823	\$ 145,756

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

Exhibit C-6

Scott County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,643,036	\$ 1,800,000	\$ 1,800,000	\$ (156,964)
Other Local Revenues	917	26,500	26,500	(25,583)
Total Revenues	<u>\$ 1,643,953</u>	<u>\$ 1,826,500</u>	<u>\$ 1,826,500</u>	<u>\$ (182,547)</u>
<u>Expenditures</u>				
Public Health and Welfare				
Ambulance/Emergency Medical Services	\$ 1,748,400	\$ 1,825,833	\$ 1,835,833	\$ 87,433
Total Expenditures	<u>\$ 1,748,400</u>	<u>\$ 1,825,833</u>	<u>\$ 1,835,833</u>	<u>\$ 87,433</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (104,447)</u>	<u>\$ 667</u>	<u>\$ (9,333)</u>	<u>\$ (95,114)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (10,000)	\$ 10,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>	<u>\$ 10,000</u>
Net Change in Fund Balance	\$ (104,447)	\$ 667	\$ (19,333)	\$ (85,114)
Fund Balance, July 1, 2016	<u>290,749</u>	<u>359,077</u>	<u>359,077</u>	<u>(68,328)</u>
Fund Balance, June 30, 2017	<u>\$ 186,302</u>	<u>\$ 359,744</u>	<u>\$ 339,744</u>	<u>\$ (153,442)</u>

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

Exhibit C-7

Scott County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 235	\$ 235	\$ 235	\$ 0
Other Local Revenues	22,465	21,000	32,109	(9,644)
State of Tennessee	2,794,004	2,041,000	2,730,964	63,040
Federal Government	154,313	0	154,312	1
Total Revenues	<u>\$ 2,971,017</u>	<u>\$ 2,062,235</u>	<u>\$ 2,917,620</u>	<u>\$ 53,397</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 130,906	\$ 121,042	\$ 134,042	\$ 3,136
Highway and Bridge Maintenance	1,881,051	918,475	1,903,388	22,337
Operation and Maintenance of Equipment	338,321	303,276	348,217	9,896
Other Charges	171,599	64,450	176,350	4,751
Employee Benefits	130,343	130,900	130,900	557
Capital Outlay	0	150,000	0	0
<u>Principal on Debt</u>				
Highways and Streets	351,131	296,112	443,508	92,377
<u>Interest on Debt</u>				
General Government	0	12,008	0	0
Highways and Streets	11,182	0	14,808	3,626
Total Expenditures	<u>\$ 3,014,533</u>	<u>\$ 1,996,263</u>	<u>\$ 3,151,213</u>	<u>\$ 136,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (43,516)</u>	<u>\$ 65,972</u>	<u>\$ (233,593)</u>	<u>\$ 190,077</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 500,000	0	\$ 500,000	\$ 0
Total Other Financing Sources	<u>\$ 500,000</u>	<u>0</u>	<u>\$ 500,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 456,484	\$ 65,972	\$ 266,407	\$ 190,077
Fund Balance, July 1, 2016	303,659	403,656	403,656	(99,997)
Fund Balance, June 30, 2017	<u><u>\$ 760,143</u></u>	<u><u>\$ 469,628</u></u>	<u><u>\$ 670,063</u></u>	<u><u>\$ 90,080</u></u>

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

Exhibit D

Scott County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 899,844
Equity in Pooled Cash and Investments	243,575
Accounts Receivable	5,191
Due from Other Governments	395,647
Property Taxes Receivable	1,583,779
Allowance for Uncollectible Taxes	<u>(84,116)</u>
Total Assets	<u><u>\$ 3,043,920</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,308
Due to Other Taxing Units	1,962,239
Due to Litigants, Heirs, and Others	900,501
Due to Joint Ventures	<u>178,872</u>
Total Liabilities	<u><u>\$ 3,043,920</u></u>

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

SCOTT COUNTY, TENNESSEE

Index of Notes to Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	35
B. Government-wide and Fund Financial Statements	36
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	40
2. Receivables and Payables	40
3. Inventories	41
4. Capital Assets	41
5. Deferred Outflows/Inflows of Resources	42
6. Compensated Absences	43
7. Long-term Obligations	43
8. Net Position and Fund Balance	44
E. Pension Plans	45
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	46
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	46
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	47
B. Expenditures Exceeded Appropriations	47
IV. Detailed Notes on All Funds	
A. Deposits and Investments	47
B. Capital Assets	49
C. Interfund Receivables, Payables, and Transfers	51
D. Income from Operating Lease Commitments	52
E. Long-term Obligations	52
F. Pledges of Future Revenues	57
G. On-Behalf Payments - Discretely Presented Scott County School Department	58
H. Short-term Debt	58
V. Other Information	
A. Risk Management	58
B. Accounting Changes	59
C. Contingent Liabilities	60
D. Change in Administration	60
E. Landfill Closure and Postclosure Care Costs	60
F. Joint Venture	61
G. Jointly Governed Organization	61
H. Retirement Commitments	62
I. Other Postemployment Benefits (OPEB)	79
J. Termination Benefits	83
K. Office of Central Accounting, Budgeting, and Purchasing	83
L. Purchasing Law	83

SCOTT COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott 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 Scott County:

A. Reporting Entity

Scott County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Scott County (the primary government) and its component units. The financial statements of the Scott County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Unit – The Scott County Airport Authority was established by the Scott County Commission to provide oversight of the county's airport operations. The county commission appoints all members of the authority's board. All revenues generated by the authority's projects have been assigned to the county for payment of obligations of the airport authority, and most financial transactions are accounted for through the county's General Fund. Long-term debt of the authority was assumed by the county and refinanced as general obligation debt of the county. That debt is retired through the General Debt Service Fund.

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 Scott County School Department operates the public school system in the county, and the voters of Scott 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 Scott County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Scott County, and the county commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Scott County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Scott County Emergency Communications District
P.O. Box 406
Huntsville, TN 37756

Related Organization – The Scott County Industrial Development Board is a related organization of Scott County. The county commission appoints the board members, but the county's accountability for the organization does not extend beyond making the appointments.

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, Scott 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 Scott 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.

Scott County issues all debt for the discretely presented Scott County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

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. 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 Scott 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/expenses. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Scott 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, except for agency funds, which have no 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.

Scott County reports the following major governmental funds:

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

Ambulance Service Fund – This special revenue fund accounts for the transactions of the Scott County Ambulance Service. Patient charges are the foundational revenues of this fund.

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

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

Rural Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related cost for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Additionally, Scott County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used in the acquisition or construction of major capital projects.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Scott County, the city school system's share of educational revenues, and state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

Special Revenue Funds – These funds 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.

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; 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 Scott 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. Income from these pooled investments is assigned to various funds based on budgetary allocations. Scott 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. 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. All other investments are reported at fair value. 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 are referred to as due to/from other funds.

All ambulance and property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to three percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the discretely presented Scott County School Department represent amounts due for health insurance premiums, which will be drawn by the insurance pool during July and August.

3. Inventories

Inventories of Scott County 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. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or

constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5 - 15
Infrastructure	20 - 50

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension other deferrals, and various receivables for revenues, which do not meet the availability criteria for governmental funds.

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The discretely presented School Department's policy allows employees to accumulate sick pay benefits but not vacation benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the government, except upon retirement as discussed in Note V.J. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

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

As of June 30, 2017, Scott County had \$19,282,401 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the School Department.

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

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

Discretely Presented Scott 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.

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 Scott 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 changes 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 Scott 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 (special revenue fund), which is not budgeted. All annual appropriations lapse at fiscal year-end.

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

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Education Capital Projects Fund by \$52,065. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Scott County and the Scott 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 two 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 105 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 custodial 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 market 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.

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 and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2017.

B. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government - Governmental Activities

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,964,885	\$ 0	\$ 0	\$ 1,964,885
Total Capital Assets Not Depreciated	\$ 1,964,885	\$ 0	\$ 0	\$ 1,964,885
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,259,749	\$ 8,500	\$ 0	\$ 19,268,249
Infrastructure	3,924,049	0	0	3,924,049
Other Capital Assets	5,605,091	212,981	(94,940)	5,723,132
Total Capital Assets Depreciated	\$ 28,788,889	\$ 221,481	\$ (94,940)	\$ 28,915,430
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,592,175	\$ 468,177	\$ 0	\$ 7,060,352
Infrastructure	768,792	98,101	0	866,893
Other Capital Assets	4,052,807	386,299	(94,940)	4,344,166
Total Accumulated Depreciation	\$ 11,413,774	\$ 952,577	\$ (94,940)	\$ 12,271,411
Total Capital Assets Depreciated, Net	\$ 17,375,115	\$ (731,096)	\$ 0	\$ 16,644,019
Governmental Activities Capital Assets, Net	\$ 19,340,000	\$ (731,096)	\$ 0	\$ 18,608,904

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

Governmental Activities:

General Government	\$ 437,936
Finance	4,116
Administration of Justice	2,714
Public Safety	243,806
Public Health and Welfare	102,545
Social, Cultural, and Recreational Services	5,720
Highways	<u>155,740</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 952,577</u></u>

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

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 910,561	\$ 0	\$ 0	\$ 910,561
Total Capital Assets Not Depreciated	<u>\$ 910,561</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 910,561</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 29,148,427	\$ 635,005	\$ 0	\$ 29,783,432
Infrastructure	6,900	0	0	6,900
Other Capital Assets	<u>5,585,034</u>	<u>202,364</u>	<u>(49,943)</u>	<u>5,737,455</u>
Total Capital Assets Depreciated	<u>\$ 34,740,361</u>	<u>\$ 837,369</u>	<u>\$ (49,943)</u>	<u>\$ 35,527,787</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,000,446	\$ 724,678	\$ 0	\$ 12,725,124
Infrastructure	345	460	0	805
Other Capital Assets	<u>4,174,280</u>	<u>222,445</u>	<u>(49,943)</u>	<u>4,346,782</u>
Total Accumulated Depreciation	<u>\$ 16,175,071</u>	<u>\$ 947,583</u>	<u>\$ (49,943)</u>	<u>\$ 17,072,711</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,565,290</u>	<u>\$ (110,214)</u>	<u>\$ 0</u>	<u>\$ 18,455,076</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 19,475,851</u></u>	<u><u>\$ (110,214)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 19,365,637</u></u>

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

Governmental Activities:

Instruction	\$ 7,893
Support Services	838,670
Operation of Non-instructional Services	<u>101,020</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 947,583</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 2,181
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	25,118

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Rural Debt Service Fund
Nonmajor governmental funds	\$ 5,000	\$ 30,641
Total	<u>\$ 5,000</u>	<u>\$ 30,641</u>

Discretely Presented Scott County School Department

		Transfer In
		General
		Purpose
		School
Transfer Out		Fund
Nonmajor governmental funds	\$	25,118

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 the other funds in accordance with budgetary authorizations.

D. Income from Operating Lease Commitments

Scott County has leased operations of its nursing home to Preferred Health Services. The initial lease agreement expired August 31, 2013; however, the lease has been extended for a period of five years and will now expire August 31, 2018. Terms of the agreement call for Preferred Health Services to assume most of the current assets and liabilities of the nursing home and to pay Scott County a monthly fee. The current payments under this agreement are \$111,163 annually. The agreement includes a cancellation clause; therefore, a schedule of future income is not presented for this agreement.

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Scott County issues general obligation bonds and other loans to provide funds for the acquisition, construction, and renovation of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to nine years for notes, and up to 27 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. Outstanding notes will be retired from the Highway/Public Works Fund. All bonds and other loans outstanding will be retired from the debt service funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	3 to 4.5	%	6-1-28	\$ 1,250,000	\$ 910,000
General Obligation Bonds - Refunding	2 to 3.4		6-1-35	9,610,000	7,840,000
Capital Outlay Notes	2.94 to 3.59		2-8-22	1,600,000	667,378
Other Loans	Variable		5-25-35	27,594,938	20,350,939

Scott County has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority (PBAs). These loan agreements provide for the PBAs to loan funds to Scott County for various renovation and construction projects on an as needed basis. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (administrative, letter of credit, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2017:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-17	Interest Type	Interest Rates as of 6-30-17	Other Fees on Variable Rate Debt
-------------	--	-------------------------------------	------------------	---------------------------------------	--

Montgomery County Public

Building Authority

Building and Equipment	\$ 1,000,000	\$ 251,600	Variable	0.97%	1.06%
Various School Projects	3,000,000	1,144,000	Variable	0.97%	0.66%
Justice Center	9,654,938 (1)	7,501,938	Variable	1.04%	0.66%

City of Clarksville Public

Building Authority

School Renovations and Improvements	13,940,000	<u>11,453,401</u>	Variable	1.04%	0.74%
--	------------	-------------------	----------	-------	-------

Total \$ 20,350,939

(1) The total amount available for draws under this loan agreement was \$10,000,000. However, \$345,062 of that amount was never borrowed.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2017, including interest and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 595,000	\$ 245,826	\$ 840,826
2019	595,000	227,801	822,801
2020	580,000	213,826	793,826
2021	605,000	199,601	804,601
2022	580,000	186,326	766,326
2023-2027	4,240,000	634,426	4,874,426
2028-2032	1,445,000	90,684	1,535,684
2033-3035	<u>110,000</u>	<u>7,650</u>	<u>117,650</u>
Total	<u>\$ 8,750,000</u>	<u>\$ 1,806,140</u>	<u>\$ 10,556,140</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 237,684	\$ 20,761	\$ 258,445
2019	127,197	13,751	140,948
2020	100,170	9,222	109,392
2021	103,827	5,566	109,393
2022	98,500	1,777	100,277
Total	\$ 667,378	\$ 51,077	\$ 718,455

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 924,400	\$ 203,456	\$ 138,302	\$ 1,266,158
2019	967,300	194,171	129,633	1,291,104
2020	1,013,400	184,456	122,864	1,320,720
2021	1,059,500	174,279	115,774	1,349,553
2022	1,038,000	163,640	108,364	1,310,004
2023-2027	5,072,000	664,983	439,673	6,176,656
2028-2032	6,209,000	394,469	260,899	6,864,368
2033-3035	4,067,339	74,751	49,668	4,191,758
Total	\$ 20,350,939	\$ 2,054,205	\$ 1,365,177	\$ 23,770,321

There is \$1,624,914 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$93, based on the 2010 federal census for residents living inside the Oneida Special School District and \$455 for residents living outside the Oneida Special School District. Debt per capita, including notes, bonds, other loans, and unamortized debt premiums, totaled \$988 for residents living inside the Oneida Special School District and \$1,418 for residents living outside the Oneida Special School District, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2016	\$ 9,390,000	\$ 518,509	\$ 21,234,539
Additions	0	500,000	0
Reductions	(640,000)	(351,131)	(883,600)
Balance, June 30, 2017	<u>\$ 8,750,000</u>	<u>\$ 667,378</u>	<u>\$ 20,350,939</u>
Balance Due Within One Year	<u>\$ 595,000</u>	<u>\$ 237,684</u>	<u>\$ 924,400</u>

	Compensated Absences
Balance, July 1, 2016	\$ 226,712
Additions	185,439
Reductions	(188,236)
Balance, June 30, 2017	<u>\$ 223,915</u>
Balance Due Within One Year	<u>\$ 179,132</u>

	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2016	\$ 1,981,784	\$ 239,468
Additions	0	43,964
Reductions	(98,040)	(2,400)
Balance, June 30, 2017	<u>\$ 1,883,744</u>	<u>\$ 281,032</u>
Balance Due Within One Year	<u>\$ 94,187</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 32,157,008
Less: Balance Due Within One Year	(2,030,403)
Add: Unamortized Premium on Debt	<u>131,300</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 30,257,905</u>

During the year, the discretely presented Scott County School Department contributed \$358,229 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Ambulance Service, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Scott County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Scott County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:	Net Pension Liability	Other Postemployment Benefits
Balance, July 1, 2016	\$ 118,387	\$ 3,558,033
Additions	3,766,566	596,464
Reductions	(2,017,935)	(246,524)
Balance, June 30, 2017	<u>\$ 1,867,018</u>	<u>\$ 3,907,973</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 5,774,991
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,774,991</u>

Net pension liability and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

F. Pledges of Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling \$30 for each motor-driven vehicle. The county pledged the tax collections to repay \$13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of

Robbins Elementary, Burchfield Elementary, and Oneida schools. Upon payment and retirement of this debt, the tax will terminate. Future principal, estimated interest, and estimated fee requirements for the loans totaled \$13,454,882, payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were \$573,561 and \$595,641, respectively. Restricted fund balance in the General Debt Service Fund (\$338,707) represents the cumulative amount that these pledged revenues have exceeded the debt service requirements for the bonds since the inception of the wheel tax.

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

Discretely Presented Scott County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were \$50,252 and \$28,238, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Scott County issued tax anticipation notes in the form of interfund loans in advance of revenue collections. These loans were necessary to provide cash for operations. Short-term debt activity for the year ended June 30, 2017, was as follows:

	Balance 7-1-16	Issued	Paid	Balance 6-30-17
Primary Government:				
From General Debt Service				
Fund to General Fund	\$ 0	\$ 300,000	\$ (300,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

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

The county and School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The Scott County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual 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.

It is the policy of the Scott County general government to purchase commercial insurance for employee health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting requirements criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67 and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

The county is involved in several pending lawsuits. Management believes the outcome of any lawsuits not covered by insurance will not materially affect the financial statements of the primary government or the discretely presented Scott County School Department.

D. Change in Administration

On August 31, 2016, Steve Thompson left the Office of Property Assessor and was succeeded by Anthony Sexton. On January 2, 2017, Jane Lloyd left the Office of Clerk and Master and was succeeded by Mike Potter.

E. Landfill Closure and Postclosure Care Costs

Scott 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 state Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near of after the date that the landfill stops accepting waste, the county reports a portion of

these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Scott County closed its sanitary landfill in 2007. The \$1,883,744 reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual cost may be different due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operation 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. Scott County made no contributions to the DTF for the year ended June 30, 2017, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of the District Attorney General
Eighth Judicial District
P.O. Box 10
Huntsville, TN 37756

G. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2017.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 63.54 percent and the non-certified employees of the discretely presented School Department comprised 36.46 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 www.treasury.tn.gov/tcrs.

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 an automatic cost of living adjustment (COLA) 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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	219
Inactive Employees Entitled to But Not Yet Receiving Benefits	398
Active Employees	369
Total	<u><u>986</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 their salary. Scott 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, 2017, the employer contribution for Scott County was \$664,578 based on a rate of 6.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Scott County's state shared taxes if required employer contributions are not remitted. The employer's 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)

Scott County's net pension liability (asset) was measured as of June 30, 2016, 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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimate of arithmetic real rates of return 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	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Scott 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 (a)-(b)
Balance, July 1, 2015	\$ 25,546,547	\$ 26,189,484	\$ (642,937)
Changes for the Year:			
Service Cost	\$ 798,442	\$ 0	\$ 798,442
Interest	1,930,160	0	1,930,160
Differences Between Expected and Actual Experience	(488,496)	0	(488,496)
Contributions-Employer	0	640,528	(640,528)
Contributions-Employees	0	473,281	(473,281)
Net Investment Income	0	692,957	(692,957)
Benefit Payments, Including Refunds of Employee Contributions	(1,219,037)	(1,219,037)	0
Administrative Expense	0	(28,324)	28,324
Other Changes	0	0	0
Net Changes	\$ 1,021,069	\$ 559,405	\$ 461,664
Balance, June 30, 2016	\$ 26,567,616	\$ 26,748,889	\$ (181,273)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.54%	\$ 16,245,663	\$ 16,996,244	\$ (115,181)
School Department	36.46%	9,321,953	9,752,645	(66,092)
Total		\$ 25,567,616	\$ 26,748,889	\$ (181,273)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Scott County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Scott County	6.5%	7.5%	8.5%

Net Pension Liability \$ 3,210,390 \$ (181,273) \$ (2,986,544)

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

Pension Expense. For the year ended June 30, 2017, Scott County recognized pension expense of \$102,613.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Scott 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	\$ 0	\$ 836,537
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	894,712	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	664,578	N/A
Total	<u>\$ 1,559,290</u>	<u>\$ 836,537</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 996,179	\$ 531,536
School Department	563,111	305,001
Total	<u>\$ 1,559,290</u>	<u>\$ 836,537</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
2018	\$ (221,829)
2019	(221,829)
2020	346,283
2021	155,550
2022	0
Thereafter	0

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

Discretely Presented Scott County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.54 percent, the non-certified employees of the discretely presented School Department comprise 36.46 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Scott 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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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 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 an automatic cost of living adjustment (COLA) 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 COLA, 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, 2017, to the Teacher Retirement Plan were \$38,548, which is four 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2017, the Scott County School Department reported an asset of \$15,699 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Scott County School Department's proportion of the net pension asset was based on the Scott County 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, 2016, the Scott County School Department's proportion was .150805 percent. The proportion measured as of June 30, 2015, was .122379 percent.

Pension Expense. For the year ended June 30, 2017, the Scott County School Department recognized pension expense of \$13,077.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Scott County 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	\$ 1,521	\$ 1,810
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,570	0
Changes in proportion of Net Pension Liability (Asset)	0	797
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	38,548	N/A
Total	<u>\$ 42,639</u>	<u>\$ 2,607</u>

The Scott County School Department's employer contributions of \$38,548, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2018. 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
2018	\$ 569
2019	569
2020	569
2021	446
2022	(104)
Thereafter	(565)

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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimates of arithmetic real rates of return 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	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Scott County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Scott County School Department'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 (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 7,413	\$ (15,699)	\$ (32,729)

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 Scott 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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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 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 an automatic cost of living adjustment (COLA) 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. Under the Teacher Legacy Pension 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. 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 Scott County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$965,138, which is 9.04 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2017, the Scott County School Department reported a liability of \$1,867,018 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Scott County School Department's proportion of the net pension liability (asset) was based on the Scott County 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, 2016, the Scott County School Department's proportion was .298749 percent. The proportion measured at June 30, 2015, was .289010 percent.

Pension Expense. For the year ended June 30, 2017, the Scott County School Department recognized pension expense of \$254,429.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Scott County 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	\$ 78,571	\$ 2,260,340
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,084,551	0
Changes in Proportion of Net Pension Liability (Asset)	162,812	10,431
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	965,138	N/A
Total	<u>\$ 3,291,072</u>	<u>\$ 2,270,771</u>

The Scott County School Department's employer contributions of \$965,138 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2018. 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
2018	\$ (314,948)
2019	(314,948)
2020	685,010
2021	132,569
2022	(132,522)
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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimates of arithmetic real rates of return 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	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Scott County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Scott County School Department'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 (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
---	------------------------	-------------------------------------	------------------------

Net Pension Liability \$ 10,252,117 \$ 1,867,018 \$ (5,078,820)

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

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Scott County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401 (k). As part of their employment package, the Scott County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401 (k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401 (k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Scott County School Department contributed \$48,185 to the 401 (k) portion of the hybrid pension plan on-behalf of the plan participants.

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

Plan Description

The primary government has a policy that allows retirees with 40 or more years of service to continue to participate in the county's commercial health insurance plan until age 65. However, the amount of the liability for that benefit has not been determined and recorded in the financial statements due to the limited number of individuals expected to attain 40 years of service with the county prior to age 65, and also due to the limited number of years that any qualifying individual would be expected to be on the plan before reaching age 65. The liability for this postemployment benefit is not considered material to the financial statements. No retirees were receiving benefits under this policy as of June 30, 2017.

Scott County and the School Department participate in the state-administered Medicare Supplement Plan and the School Department participates in the state-administered Local Education Group Insurance Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers and Section 8-27-701, *TCA*, for the Medicare Supplement Plan. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>. Participation in the School Department's Local Education Group Plan is closed to retirees whose first employment commenced on or after July 1, 2015.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the discretely presented Scott County School Department contributed \$246,525 for post-employment benefits, and the primary government contributed \$2,400.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Medicare Supplement Plan Primary Government	School Department
ARC	\$ 510,000	\$ 44,000	\$ 87,000
Interest on the NOPEBO	112,402	8,980	21,025
Adjustment to the ARC	(112,853)	(9,016)	(21,109)
Annual OPEB cost	\$ 509,549	\$ 43,964	\$ 86,916
Amount of contribution	(240,637)	(2,400)	(5,888)
Increase/decrease in NOPEBO	\$ 268,912	\$ 41,564	\$ 81,028
Net OPEB obligation, 7-1-16	2,997,385	239,468	560,648
Net OPEB obligation, 6-30-17	\$ 3,266,297	\$ 281,032	\$ 641,676

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 444,458	38	% \$ 2,689,098
6-30-16	"	492,595	37	2,997,385
6-30-17	"	509,549	47	3,266,297
6-30-15	Medicare Supplement- Primary Government	14,194	17	199,898
6-30-16	"	41,970	6	239,468
6-30-17	"	43,964	5	281,032
6-30-15	Medicare Supplement- School Department	72,428	7	482,121
6-30-16	"	83,927	6	560,648
6-30-17	"	86,916	7	641,676

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan	Medicare Supplement Plan	
		Primary Government	School Department
Actuarial valuation date	7-1-15	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 4,283,000	\$ 416,000	\$ 1,183,000
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,283,000	\$ 416,000	\$ 1,183,000
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 14,692,038	\$ N/A	\$ N/A
UAAL as a % of covered payroll	29%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. The annual health care cost trend rate for the Medicare Supplement Plan was six percent in fiscal year 2017 and then will be reduced by decrements to an ultimate rate of 4.345 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

J. Termination Benefits

The Scott County Board of Education adopted a policy to pay certified employees \$65 for each sick leave day that they had accumulated at the time of their retirement. Since payments will be calculated and made at the actual time of retirement, the amount of future payments was not measurable at June 30, 2017. Payments totaling \$12,805 were paid to individuals who retired during the year ending June 30, 2017.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Scott County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Offices of County Mayor, Superintendent of Roads, and Director of Schools are required to be competitively bid.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Scott 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
Total Pension Liability (Asset)			
Service Cost	\$ 707,578	\$ 761,122	\$ 798,442
Interest	1,788,261	1,833,841	1,930,160
Changes in Benefit Terms	0	0	
Differences Between Actual and Expected Experience	(858,120)	(170,820)	(488,496)
Changes in Assumptions	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)
Net Change in Total Pension Liability (Asset)	\$ 606,025	\$ 1,288,774	\$ 1,021,069
Total Pension Liability (Asset), Beginning	23,651,748	24,257,773	25,546,547
Total Pension Liability (Asset), Ending (a)	\$ 24,257,773	\$ 25,546,547	\$ 26,567,616
Plan Fiduciary Net Position			
Contributions - Employer	\$ 599,915	\$ 627,706	\$ 640,528
Contributions - Employee	437,771	458,184	473,281
Net Investment Income	3,621,707	783,535	692,957
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)
Administrative Expense	(14,181)	(19,101)	(28,324)
Net Change in Plan Fiduciary Net Position	\$ 3,613,518	\$ 714,955	\$ 559,405
Plan Fiduciary Net Position, Beginning	21,861,011	25,474,529	26,189,484
Plan Fiduciary Net Position, Ending (b)	\$ 25,474,529	\$ 26,189,484	\$ 26,748,889
Net Pension Liability (Asset), Ending (a - b)	\$ (1,216,756)	\$ (642,937)	\$ (181,273)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	102.52%	100.68%
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.85%)	(7.02%)	(1.94%)

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

Note: data presented includes the primary government and non-certified employees of the discretely presented School Department.

Exhibit E-2

Scott 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
Actuarially Determined Contribution	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,578
Less Contributions in Relation to the Actuarially Determined Contribution	(599,915)	(627,706)	(640,528)	(664,578)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,704,447
Contributions as a Percentage of Covered Payroll	6.83%	6.85%	6.85%	6.85%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-3

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

	2015	2016	2017
Contractually Required Contribution	\$ 10,385	\$ 26,542	\$ 38,549
Less Contributions in Relation to the			
Actuarially Required Contribution	(10,385)	(26,542)	(38,549)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709
Contributions as a Percentage of			
Covered Payroll	4.00%	4.00%	4.00%

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

Exhibit E-4

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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 971,075	\$ 978,048	\$ 974,896	\$ 965,138
Less Contributions in Relation to the Actuarially Required Contribution	(971,075)	(978,048)	(974,896)	(965,138)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

Exhibit E-5

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

	2016	2017
School Department's Proportion of the Net Pension Liability (Asset)	0.122379%	0.150805%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,028)	\$ (15,699)
Covered Payroll	\$ 259,629	\$ 663,548
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit E-6

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liabilit (Asset)	0.278613%	0.289010%	0.298749%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (45,273)	\$ 118,387	\$ 1,867,018
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.41%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit E-7

Scott County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Scott County School Department
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Medicare Supplement	7-1-11	\$ 0	\$ 384	\$ 384	0 %	\$ N/A	N/A %
"	7-1-13	0	157	157	0	N/A	N/A
"	7-1-15	0	416	416	0	N/A	N/A
<u>DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	4,944	4,944	0	10,064	49
"	7-1-13	0	3,849	3,849	0	10,287	37
"	7-1-15	0	4,283	4,283	0	14,692	29
Medicare Supplement	7-1-11	0	960	960	0	N/A	N/A
"	7-1-13	0	1,019	1,019	0	N/A	N/A
"	7-1-15	0	1,183	1,183	0	N/A	N/A

SCOTT COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
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	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions associated with the operations of the county’s convenience centers.

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 various capital expenditures of the county.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for capital expenditures made on behalf of the Scott County School Department.

Exhibit F-1

Scott County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 2,181	\$ 2,181	\$ 0
Equity in Pooled Cash and Investments	507,504	97,762	0	605,266	297,791
Due from Other Governments	9,013	0	0	9,013	0
Property Taxes Receivable	0	0	0	0	96,865
Allowance for Uncollectible Property Taxes	0	0	0	0	(5,156)
Total Assets	\$ 516,517	\$ 97,762	\$ 2,181	\$ 616,460	\$ 389,500
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,780	\$ 0	\$ 0	\$ 1,780	\$ 0
Accrued Payroll	1,205	0	0	1,205	0
Due to Other Funds	0	0	2,181	2,181	0
Total Liabilities	\$ 2,985	\$ 0	\$ 2,181	\$ 5,166	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,861
Deferred Delinquent Property Taxes	0	0	0	0	5,590
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,451
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 97,762	\$ 0	\$ 97,762	\$ 0

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES (CONT.)</u>					
Restricted (Cont.):					
Restricted for Public Health and Welfare	\$ 513,532	\$ 0	\$ 0	\$ 513,532	\$ 0
Restricted for Capital Projects	0	0	0	0	298,049
Total Fund Balances	<u>\$ 513,532</u>	<u>\$ 97,762</u>	<u>\$ 0</u>	<u>\$ 611,294</u>	<u>\$ 298,049</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 516,517</u>	<u>\$ 97,762</u>	<u>\$ 2,181</u>	<u>\$ 616,460</u>	<u>\$ 389,500</u>

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		
	Education Capital Projects	Total	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 2,181
Equity in Pooled Cash and Investments	68,789	366,580	971,846
Due from Other Governments	0	0	9,013
Property Taxes Receivable	34,089	130,954	130,954
Allowance for Uncollectible Property Taxes	(1,844)	(7,000)	(7,000)
Total Assets	<u>\$ 101,034</u>	<u>\$ 490,534</u>	<u>\$ 1,106,994</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 1,780
Accrued Payroll	0	0	1,205
Due to Other Funds	0	0	2,181
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,166</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 30,107	\$ 115,968	\$ 115,968
Deferred Delinquent Property Taxes	2,030	7,620	7,620
Total Deferred Inflows of Resources	<u>\$ 32,137</u>	<u>\$ 123,588</u>	<u>\$ 123,588</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 97,762

(Continued)

Exhibit F-1

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

FUND BALANCES (CONT.)

Restricted (Cont.):

 Restricted for Public Health and Welfare

 Restricted for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
Education Capital Projects	Total	
\$ 0	\$ 0	\$ 513,532
68,897	366,946	366,946
<u>\$ 68,897</u>	<u>\$ 366,946</u>	<u>\$ 978,240</u>
<u>\$ 101,034</u>	<u>\$ 490,534</u>	<u>\$ 1,106,994</u>

Exhibit F-2

Scott County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 106,240
Fines, Forfeitures, and Penalties	0	64,045	0	64,045	0
Charges for Current Services	227,353	0	35	227,388	0
Other Local Revenues	12,072	294	0	12,366	120
State of Tennessee	44,348	0	0	44,348	0
Total Revenues	<u>\$ 283,773</u>	<u>\$ 64,339</u>	<u>\$ 35</u>	<u>\$ 348,147</u>	<u>\$ 106,360</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,771
Administration of Justice	0	0	35	35	0
Public Safety	0	26,726	0	26,726	54,269
Public Health and Welfare	201,279	0	0	201,279	482
Social, Cultural, and Recreational Services	0	0	0	0	250
Highways	17,912	0	0	17,912	2,091
Support Services	0	0	0	0	0
Capital Projects	0	0	0	0	3,572
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	<u>\$ 219,191</u>	<u>\$ 26,726</u>	<u>\$ 35</u>	<u>\$ 245,952</u>	<u>\$ 91,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 64,582</u>	<u>\$ 37,613</u>	<u>\$ 0</u>	<u>\$ 102,195</u>	<u>\$ 14,925</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 705	\$ 0	\$ 0	\$ 705	\$ 0
Insurance Recovery	21,967	0	0	21,967	0
Transfers Out	0	(5,000)	0	(5,000)	0
Total Other Financing Sources (Uses)	<u>\$ 22,672</u>	<u>\$ (5,000)</u>	<u>\$ 0</u>	<u>\$ 17,672</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 87,254	\$ 32,613	\$ 0	\$ 119,867	\$ 14,925
Fund Balance, July 1, 2016	<u>426,278</u>	<u>65,149</u>	<u>0</u>	<u>491,427</u>	<u>283,124</u>
Fund Balance, June 30, 2017	<u><u>\$ 513,532</u></u>	<u><u>\$ 97,762</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 611,294</u></u>	<u><u>\$ 298,049</u></u>

(Continued)

Exhibit F-2

Scott 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
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 29,718	\$ 135,958	\$ 135,958
Fines, Forfeitures, and Penalties	0	0	64,045
Charges for Current Services	0	0	227,388
Other Local Revenues	0	120	12,486
State of Tennessee	0	0	44,348
Total Revenues	<u>\$ 29,718</u>	<u>\$ 136,078</u>	<u>\$ 484,225</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 30,771	\$ 30,771
Administration of Justice	0	0	35
Public Safety	0	54,269	80,995
Public Health and Welfare	0	482	201,761
Social, Cultural, and Recreational Services	0	250	250
Highways	0	2,091	20,003
Support Services	179,850	179,850	179,850
Capital Projects	595	4,167	4,167
Capital Projects - Donated	57,393	57,393	57,393
Total Expenditures	<u>\$ 237,838</u>	<u>\$ 329,273</u>	<u>\$ 575,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (208,120)</u>	<u>\$ (193,195)</u>	<u>\$ (91,000)</u>

(Continued)

Exhibit F-2

Scott 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
	Education Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 705
Insurance Recovery	0	0	21,967
Transfers Out	(30,641)	(30,641)	(35,641)
Total Other Financing Sources (Uses)	<u>\$ (30,641)</u>	<u>\$ (30,641)</u>	<u>\$ (12,969)</u>
Net Change in Fund Balances	\$ (238,761)	\$ (223,836)	\$ (103,969)
Fund Balance, July 1, 2016	<u>307,658</u>	<u>590,782</u>	<u>1,082,209</u>
Fund Balance, June 30, 2017	<u>\$ 68,897</u>	<u>\$ 366,946</u>	<u>\$ 978,240</u>

Exhibit F-3

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 227,353	\$ 158,500	\$ 171,808	\$ 55,545
Other Local Revenues	12,072	5,000	6,660	5,412
State of Tennessee	44,348	22,500	32,247	12,101
Total Revenues	\$ 283,773	\$ 186,000	\$ 210,715	\$ 73,058
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 184,599	\$ 140,299	\$ 204,608	\$ 20,009
Postclosure Care Costs	16,680	20,000	20,000	3,320
<u>Highways</u>				
Litter and Trash Collection	17,912	10,000	20,000	2,088
Total Expenditures	\$ 219,191	\$ 170,299	\$ 244,608	\$ 25,417
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,582	\$ 15,701	\$ (33,893)	\$ 98,475
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 705	\$ 0	\$ 0	\$ 705
Insurance Recovery	21,967	0	21,967	0
Total Other Financing Sources	\$ 22,672	\$ 0	\$ 21,967	\$ 705
Net Change in Fund Balance	\$ 87,254	\$ 15,701	\$ (11,926)	\$ 99,180
Fund Balance, July 1, 2016	426,278	426,278	426,278	0
Fund Balance, June 30, 2017	\$ 513,532	\$ 441,979	\$ 414,352	\$ 99,180

Exhibit F-4

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 64,045	\$ 32,500	\$ 32,500	\$ 31,545
Other Local Revenues	294	0	0	294
Total Revenues	<u>\$ 64,339</u>	<u>\$ 32,500</u>	<u>\$ 32,500</u>	<u>\$ 31,839</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 26,726	\$ 27,500	\$ 27,500	\$ 774
Total Expenditures	<u>\$ 26,726</u>	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ 774</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 37,613</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 32,613</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ 0
Total Other Financing Sources	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 32,613	\$ 0	\$ 0	\$ 32,613
Fund Balance, July 1, 2016	<u>65,149</u>	<u>65,152</u>	<u>65,152</u>	<u>(3)</u>
Fund Balance, June 30, 2017	<u><u>\$ 97,762</u></u>	<u><u>\$ 65,152</u></u>	<u><u>\$ 65,152</u></u>	<u><u>\$ 32,610</u></u>

Exhibit F-5

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 106,240	\$ 80,264	\$ 83,246	\$ 22,994
Other Local Revenues	120	0	0	120
Total Revenues	<u>\$ 106,360</u>	<u>\$ 80,264</u>	<u>\$ 83,246</u>	<u>\$ 23,114</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 30,771	\$ 21,000	\$ 105,745	\$ 74,974
<u>Public Safety</u>				
Sheriff's Department	54,269	54,700	54,700	431
<u>Public Health and Welfare</u>				
Local Health Center	482	0	482	0
<u>Social, Cultural, and Recreational Services</u>				
Libraries	250	250	250	0
<u>Highways</u>				
Capital Outlay	2,091	0	2,500	409
<u>Capital Projects</u>				
Highway and Street Capital Projects	3,572	0	3,527	(45)
Total Expenditures	<u>\$ 91,435</u>	<u>\$ 75,950</u>	<u>\$ 167,204</u>	<u>\$ 75,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,925</u>	<u>\$ 4,314</u>	<u>\$ (83,958)</u>	<u>\$ 98,883</u>
Net Change in Fund Balance	\$ 14,925	\$ 4,314	\$ (83,958)	\$ 98,883
Fund Balance, July 1, 2016	<u>283,124</u>	<u>174,357</u>	<u>174,357</u>	<u>108,767</u>
Fund Balance, June 30, 2017	<u>\$ 298,049</u>	<u>\$ 178,671</u>	<u>\$ 90,399</u>	<u>\$ 207,650</u>

Exhibit F-6

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Capital Projects Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 29,718	\$ 30,641	\$ 30,641	\$ (923)
Total Revenues	\$ 29,718	\$ 30,641	\$ 30,641	\$ (923)
<u>Expenditures</u>				
<u>Support Services</u>				
Transportation	\$ 179,850	\$ 185,773	\$ 185,773	\$ 5,923
<u>Capital Projects</u>				
Education Capital Projects	595	30,641	0	(595)
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	57,393	0	0	(57,393)
Total Expenditures	\$ 237,838	\$ 216,414	\$ 185,773	\$ (52,065)
Excess (Deficiency) of Revenues Over Expenditures	\$ (208,120)	\$ (185,773)	\$ (155,132)	\$ (52,988)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 185,773	\$ 185,773	\$ (185,773)
Transfers Out	(30,641)	0	(30,641)	0
Total Other Financing Sources	\$ (30,641)	\$ 185,773	\$ 155,132	\$ (185,773)
Net Change in Fund Balance	\$ (238,761)	\$ 0	\$ 0	\$ (238,761)
Fund Balance, July 1, 2016	307,658	305,134	305,134	2,524
Fund Balance, June 30, 2017	\$ 68,897	\$ 305,134	\$ 305,134	\$ (236,237)

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural 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 for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Exhibit G-1

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 959,123	\$ 1,029,515	\$ 1,029,515	\$ (70,392)
Licenses and Permits	760	800	800	(40)
Other Local Revenues	160,748	150,000	150,000	10,748
Total Revenues	<u>\$ 1,120,631</u>	<u>\$ 1,180,315</u>	<u>\$ 1,180,315</u>	<u>\$ (59,684)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 872,600	\$ 872,600	\$ 872,600	\$ 0
<u>Interest on Debt</u>				
General Government	248,128	135,495	248,719	591
<u>Other Debt Service</u>				
General Government	149,243	166,804	166,804	17,561
Total Expenditures	<u>\$ 1,269,971</u>	<u>\$ 1,174,899</u>	<u>\$ 1,288,123</u>	<u>\$ 18,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (149,340)</u>	<u>\$ 5,416</u>	<u>\$ (107,808)</u>	<u>\$ (41,532)</u>
Net Change in Fund Balance	\$ (149,340)	\$ 5,416	\$ (107,808)	\$ (41,532)
Fund Balance, July 1, 2016	<u>1,199,122</u>	<u>1,200,314</u>	<u>1,200,314</u>	<u>(1,192)</u>
Fund Balance, June 30, 2017	<u><u>\$ 1,049,782</u></u>	<u><u>\$ 1,205,730</u></u>	<u><u>\$ 1,092,506</u></u>	<u><u>\$ (42,724)</u></u>

Exhibit G-2

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 863,514	\$ 853,825	\$ 853,825	\$ 9,689
Other Governments and Citizens Groups	358,229	355,629	355,629	2,600
Total Revenues	<u>\$ 1,221,743</u>	<u>\$ 1,209,454</u>	<u>\$ 1,209,454</u>	<u>\$ 12,289</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 651,000	\$ 651,000	\$ 651,000	\$ 0
<u>Interest on Debt</u>				
Education	193,744	187,331	193,798	54
<u>Other Debt Service</u>				
Education	26,454	313,600	321,770	295,316
Total Expenditures	<u>\$ 871,198</u>	<u>\$ 1,151,931</u>	<u>\$ 1,166,568</u>	<u>\$ 295,370</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 350,545</u>	<u>\$ 57,523</u>	<u>\$ 42,886</u>	<u>\$ 307,659</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 30,641	\$ 30,641	\$ 30,641	\$ 0
Total Other Financing Sources	<u>\$ 30,641</u>	<u>\$ 30,641</u>	<u>\$ 30,641</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 381,186	\$ 88,164	\$ 73,527	\$ 307,659
Fund Balance, July 1, 2016	<u>193,946</u>	<u>195,239</u>	<u>195,239</u>	<u>(1,293)</u>
Fund Balance, June 30, 2017	<u><u>\$ 575,132</u></u>	<u><u>\$ 283,403</u></u>	<u><u>\$ 268,766</u></u>	<u><u>\$ 306,366</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 areas 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.

Special School District Fund – The Special School District Fund is used to account for the tax levy for the Special School District (Oneida). These revenues are received by Scott County and remitted to the Special School District on a monthly basis.

City School ADA - Oneida Fund – The City School ADA - Oneida Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for amounts held in an agency capacity for the Eighth Judicial District Drug Task Force.

Exhibit H-1

Scott County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	Agency Funds					
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu- tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 899,844	\$ 0	\$ 899,844
Equity in Pooled Cash and Investments	0	0	66,929	0	176,646	243,575
Accounts Receivable	0	0	0	657	4,534	5,191
Due from Other Governments	291,812	0	103,835	0	0	395,647
Property Taxes Receivable	0	600,080	983,699	0	0	1,583,779
Allowance for Uncollectible Property Taxes	0	(31,748)	(52,368)	0	0	(84,116)
Total Assets	<u>\$ 291,812</u>	<u>\$ 568,332</u>	<u>\$ 1,102,095</u>	<u>\$ 900,501</u>	<u>\$ 181,180</u>	<u>\$ 3,043,920</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	0	0	0	\$ 2,308	\$ 2,308
Due to Other Taxing Units	291,812	568,332	1,102,095	0	0	1,962,239
Due to Litigants, Heirs, and Others	0	0	0	900,501	0	900,501
Due to Joint Venture	0	0	0	0	178,872	178,872
Total Liabilities	<u>\$ 291,812</u>	<u>\$ 568,332</u>	<u>\$ 1,102,095</u>	<u>\$ 900,501</u>	<u>\$ 181,180</u>	<u>\$ 3,043,920</u>

Exhibit H-2

Scott County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,679,635	\$ 1,679,635	\$ 0
Due from Other Governments	271,877	291,812	271,877	291,812
Total Assets	\$ 271,877	\$ 1,971,447	\$ 1,951,512	\$ 291,812
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 271,877	\$ 1,971,447	\$ 1,951,512	\$ 291,812
Total Liabilities	\$ 271,877	\$ 1,971,447	\$ 1,951,512	\$ 291,812
<u>Special School District</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,833	\$ 478,276	\$ 480,109	\$ 0
Property Taxes Receivable	611,324	600,080	611,324	600,080
Allowance for Uncollectible Taxes	(30,580)	(31,748)	(30,580)	(31,748)
Total Assets	\$ 582,577	\$ 1,046,608	\$ 1,060,853	\$ 568,332
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 582,577	\$ 1,046,608	\$ 1,060,853	\$ 568,332
Total Liabilities	\$ 582,577	\$ 1,046,608	\$ 1,060,853	\$ 568,332
<u>City School ADA - Oneida Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 57,300	\$ 1,509,590	\$ 1,499,961	\$ 66,929
Due from Other Governments	103,327	103,835	103,327	103,835
Property Taxes Receivable	1,014,009	983,699	1,014,009	983,699
Allowance for Uncollectible Taxes	(56,237)	56,237	52,368	(52,368)
Total Assets	\$ 1,118,399	\$ 2,653,361	\$ 2,669,665	\$ 1,102,095
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,118,399	\$ 2,653,361	\$ 2,669,665	\$ 1,102,095
Total Liabilities	\$ 1,118,399	\$ 2,653,361	\$ 2,669,665	\$ 1,102,095

(Continued)

Exhibit H-2

Scott County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 684,000	\$ 5,380,281	\$ 5,164,437	\$ 899,844
Accounts Receivable	657	0	0	657
Total Assets	<u>\$ 684,657</u>	<u>\$ 5,380,281</u>	<u>\$ 5,164,437</u>	<u>\$ 900,501</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 684,657</u>	<u>\$ 5,380,281</u>	<u>\$ 5,164,437</u>	<u>\$ 900,501</u>
Total Liabilities	<u>\$ 684,657</u>	<u>\$ 5,380,281</u>	<u>\$ 5,164,437</u>	<u>\$ 900,501</u>
<u>Judicial District Drug</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 213,017	\$ 229,819	\$ 266,190	\$ 176,646
Accounts Receivable	4,075	4,534	4,075	4,534
Total Assets	<u>\$ 217,092</u>	<u>\$ 234,353</u>	<u>\$ 270,265</u>	<u>\$ 181,180</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,308	\$ 0	\$ 2,308
Payroll Deductions Payable	1,288	0	1,288	0
Due to Joint Venture	215,804	232,045	268,977	178,872
Total Liabilities	<u>\$ 217,092</u>	<u>\$ 234,353</u>	<u>\$ 270,265</u>	<u>\$ 181,180</u>

(Continued)

Exhibit H-2

Scott County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 684,000	\$ 5,380,281	\$ 5,164,437	\$ 899,844
Equity in Pooled Cash and Investments	272,150	3,897,320	3,925,895	243,575
Account Receivables	4,732	4,534	4,732	5,191
Due from Other Governments	375,204	395,647	375,204	395,647
Property Taxes Receivable	1,625,333	1,583,779	1,625,333	1,583,779
Allowance for Uncollectible Taxes	(86,817)	24,489	21,788	(84,116)
Total Assets	<u>\$ 2,874,602</u>	<u>\$ 11,286,050</u>	<u>\$ 11,117,389</u>	<u>\$ 3,043,920</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,308	\$ 0	\$ 2,308
Payroll Deductions Payable	1,288	0	1,288	0
Due to Other Taxing Units	1,972,853	5,671,416	5,682,030	1,962,239
Due to Litigants, Heirs, and Others	684,657	5,380,281	5,164,437	900,501
Due to Joint Venture	215,804	232,045	268,977	178,872
Total Liabilities	<u>\$ 2,874,602</u>	<u>\$ 11,286,050</u>	<u>\$ 11,116,732</u>	<u>\$ 3,043,920</u>

Scott County School Department

This section presents combining and individual fund financial statements for the Scott County School Department, a discretely presented component unit. The School Department uses a General Fund and two Special Revenue Funds.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for cafeteria operations in each of the schools.

Exhibit I-1

Scott County, Tennessee
Statement of Activities
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 14,140,729	\$ 16,243	\$ 818,909		\$ (13,305,577)
Support Services	8,048,012	47,621	405,890	237,243	(7,357,258)
Operation of Non-instructional Services	2,943,023	162,154	3,065,649		284,780
Total Governmental Activities	<u>\$ 25,131,764</u>	<u>\$ 226,018</u>	<u>\$ 4,290,448</u>	<u>237,243</u>	<u>\$ (20,378,055)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,023,921
Local Option Sales Taxes					1,408,806
Other Local Taxes					1,974
Grants and Contributions Not Restricted to Specific Programs					18,398,936
Unrestricted Investment Income					688
Miscellaneous					64,099
Total General Revenues					<u>\$ 21,898,424</u>
Change in Net Position					\$ 1,520,369
Net Position, July 1, 2016					<u>21,279,169</u>
Net Position, June 30, 2017					<u>\$ 22,799,538</u>

Exhibit I-2

Scott County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Scott County School Department
June 30, 2017

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 18,050	\$ 18,050
Equity in Pooled Cash and Investments	8,603,554	1,355,409	9,958,963
Accounts Receivable	111	844	955
Due from Other Governments	669,591	49,621	719,212
Due from Other Funds	25,118	0	25,118
Property Taxes Receivable	2,220,309	0	2,220,309
Allowance for Uncollectible Property Taxes	(118,190)	0	(118,190)
Total Assets	\$ 11,400,493	\$ 1,423,924	\$ 12,824,417
<u>LIABILITIES</u>			
Accounts Payable	\$ 16,894	\$ 2,852	\$ 19,746
Accrued Payroll	2,192,221	400,816	2,593,037
Payroll Deductions Payable	61,759	3,430	65,189
Due to Other Funds	0	25,118	25,118
Due to State of Tennessee	2,340	1,041	3,381
Other Current Liabilities	301,637	39,581	341,218
Total Liabilities	\$ 2,574,851	\$ 472,838	\$ 3,047,689
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,968,070	\$ 0	\$ 1,968,070
Deferred Delinquent Property Taxes	124,094	0	124,094
Other Deferred/Unavailable Revenue	116,014	0	116,014
Total Deferred Inflows of Resources	\$ 2,208,178	\$ 0	\$ 2,208,178
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 885,107	\$ 885,107
Committed:			
Committed for Education	0	66,073	66,073
Unassigned	6,617,464	(94)	6,617,370
Total Fund Balances	\$ 6,617,464	\$ 951,086	\$ 7,568,550
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,400,493	\$ 1,423,924	\$ 12,824,417

Exhibit I-3

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Scott County School Department
June 30, 2017

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)		\$ 7,568,550
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 910,561	
Add: building and improvements net of accumulated depreciation	17,058,308	
Add: infrastructure net of accumulated depreciation	6,095	
Add: other capital assets net of accumulated depreciation	<u>1,390,673</u>	19,365,637
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (3,907,973)	
Less: net pension liability - Teacher Legacy Plan	<u>(1,867,018)</u>	(5,774,991)
(3) Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 3,896,822	
Less: deferred inflows of resources related to pensions	<u>(2,578,379)</u>	1,318,443
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds:		
Add: net pension assets of the agent plan	\$ 66,092	
Add: net pension assets of the teacher plan	<u>15,699</u>	81,791
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>240,108</u>
Net position of governmental activities (Exhibit A)		<u>\$ 22,799,538</u>

Exhibit I-4

Scott County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 3,410,464	\$ 0	\$ 3,410,464
Licenses and Permits	491	0	491
Charges for Current Services	47,621	162,154	209,775
Other Local Revenues	36,066	46,962	83,028
State of Tennessee	18,540,572	17,692	18,558,264
Federal Government	0	4,128,122	4,128,122
Other Governments and Citizens Groups	1,000	0	1,000
Total Revenues	\$ 22,036,214	\$ 4,354,930	\$ 26,391,144
<u>Expenditures</u>			
Current:			
Instruction	\$ 12,721,995	\$ 1,745,858	\$ 14,467,853
Support Services	6,667,998	370,358	7,038,356
Operation of Non-instructional Services	983,114	1,944,121	2,927,235
Capital Outlay	578,949	0	578,949
Debt Service:			
Other Debt Service	358,229	0	358,229
Total Expenditures	\$ 21,310,285	\$ 4,060,337	\$ 25,370,622
Excess (Deficiency) of Revenues Over Expenditures	\$ 725,929	\$ 294,593	\$ 1,020,522
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 25,118	\$ 0	\$ 25,118
Transfers Out	0	(25,118)	(25,118)
Total Other Financing Sources (Uses)	\$ 25,118	\$ (25,118)	\$ 0
Net Change in Fund Balances	\$ 751,047	\$ 269,475	\$ 1,020,522
Fund Balance, July 1, 2016	5,866,417	681,611	6,548,028
Fund Balance, June 30, 2017	\$ 6,617,464	\$ 951,086	\$ 7,568,550

Exhibit I-5

Scott County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

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)		\$ 1,020,522
(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	\$ 600,126	
Less: current-year depreciation expense	<u>(947,583)</u>	(347,457)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized		237,243
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 240,108	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(216,362)</u>	23,746
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent plan	\$ (169,544)	
Change in net pension asset - teacher plan	10,671	
Change in net pension liability - teacher legacy plan	(1,748,631)	
Change in deferred outflows related to pensions	(12,077)	
Change in deferred inflows related to pensions	2,855,836	
Change in other postemployment benefits liability	<u>(349,940)</u>	<u>586,315</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,520,369</u>

Exhibit I-6

Scott County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Scott County School Department
June 30, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 18,050	\$ 18,050
Equity in Pooled Cash and Investments	379,485	975,924	1,355,409
Accounts Receivable	0	844	844
Due from Other Governments	49,621	0	49,621
Total Assets	<u>\$ 429,106</u>	<u>\$ 994,818</u>	<u>\$ 1,423,924</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,852	\$ 0	\$ 2,852
Accrued Payroll	299,251	101,565	400,816
Payroll Deductions Payable	2,761	669	3,430
Due to Other Funds	25,118	0	25,118
Due to State of Tennessee	411	630	1,041
Other Current Liabilities	32,734	6,847	39,581
Total Liabilities	<u>\$ 363,127</u>	<u>\$ 109,711</u>	<u>\$ 472,838</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 885,107	\$ 885,107
Committed:			
Committed for Education	66,073	0	66,073
Unassigned	(94)	0	(94)
Total Fund Balances	<u>\$ 65,979</u>	<u>\$ 885,107</u>	<u>\$ 951,086</u>
Total Liabilities and Fund Balances	<u>\$ 429,106</u>	<u>\$ 994,818</u>	<u>\$ 1,423,924</u>

Exhibit I-7

Scott County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 162,154	\$ 162,154
Other Local Revenues	0	46,962	46,962
State of Tennessee	0	17,692	17,692
Federal Government	2,139,579	1,988,543	4,128,122
Total Revenues	<u>\$ 2,139,579</u>	<u>\$ 2,215,351</u>	<u>\$ 4,354,930</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,745,858	\$ 0	\$ 1,745,858
Support Services	370,358	0	370,358
Operation of Non-instructional Services	0	1,944,121	1,944,121
Total Expenditures	<u>\$ 2,116,216</u>	<u>\$ 1,944,121</u>	<u>\$ 4,060,337</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 23,363</u>	<u>\$ 271,230</u>	<u>\$ 294,593</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (25,118)	\$ 0	\$ (25,118)
Total Other Financing Sources (Uses)	<u>\$ (25,118)</u>	<u>\$ 0</u>	<u>\$ (25,118)</u>
Net Change in Fund Balances	\$ (1,755)	\$ 271,230	\$ 269,475
Fund Balance, July 1, 2016	<u>67,734</u>	<u>613,877</u>	<u>681,611</u>
Fund Balance, June 30, 2017	<u><u>\$ 65,979</u></u>	<u><u>\$ 885,107</u></u>	<u><u>\$ 951,086</u></u>

Exhibit I-8

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Scott County School Department
General Purpose School Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,410,464	\$ 0	\$ 3,410,464	\$ 3,329,780	\$ 3,348,770	\$ 61,694
Licenses and Permits	491	0	491	500	500	(9)
Charges for Current Services	47,621	0	47,621	57,000	57,000	(9,379)
Other Local Revenues	36,066	0	36,066	0	18,241	17,825
State of Tennessee	18,540,572	0	18,540,572	18,440,808	18,765,257	(224,685)
Federal Government	0	0	0	5,500	5,500	(5,500)
Other Governments and Citizens Groups	1,000	0	1,000	0	1,000	0
Total Revenues	<u>\$ 22,036,214</u>	<u>\$ 0</u>	<u>\$ 22,036,214</u>	<u>\$ 21,833,588</u>	<u>\$ 22,196,268</u>	<u>\$ (160,054)</u>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 10,718,336	\$ 0	\$ 10,718,336	\$ 11,558,425	\$ 11,273,077	\$ 554,741
Alternative Instruction Program	82,793	0	82,793	85,285	89,185	6,392
Special Education Program	1,314,550	0	1,314,550	1,426,384	1,426,384	111,834
Career and Technical Education Program	606,316	0	606,316	662,103	654,603	48,287
<u>Support Services</u>						
Attendance	76,847	0	76,847	99,467	82,467	5,620
Health Services	326,797	0	326,797	218,098	349,180	22,383
Other Student Support	314,583	0	314,583	349,843	345,643	31,060
Regular Instruction Program	684,831	0	684,831	709,634	760,596	75,765
Special Education Program	193,841	0	193,841	206,357	206,357	12,516
Career and Technical Education Program	75,997	0	75,997	92,121	92,121	16,124
Technology	435,057	0	435,057	0	530,517	95,460
Other Programs	78,490	0	78,490	0	78,490	0
Board of Education	465,621	0	465,621	518,082	579,958	114,337

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Director of Schools	\$ 223,390	\$ 0	\$ 223,390	\$ 227,073	\$ 235,721	\$ 12,331
Office of the Principal	881,040	0	881,040	955,508	898,858	17,818
Operation of Plant	1,593,153	0	1,593,153	1,605,405	1,717,825	124,672
Maintenance of Plant	282,579	0	282,579	279,792	309,792	27,213
Transportation	1,035,772	0	1,035,772	1,170,393	1,176,799	141,027
Central and Other	0	0	0	296,301	0	0
<u>Operation of Non-instructional Services</u>						
Community Services	53,896	0	53,896	50,000	56,312	2,416
Early Childhood Education	929,218	0	929,218	955,206	955,206	25,988
<u>Capital Outlay</u>						
Regular Capital Outlay	578,949	(517,545)	61,404	247,456	695,452	634,048
<u>Other Debt Service</u>						
Education	358,229	0	358,229	185,773	358,229	0
Total Expenditures	\$ 21,310,285	\$ (517,545)	\$ 20,792,740	\$ 21,898,706	\$ 22,872,772	\$ 2,080,032
Excess (Deficiency) of Revenues Over Expenditures	\$ 725,929	\$ 517,545	\$ 1,243,474	\$ (65,118)	\$ (676,504)	\$ 1,919,978
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 25,118	\$ 0	\$ 25,118	\$ 55,118	\$ 55,118	\$ (30,000)
Total Other Financing Sources	\$ 25,118	\$ 0	\$ 25,118	\$ 55,118	\$ 55,118	\$ (30,000)
Net Change in Fund Balance	\$ 751,047	\$ 517,545	\$ 1,268,592	\$ (10,000)	\$ (621,386)	\$ 1,889,978
Fund Balance, July 1, 2016	5,866,417	(517,545)	5,348,872	5,888,375	5,888,375	(539,503)
Fund Balance, June 30, 2017	\$ 6,617,464	\$ 0	\$ 6,617,464	\$ 5,878,375	\$ 5,266,989	\$ 1,350,475

Exhibit I-9

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Scott County School Department
School Federal Projects Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,139,579	\$ 2,181,424	\$ 2,679,246	\$ (539,667)
Total Revenues	\$ 2,139,579	\$ 2,181,424	\$ 2,679,246	\$ (539,667)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,159,640	\$ 1,137,752	\$ 1,432,432	\$ 272,792
Special Education Program	528,701	543,421	630,517	101,816
Career and Technical Education Program	57,517	51,700	57,517	0
<u>Support Services</u>				
Other Student Support	9,922	30,334	32,170	22,248
Regular Instruction Program	262,339	280,074	387,617	125,278
Special Education Program	58,565	54,775	65,747	7,182
Career and Technical Education Program	2,439	3,545	2,540	101
Board of Education	163	0	308	145
Transportation	36,930	54,705	54,705	17,775
Total Expenditures	\$ 2,116,216	\$ 2,156,306	\$ 2,663,553	\$ 547,337
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,363	\$ 25,118	\$ 15,693	\$ 7,670
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 9,427	\$ (9,427)
Transfers Out	(25,118)	(25,118)	(25,118)	0
Total Other Financing Sources	\$ (25,118)	\$ (25,118)	\$ (15,691)	\$ (9,427)
Net Change in Fund Balance	\$ (1,755)	\$ 0	\$ 2	\$ (1,757)
Fund Balance, July 1, 2016	67,734	66,079	66,079	1,655
Fund Balance, June 30, 2017	\$ 65,979	\$ 66,079	\$ 66,081	\$ (102)

Exhibit I-10

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Scott County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 1,500	\$ 1,500	\$ (1,500)
Charges for Current Services	162,154	177,700	177,700	(15,546)
Other Local Revenues	46,962	300	300	46,662
State of Tennessee	17,692	17,500	17,500	192
Federal Government	1,988,543	1,997,050	2,020,029	(31,486)
Total Revenues	<u>\$ 2,215,351</u>	<u>\$ 2,194,050</u>	<u>\$ 2,217,029</u>	<u>\$ (1,678)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,944,121	\$ 2,164,050	\$ 2,189,329	\$ 245,208
Total Expenditures	<u>\$ 1,944,121</u>	<u>\$ 2,164,050</u>	<u>\$ 2,189,329</u>	<u>\$ 245,208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 271,230</u>	<u>\$ 30,000</u>	<u>\$ 27,700</u>	<u>\$ 243,530</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (30,000)	\$ (27,700)	\$ 27,700
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ (27,700)</u>	<u>\$ 27,700</u>
Net Change in Fund Balance	\$ 271,230	\$ 0	\$ 0	\$ 271,230
Fund Balance, July 1, 2016	<u>613,877</u>	<u>613,873</u>	<u>613,873</u>	<u>4</u>
Fund Balance, June 30, 2017	<u><u>\$ 885,107</u></u>	<u><u>\$ 613,873</u></u>	<u><u>\$ 613,873</u></u>	<u><u>\$ 271,234</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Scott County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-17
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Bridge Replacement/Equipment	\$ 300,000	4.99 %	8-30-05	6-30-17	\$ 25,000	\$ 0	\$ 25,000	\$ 0
Road Resurface	300,000	3.98	12-5-07	12-1-16	33,331	0	33,331	0
Road Resurface	600,000	3.57	8-31-09	8-28-18	177,777	0	88,889	88,888
Road Resurface	500,000	2.94	10-15-12	10-15-18	141,666	0	55,556	86,110
Asphalt Zipper	122,205	2.94	9-25-13	8-21-16	40,735	0	40,735	0
Capital Outlay	300,000	3.55	12-16-13	12-16-16	100,000	0	100,000	0
Capital Outlay	500,000	3.59	5-8-17	2-8-22	0	500,000	7,620	492,380
Total Notes Payable					<u>\$ 518,509</u>	<u>\$ 500,000</u>	<u>\$ 351,131</u>	<u>\$ 667,378</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreement</u>								
<u>Payable through General Debt Service Fund</u>								
Building and Equipment	1,000,000	Varies	3-1-1995	5-25-21	\$ 307,200	\$ 0	\$ 55,600	\$ 251,600
Justice Center and Highway Projects	9,654,938 (1)	Varies	2-27-07	5-25-34	7,767,938	0	266,000	7,501,938
School Renovations and Improvements	13,940,000	Varies	12-15-09	5-25-35	11,844,401	0	391,000	11,453,401
Total Payable through General Debt Service Fund					<u>\$ 19,919,539</u>	<u>\$ 0</u>	<u>\$ 712,600</u>	<u>\$ 19,206,939</u>
<u>Payable through Rural Debt Service Fund</u>								
Various Schools Projects	3,000,000	Varies	10-2-03	5-25-23	\$ 1,315,000	\$ 0	\$ 171,000	\$ 1,144,000
Total Payable through Rural Debt Service Fund					<u>\$ 1,315,000</u>	<u>\$ 0</u>	<u>\$ 171,000</u>	<u>\$ 1,144,000</u>
Total Other Loans Payable					<u>\$ 21,234,539</u>	<u>\$ 0</u>	<u>\$ 883,600</u>	<u>\$ 20,350,939</u>

(Continued)

Exhibit J-1

Scott County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-17
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Bonds, Series 2008	\$ 1,250,000	3 to 4.5 %		2-14-08	6-1-28	\$ 970,000	\$ 0	\$ 60,000	\$ 910,000
Refunding Bonds, Series 2014A	1,490,000	2 to 3.4		6-30-14	6-1-35	1,255,000	0	100,000	1,155,000
Total Payable through General Debt Service Fund						<u>\$ 2,225,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>	<u>\$ 2,065,000</u>
<u>Payable through Rural Debt Service Fund</u>									
Rural School Refunding Bonds, Series 2014B	8,120,000	2 to 3.25		6-30-14	6-1-29	\$ 7,165,000	\$ 0	\$ 480,000	\$ 6,685,000
Total Payable through Rural Debt Service Fund						<u>\$ 7,165,000</u>	<u>\$ 0</u>	<u>\$ 480,000</u>	<u>\$ 6,685,000</u>
Total Bonds Payable						<u>\$ 9,390,000</u>	<u>\$ 0</u>	<u>\$ 640,000</u>	<u>\$ 8,750,000</u>

(1) The total amount approved for draws under this loan agreement was \$10 million, of which \$345,062 has not been drawn. The county has notified the Public Building Authority that no further draws under this loan agreement will be necessary.

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 237,684	\$ 20,761	\$ 258,445
2019	127,197	13,751	140,948
2020	100,170	9,222	109,392
2021	103,827	5,566	109,393
2022	98,500	1,777	100,277
Total	\$ 667,378	\$ 51,077	\$ 718,455

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 924,400	\$ 203,456	\$ 138,302	\$ 1,266,158
2019	967,300	194,171	129,633	1,291,104
2020	1,013,400	184,456	122,864	1,320,720
2021	1,059,500	174,279	115,774	1,349,553
2022	1,038,000	163,640	108,364	1,310,004
2023	1,087,000	153,195	101,361	1,341,556
2024	925,000	142,258	94,030	1,161,288
2025	970,000	133,023	87,931	1,190,954
2026	1,019,000	123,340	81,535	1,223,875
2027	1,071,000	113,167	74,816	1,258,983
2028	1,123,000	102,476	67,755	1,293,231
2029	1,180,000	91,265	60,350	1,331,615
2030	1,239,000	79,485	52,570	1,371,055
2031	1,301,000	67,116	44,401	1,412,517
2032	1,366,000	54,128	35,823	1,455,951
2033	1,434,000	40,491	26,816	1,501,307
2034	1,506,000	26,175	17,361	1,549,536
2035	1,127,339	8,084	5,491	1,140,914
Total	\$ 20,350,939	\$ 2,054,205	\$ 1,365,177	\$ 23,770,321

(Continued)

Exhibit J-2

Scott County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 595,000	245,826	\$ 840,826
2019	595,000	227,801	822,801
2020	580,000	213,826	793,826
2021	605,000	199,601	804,601
2022	580,000	186,326	766,326
2023	615,000	170,864	785,864
2024	850,000	154,245	1,004,245
2025	885,000	130,383	1,015,383
2026	920,000	103,645	1,023,645
2027	970,000	75,289	1,045,289
2028	700,000	45,476	745,476
2029	625,000	26,508	651,508
2030	55,000	7,820	62,820
2031	30,000	5,950	35,950
2032	35,000	4,930	39,930
2033	35,000	3,740	38,740
2034	35,000	2,550	37,550
2035	40,000	1,360	41,360
Total	\$ 8,750,000	\$ 1,806,140	\$ 10,556,140

Exhibit J-3

Scott County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
Education Capital Projects	Rural Debt Service	Reimbursement of Transfer from a Previous Year	\$ 30,641
Drug Control	General	Reimbursement of Salary	<u>5,000</u>
Total Transfers Primary Government			<u>\$ 35,641</u>
<u>DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 25,118</u>
Total Transfers Discretely Presented Scott County School Department			<u>\$ 25,118</u>

Exhibit J-4

Scott County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 75,329	\$ 100,000	RLI Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	71,743	100,000	"
Director of Schools	State Board of Education and County Board of Education	86,819 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	65,221	981,927	"
Assessor of Property				
Steve Thompson 7-1-16 through 8-31-16	Section 8-24-102, <i>TCA</i>	12,788	50,000	"
Anthony Sexton 9-1-16 through 6-30-17	Section 8-24-102, <i>TCA</i>	52,433	50,300	"
County Clerk	Section 8-24-102, <i>TCA</i>	65,221	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	65,221	100,000	"
Clerk and Master				
Jane Lloyd 7-1-16 through 1-2-17	Section 8-24-102, <i>TCA</i>	35,119	50,000	"
Mike Potter 1-3-17 through 6-30-17	Section 8-24-102, <i>TCA</i>	30,102	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	65,221	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	72,364 (2)	100,000	"
Director of Finance	County Commission	65,219	100,000	"
Employee Blanket Bonds - All County Employees				
Employee Fidelity			150,000	Tennessee Risk Management Trust
Money and Securities			150,000	"
Forgery or Alteration			150,000	"

(1) Includes a chief executive officer training supplement of \$1,000.

(2) Includes law enforcement training supplement of \$621.

Exhibit J-5

Scott County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,933,393	\$ 0	\$ 0	\$ 0	\$ 0	0
Discount on Property Taxes	(29,800)	0	0	0	0	0
Trustee's Collections - Prior Year	192,801	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	100,753	0	0	0	0	0
Interest and Penalty	41,831	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	90	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	409,014	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	172,887	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	251,758	0	0	0	0	0
Hotel/Motel Tax	78,900	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	21,494	0	0	0	0	0
Litigation Tax - Special Purpose	79,173	0	0	0	0	0
Business Tax	115,502	0	0	0	0	235
Mineral Severance Tax	436	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	95,932	0	0	0	0	0
Wholesale Beer Tax	100,693	0	0	0	0	0
Interstate Telecommunications Tax	1,370	0	0	0	0	0
Total Local Taxes	\$ 4,566,227	\$ 0	\$ 0	\$ 0	\$ 0	235
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	44,251	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 285	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 44,536	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 29,904	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,016	0	0	0	0	0
Drug Control Fines	0	0	0	29,174	0	0
Data Entry Fee - Circuit Court	564	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	618	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	63,576	0	0	0	0	0
Officers Costs	19,041	0	0	0	0	0
Game and Fish Fines	112	0	0	0	0	0
Drug Control Fines	0	0	0	14,410	0	0
Drug Court Fees	5,530	0	0	0	0	0
Jail Fees	2,138	0	0	0	0	0
Data Entry Fee - General Sessions Court	3,521	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	5,140	0	0	0	0	0
Data Entry Fee - Chancery Court	1,408	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	12,111	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 8,350	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 133,568	\$ 0	\$ 0	\$ 64,045	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 7,057	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	220,296	0	0	0	0
Patient Charges	0	0	1,643,036	0	0	0
Other General Service Charges	4,815	0	0	0	0	0
<u>Fees</u>						
Airport Fees	219,595	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	35	0
Data Processing Fee - Register	5,966	0	0	0	0	0
Probation Fees	15,655	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,150	0	0	0	0	0
Data Processing Fee - County Clerk	1,707	0	0	0	0	0
Total Charges for Current Services	\$ 254,888	\$ 227,353	\$ 1,643,036	\$ 0	\$ 35	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 119,585	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	195,524	0	0	0	0	0
Commissary Sales	21,188	0	0	0	0	0
Sale of Maps	150	0	0	0	0	0
Sale of Recycled Materials	0	9,906	0	0	0	0
Miscellaneous Refunds	111,644	2,166	917	294	0	11,356

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 6,906	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,109
Contributions and Gifts	10,175	0	0	0	0	0
Total Other Local Revenues	<u>\$ 465,172</u>	<u>\$ 12,072</u>	<u>\$ 917</u>	<u>\$ 294</u>	<u>\$ 0</u>	<u>\$ 22,465</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 206,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	60,294	0	0	0	0	0
General Sessions Court Clerk	93,610	0	0	0	0	0
Clerk and Master	35,460	0	0	0	0	0
Register	82,961	0	0	0	0	0
Sheriff	11,706	0	0	0	0	0
Trustee	293,711	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 783,961</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
On-behalf Contributions for OPEB	1,350	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	17,400	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	845,613
Litter Program	0	35,265	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 14,524	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,415	0	0	0	0	0
Alcoholic Beverage Tax	49,844	0	0	0	0	0
State Revenue Sharing - T.V.A.	563,760	0	0	0	0	0
Contracted Prisoner Boarding	631,315	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,889,688
Petroleum Special Tax	0	0	0	0	0	16,039
Reappraisal Program Reimbursement	14,026	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	475,526	9,083	0	0	0	0
Other State Revenues	169,019	0	0	0	0	42,664
Total State of Tennessee	\$ 1,979,343	\$ 44,348	\$ 0	\$ 0	\$ 0	\$ 2,794,004
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	19,962	0	0	0	0	0
Law Enforcement Grants	115,562	0	0	0	0	0
Other Federal through State	101,035	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	154,313
Total Federal Government	\$ 238,059	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,313

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 8,465,754	\$ 283,773	\$ 1,643,953	\$ 64,339	\$ 35	\$ 2,971,017

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 296,585	\$ 610,254	\$ 70,115	\$ 26,549	\$ 3,936,896
Discount on Property Taxes	(3,012)	(6,094)	(712)	(262)	(39,880)
Trustee's Collections - Prior Year	16,936	48,460	16,204	0	274,401
Circuit Clerk/Clerk and Master Collections - Prior Years	7,879	23,392	7,879	0	139,903
Interest and Penalty	3,742	9,294	2,980	55	57,902
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	90
Payments in-Lieu-of Taxes - Local Utilities	41,352	78,208	9,774	3,376	541,724
Payments in-Lieu-of Taxes - Other	0	0	0	0	172,887
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	100,000	0	0	351,758
Hotel/Motel Tax	0	0	0	0	78,900
Wheel Tax	595,641	0	0	0	595,641
Litigation Tax - General	0	0	0	0	21,494
Litigation Tax - Special Purpose	0	0	0	0	79,173
Business Tax	0	0	0	0	115,737
Mineral Severance Tax	0	0	0	0	436
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	95,932
Wholesale Beer Tax	0	0	0	0	100,693
Interstate Telecommunications Tax	0	0	0	0	1,370
Total Local Taxes	\$ 959,123	\$ 863,514	\$ 106,240	\$ 29,718	\$ 6,525,057
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 760	\$ 0	\$ 0	\$ 0	\$ 760
Cable TV Franchise	0	0	0	0	44,251

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	285
Total Licenses and Permits	\$ 760	\$ 0	\$ 0	\$ 0	45,296
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	29,904
Officers Costs	0	0	0	0	2,016
Drug Control Fines	0	0	0	0	29,174
Data Entry Fee - Circuit Court	0	0	0	0	564
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0	0	618
<u>General Sessions Court</u>					
Fines	0	0	0	0	63,576
Officers Costs	0	0	0	0	19,041
Game and Fish Fines	0	0	0	0	112
Drug Control Fines	0	0	0	0	14,410
Drug Court Fees	0	0	0	0	5,530
Jail Fees	0	0	0	0	2,138
Data Entry Fee - General Sessions Court	0	0	0	0	3,521
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	5,140
Data Entry Fee - Chancery Court	0	0	0	0	1,408
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	12,111

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,350
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 197,613
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,057
Surcharge - Host Agency	0	0	0	0	220,296
Patient Charges	0	0	0	0	1,643,036
Other General Service Charges	0	0	0	0	4,815
<u>Fees</u>					
Airport Fees	0	0	0	0	219,595
Constitutional Officers' Fees and Commissions	0	0	0	0	35
Data Processing Fee - Register	0	0	0	0	5,966
Probation Fees	0	0	0	0	15,655
Sexual Offender Registration Fee - Sheriff	0	0	0	0	7,150
Data Processing Fee - County Clerk	0	0	0	0	1,707
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,125,312
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 119,585
Lease/Rentals	160,748	0	0	0	356,272
Commissary Sales	0	0	0	0	21,188
Sale of Maps	0	0	0	0	150
Sale of Recycled Materials	0	0	0	0	9,906
Miscellaneous Refunds	0	0	120	0	126,497

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,015
Contributions and Gifts	0	0	0	0	10,175
Total Other Local Revenues	\$ 160,748	\$ 0	\$ 120	\$ 0	\$ 661,788
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 206,219
Circuit Court Clerk	0	0	0	0	60,294
General Sessions Court Clerk	0	0	0	0	93,610
Clerk and Master	0	0	0	0	35,460
Register	0	0	0	0	82,961
Sheriff	0	0	0	0	11,706
Trustee	0	0	0	0	293,711
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 783,961
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
On-behalf Contributions for OPEB	0	0	0	0	1,350
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	17,400
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	845,613
Litter Program	0	0	0	0	35,265

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	14,524
Beer Tax	0	0	0	0	18,415
Alcoholic Beverage Tax	0	0	0	0	49,844
State Revenue Sharing - T.V.A.	0	0	0	0	563,760
Contracted Prisoner Boarding	0	0	0	0	631,315
Gasoline and Motor Fuel Tax	0	0	0	0	1,889,688
Petroleum Special Tax	0	0	0	0	16,039
Reappraisal Program Reimbursement	0	0	0	0	14,026
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	484,609
Other State Revenues	0	0	0	0	211,683
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	4,817,695
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	1,500
Homeland Security Grants	0	0	0	0	19,962
Law Enforcement Grants	0	0	0	0	115,562
Other Federal through State	0	0	0	0	101,035
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	154,313
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	392,372

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 358,229	\$ 0	\$ 0	\$ 358,229
Total Other Governments and Citizens Groups	\$ 0	\$ 358,229	\$ 0	\$ 0	\$ 358,229
Total	\$ 1,120,631	\$ 1,221,743	\$ 106,360	\$ 29,718	\$ 15,907,323

Exhibit J-6

Scott County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,617,445	\$ 0	\$ 0	\$ 1,617,445
Discount on Property Taxes	(16,390)	0	0	(16,390)
Trustee's Collections - Prior Year	102,124	0	0	102,124
Circuit Clerk/Clerk and Master Collections - Prior Years	52,283	0	0	52,283
Interest and Penalty	23,513	0	0	23,513
Payments in-Lieu-of Taxes - Local Utilities	224,030	0	0	224,030
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,405,915	0	0	1,405,915
Mixed Drink Tax	214	0	0	214
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,330	0	0	1,330
Total Local Taxes	<u>\$ 3,410,464</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,410,464</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 491	\$ 0	\$ 0	\$ 491
Total Licenses and Permits	<u>\$ 491</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 491</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 72,487	\$ 72,487
Lunch Payments - Adults	0	0	35,445	35,445
Income from Breakfast	0	0	22,524	22,524
Special Milk Sales	0	0	4,902	4,902

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
A la Carte Sales	\$ 0	\$ 0	\$ 10,157	\$ 10,157
Other Charges for Services	47,621	0	16,639	64,260
Total Charges for Current Services	<u>\$ 47,621</u>	<u>\$ 0</u>	<u>\$ 162,154</u>	<u>\$ 209,775</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 34	\$ 0	\$ 654	\$ 688
E-Rate Funding	18,241	0	0	18,241
Miscellaneous Refunds	15,093	0	39,308	54,401
<u>Nonrecurring Items</u>				
Sale of Equipment	2,605	0	7,000	9,605
<u>Other Local Revenues</u>				
Other Local Revenues	93	0	0	93
Total Other Local Revenues	<u>\$ 36,066</u>	<u>\$ 0</u>	<u>\$ 46,962</u>	<u>\$ 83,028</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 78,490	\$ 0	\$ 0	\$ 78,490
<u>State Education Funds</u>				
Basic Education Program	16,828,000	0	0	16,828,000
Early Childhood Education	929,328	0	0	929,328
School Food Service	0	0	17,692	17,692
Driver Education	16,243	0	0	16,243
Other State Education Funds	367,999	0	0	367,999

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Coordinated School Health	\$ 98,862	\$ 0	\$ 0	\$ 98,862
Career Ladder Program	81,442	0	0	81,442
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	104,000	0	0	104,000
Other State Grants	36,208	0	0	36,208
Total State of Tennessee	<u>\$ 18,540,572</u>	<u>\$ 0</u>	<u>\$ 17,692</u>	<u>\$ 18,558,264</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,305,344	\$ 1,305,344
USDA - Commodities	0	0	149,150	149,150
Breakfast	0	0	489,724	489,724
USDA - Other	0	0	44,325	44,325
Vocational Education - Basic Grants to States	0	64,544	0	64,544
Title I Grants to Local Education Agencies	0	1,156,433	0	1,156,433
Special Education - Grants to States	0	611,734	0	611,734
Special Education Preschool Grants	0	19,462	0	19,462
Rural Education	0	34,904	0	34,904
Eisenhower Professional Development State Grants	0	177,751	0	177,751
Other Federal through State	0	74,751	0	74,751
Total Federal Government	<u>\$ 0</u>	<u>\$ 2,139,579</u>	<u>\$ 1,988,543</u>	<u>\$ 4,128,122</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 1,000	\$ 0	\$ 0	\$ 1,000
Total Other Governments and Citizens Groups	\$ 1,000	\$ 0	\$ 0	\$ 1,000
Total	\$ 22,036,214	\$ 2,139,579	\$ 2,215,351	\$ 26,391,144

Exhibit J-7

Scott County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	88,497	
Social Security		5,487	
Pensions		1,842	
Employer Medicare		1,283	
Audit Services		8,002	
Contributions		14,033	
Dues and Memberships		10,550	
Evaluation and Testing		1,176	
Travel		543	
Other Contracted Services		24,304	
Other Supplies and Materials		2,442	
Premiums on Corporate Surety Bonds		3,590	
Other Charges		9,400	
Total County Commission			\$ 171,149

County Mayor/Executive

County Official/Administrative Officer	\$	75,329	
Secretary(ies)		31,028	
Clerical Personnel		24,058	
Part-time Personnel		12,237	
Bonus Payments		600	
Social Security		8,507	
Pensions		4,211	
Employer Medicare		1,990	
Communication		7,713	
Legal Notices, Recording, and Court Costs		864	
Travel		61	
Office Supplies		2,656	
Other Charges		178	
Total County Mayor/Executive			169,432

County Attorney

County Official/Administrative Officer	\$	47,550	
Social Security		2,948	
Pensions		3,257	
Employer Medicare		689	
Communication		1,464	
Other Supplies and Materials		250	
Total County Attorney			56,158

Election Commission

County Official/Administrative Officer	\$	58,699	
Deputy(ies)		21,557	
Bonus Payments		300	
Other Salaries and Wages		1,864	
Election Commission		17,400	
Election Workers		50,855	

(Continued)

Exhibit J-7

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

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

Social Security	\$	8,813	
Pensions		5,415	
Employer Medicare		2,061	
Communication		3,387	
Data Processing Services		18,275	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		1,133	
Postal Charges		3,486	
Printing, Stationery, and Forms		1,912	
Travel		5,788	
Office Supplies		5,726	
Other Supplies and Materials		3,751	
Total Election Commission			\$ 210,647

Register of Deeds

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		31,028	
Part-time Personnel		7,500	
Bonus Payments		600	
Other Salaries and Wages		17,487	
Social Security		7,317	
Pensions		6,614	
Employer Medicare		1,711	
Communication		3,292	
Printing, Stationery, and Forms		4,897	
Other Contracted Services		5,269	
Office Supplies		5,849	
Total Register of Deeds			156,785

County Buildings

Mechanic(s)	\$	26,924	
Custodial Personnel		25,560	
Bonus Payments		900	
Other Salaries and Wages		26,923	
Social Security		4,787	
Pensions		5,501	
Employer Medicare		986	
Maintenance and Repair Services - Buildings		27,264	
Maintenance and Repair Services - Equipment		8,367	
Maintenance and Repair Services - Vehicles		4,309	
Travel		1,149	
Other Contracted Services		11,479	
Custodial Supplies		15,012	
Electricity		137,437	
Gasoline		3,151	
Natural Gas		37,944	
Road Signs		3,076	

(Continued)

Exhibit J-7

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

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

Water and Sewer	\$	91,946	
Other Supplies and Materials		2,078	
Other Charges		4,850	
Total County Buildings			\$ 439,643

FinanceAccounting and Budgeting

Supervisor/Director	\$	65,219	
Data Processing Personnel		164,165	
Bonus Payments		1,800	
Social Security		13,670	
Pensions		15,836	
Employer Medicare		3,197	
Communication		1,975	
Data Processing Services		15,371	
Travel		215	
Office Supplies		9,263	
Other Supplies and Materials		83	
Total Accounting and Budgeting			290,794

Property Assessor's Office

County Official/Administrative Officer	\$	65,221	
Assistant(s)		53,807	
Deputy(ies)		31,120	
Part-time Personnel		6,698	
Bonus Payments		900	
Board and Committee Members Fees		3,000	
Social Security		9,237	
Pensions		10,329	
Employer Medicare		2,160	
Communication		5,325	
Data Processing Services		14,210	
Maintenance and Repair Services - Vehicles		560	
Travel		1,010	
Other Contracted Services		11,093	
Office Supplies		2,524	
Other Supplies and Materials		277	
Total Property Assessor's Office			217,471

County Trustee's Office

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		31,028	
Bonus Payments		600	
Other Salaries and Wages		25,793	
Social Security		7,090	
Pensions		8,401	
Employer Medicare		1,658	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Communication	\$	1,764	
Contracts with Other Public Agencies		7,420	
Data Processing Services		9,672	
Dues and Memberships		200	
Office Supplies		3,828	
Total County Trustee's Office			\$ 162,675

County Clerk's Office

County Official/Administrative Officer	\$	65,221	
Assistant(s)		51,944	
Deputy(ies)		31,029	
Temporary Personnel		5,002	
Bonus Payments		900	
Other Salaries and Wages		19,735	
Social Security		10,541	
Pensions		11,565	
Employer Medicare		2,465	
Communication		4,825	
Dues and Memberships		100	
Printing, Stationery, and Forms		291	
Other Contracted Services		9,752	
Office Supplies		8,145	
Total County Clerk's Office			221,515

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	65,221	
Assistant(s)		101,003	
Deputy(ies)		31,028	
Part-time Personnel		12,580	
Bonus Payments		1,500	
Jury and Witness Expense		9,174	
Social Security		12,776	
Pensions		13,615	
Employer Medicare		2,988	
Communication		4,254	
Data Processing Services		14,002	
Printing, Stationery, and Forms		741	
Office Supplies		6,019	
Other Charges		3,282	
Data Processing Equipment		1,100	
Total Circuit Court			279,283

General Sessions Court

Judge(s)	\$	115,722	
Assistant(s)		59,571	
Deputy(ies)		32,219	

(Continued)

Exhibit J-7

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

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

Salary Supplements	\$	9,988	
Secretary(ies)		20,538	
Clerical Personnel		25,004	
Part-time Personnel		11,210	
Bonus Payments		600	
Other Salaries and Wages		41,538	
Board and Committee Members Fees		6,000	
Social Security		19,688	
Pensions		21,206	
Life Insurance		40	
Employer Medicare		4,605	
Communication		4,225	
Travel		14,584	
Other Contracted Services		4,800	
Office Supplies		1,137	
Other Supplies and Materials		16,905	
Workers' Compensation Insurance		1,168	
Other Charges		6,739	
Building Improvements		3,994	
Total General Sessions Court			\$ 421,481

Chancery Court

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		29,722	
Bonus Payments		600	
Other Salaries and Wages		28,479	
Social Security		7,251	
Pensions		8,496	
Employer Medicare		1,696	
Communication		1,697	
Data Processing Services		1,445	
Printing, Stationery, and Forms		216	
Office Supplies		1,257	
Office Equipment		1,100	
Total Chancery Court			147,180

District Attorney General

Other Contracted Services	\$	9,105	
Other Supplies and Materials		14,106	
Total District Attorney General			23,211

Office of Public Defender

Other Charges	\$	12,000	
Total Office of Public Defender			12,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public SafetySheriff's Department

County Official/Administrative Officer	\$	71,743	
Deputy(ies)		964,797	
Salary Supplements		16,779	
Secretary(ies)		44,953	
Overtime Pay		2,190	
Bonus Payments		9,300	
Social Security		65,216	
Pensions		76,060	
Employer Medicare		15,252	
Communication		40,412	
Dues and Memberships		3,840	
Maintenance and Repair Services - Buildings		3,445	
Maintenance and Repair Services - Equipment		1,198	
Maintenance and Repair Services - Vehicles		37,100	
Printing, Stationery, and Forms		50	
Towing Services		768	
Travel		7,132	
Tuition		5,011	
Other Contracted Services		785	
Gasoline		74,223	
Law Enforcement Supplies		4,997	
Office Supplies		5,567	
Tires and Tubes		12,612	
Uniforms		20,362	
Other Supplies and Materials		8,654	
Liability Insurance		44,123	
Workers' Compensation Insurance		93,120	
Other Charges		6,460	
Motor Vehicles		28,269	
Total Sheriff's Department			\$ 1,664,418

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	2,783	
Other Charges		500	
Motor Vehicles		13,300	
Total Administration of the Sexual Offender Registry			16,583

Jail

Deputy(ies)	\$	678,234	
Dispatchers/Radio Operators		272,237	
Bonus Payments		10,200	
Social Security		56,562	
Pensions		65,718	
Employer Medicare		13,228	
Maintenance and Repair Services - Buildings		83	
Maintenance and Repair Services - Equipment		800	
Medical and Dental Services		194,338	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Travel	\$	1,307	
Tuition		2,163	
Other Contracted Services		6,263	
Food Supplies		211,133	
Law Enforcement Supplies		5,577	
Office Supplies		2,543	
Uniforms		26	
Other Supplies and Materials		46,878	
Office Equipment		3,500	
Total Jail			\$ 1,570,790

Juvenile Services

Supervisor/Director	\$	30,891	
Deputy(ies)		90,798	
Youth Service Officer(s)		5,529	
Part-time Personnel		45,714	
Bonus Payments		1,500	
Social Security		10,573	
Pensions		8,219	
Employer Medicare		2,473	
Communication		4,900	
Maintenance and Repair Services - Buildings		661	
Travel		2,500	
Other Contracted Services		325	
Electricity		1,213	
Food Supplies		13,292	
Natural Gas		1,215	
Office Supplies		1,209	
Water and Sewer		3,206	
Other Supplies and Materials		5,082	
Workers' Compensation Insurance		7,024	
Total Juvenile Services			236,324

Fire Prevention and Control

Contributions	\$	2,000	
Total Fire Prevention and Control			2,000

Civil Defense

Supervisor/Director	\$	26,919	
Bonus Payments		300	
Social Security		1,566	
Pensions		1,864	
Employer Medicare		366	
Communication		661	
Dues and Memberships		230	
Maintenance and Repair Services - Vehicles		4,045	
Travel		1,608	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Civil Defense (Cont.)

Electricity	\$	12,672	
Natural Gas		1,713	
Office Supplies		524	
Water and Sewer		606	
Other Supplies and Materials		28	
Total Civil Defense			\$ 53,102

Rescue Squad

Contributions	\$	8,000	
Total Rescue Squad			8,000

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,000	
Social Security		372	
Employer Medicare		87	
Other Charges		10,136	
Total County Coroner/Medical Examiner			16,595

Public Health and WelfareLocal Health Center

Bonus Payments	\$	300	
Social Security		1,280	
Pensions		891	
Employer Medicare		299	
Contributions		50,238	
Other Charges		38,843	
Total Local Health Center			91,851

Other Local Health Services

Medical Personnel	\$	187,019	
Social Security		10,829	
Pensions		11,459	
Medical Insurance		20,883	
Employer Medicare		2,533	
Travel		4,956	
Workers' Compensation Insurance		8,851	
Total Other Local Health Services			246,530

General Welfare Assistance

Contributions	\$	475	
Total General Welfare Assistance			475

Other Local Welfare Services

Pauper Burials	\$	1,170	
Total Other Local Welfare Services			1,170

(Continued)

Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Deputy(ies)	\$	30,161	
Part-time Personnel		18,346	
Bonus Payments		300	
Social Security		2,902	
Pensions		2,087	
Employer Medicare		679	
Communication		2,283	
Contributions		7,000	
Maintenance and Repair Services - Vehicles		2,280	
Travel		6,144	
Other Contracted Services		400	
Utilities		9,157	
Other Supplies and Materials		484	
Total Senior Citizens Assistance			\$ 82,223

Libraries

Part-time Personnel	\$	28,125	
Social Security		1,744	
Employer Medicare		408	
Communication		2,874	
Postal Charges		75	
Library Books/Media		12,028	
Office Supplies		1,883	
Periodicals		627	
Utilities		4,366	
Workers' Compensation Insurance		80	
Other Charges		401	
Total Libraries			52,611

Agriculture and Natural ResourcesAgricultural Extension Service

Assistant(s)	\$	7,918	
Supervisor/Director		5,934	
Secretary(ies)		7,653	
Social Security		1,071	
Pensions		3,230	
Medical Insurance		561	
Employer Medicare		445	
Communication		2,486	
Other Charges		5	
Total Agricultural Extension Service			29,303

Other OperationsTourism

Supervisor/Director	\$	26,924	
Clerical Personnel		22,738	
Bonus Payments		600	

(Continued)

Exhibit J-7

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

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

Social Security	\$	2,996	
Pensions		3,443	
Employer Medicare		701	
Contributions		13,042	
Total Tourism			\$ 70,444

Airport

Supervisor/Director	\$	30,037	
Temporary Personnel		22,561	
Part-time Personnel		2,537	
Bonus Payments		600	
Social Security		3,208	
Pensions		3,644	
Employer Medicare		750	
Communication		3,474	
Maintenance and Repair Services - Buildings		5,381	
Maintenance and Repair Services - Equipment		5,748	
Maintenance and Repair Services - Vehicles		886	
Travel		2,212	
Other Contracted Services		830	
Diesel Fuel		130,352	
Electricity		16,587	
Gasoline		29,295	
Natural Gas		361	
Office Supplies		81	
Water and Sewer		871	
Other Supplies and Materials		3,727	
Liability Insurance		3,412	
Workers' Compensation Insurance		3,268	
Other Charges		237,770	
Total Airport			507,592

Veterans' Services

Supervisor/Director	\$	39,321	
Bonus Payments		300	
Social Security		2,437	
Pensions		2,714	
Employer Medicare		570	
Contracts with Other Public Agencies		399	
Travel		1,225	
Other Supplies and Materials		55	
Total Veterans' Services			47,021

Contributions to Other Agencies

Contributions	\$	82,000	
Total Contributions to Other Agencies			82,000

(Continued)

Exhibit J-7

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

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

Life Insurance	\$	1,099	
Medical Insurance		355,301	
Unemployment Compensation		1,840	
On-behalf Payments to OPEB		1,350	
Other Fringe Benefits		2,400	
Postal Charges		16,384	
Other Supplies and Materials		10,000	
Liability Insurance		100,000	
Trustee's Commission		93,506	
Workers' Compensation Insurance		10,529	
Other Charges		84	
Total Miscellaneous			\$ 592,493

HighwaysHighway and Bridge Maintenance

Transfers to Other Funds	\$	235	
Total Highway and Bridge Maintenance			235

Total General Fund \$ 8,351,184

Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

Laborers	\$	73,707	
Bonus Payments		900	
Social Security		4,344	
Pensions		4,927	
Life Insurance		80	
Medical Insurance		10,070	
Employer Medicare		1,016	
Communication		2,161	
Dues and Memberships		100	
Maintenance and Repair Services - Equipment		150	
Maintenance and Repair Services - Vehicles		6,155	
Other Contracted Services		17,852	
Custodial Supplies		2,717	
Diesel Fuel		1,286	
Electricity		2,526	
Equipment and Machinery Parts		8,907	
Gasoline		1,077	
Natural Gas		1,143	
Tires and Tubes		2,888	
Uniforms		2,470	
Water and Sewer		582	
Other Supplies and Materials		3,364	
Trustee's Commission		2,373	
Vehicle and Equipment Insurance		467	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Recycling Center (Cont.)

Workers' Compensation Insurance	\$	5,333	
Other Charges		15,513	
Building Improvements		12,491	
Total Recycling Center			\$ 184,599

Postclosure Care Costs

Other Contracted Services	\$	16,680	
Total Postclosure Care Costs			16,680

HighwaysLitter and Trash Collection

Other Supplies and Materials	\$	17,912	
Total Litter and Trash Collection			17,912

Total Solid Waste/Sanitation Fund \$ 219,191

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Supervisor/Director	\$	49,349	
Medical Personnel		645,379	
Part-time Personnel		6,000	
Overtime Pay		321,042	
Bonus Payments		6,300	
Social Security		58,581	
Pensions		68,021	
Life Insurance		41	
Medical Insurance		92,267	
Unemployment Compensation		118	
Employer Medicare		13,710	
Communication		12,486	
Contracts with Other Public Agencies		106,126	
Dues and Memberships		630	
Licenses		2,650	
Maintenance and Repair Services - Buildings		125	
Maintenance and Repair Services - Vehicles		35,681	
Towing Services		1,025	
Travel		548	
Disposal Fees		1,180	
Other Contracted Services		105	
Custodial Supplies		1,498	
Diesel Fuel		51,096	
Drugs and Medical Supplies		58,687	
Electricity		4,061	
Equipment and Machinery Parts		6,681	
Gasoline		1,167	
Natural Gas		1,914	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Office Supplies	\$	1,740	
Propane Gas		11,251	
Tires and Tubes		8,832	
Uniforms		6,242	
Water and Sewer		1,043	
Other Supplies and Materials		3,484	
Refunds		856	
Trustee's Commission		16,329	
Vehicle and Equipment Insurance		20,000	
Workers' Compensation Insurance		100,420	
Other Charges		5,835	
Motor Vehicles		25,900	
Total Ambulance/Emergency Medical Services			\$ 1,748,400

Total Ambulance Service Fund \$ 1,748,400

Drug Control FundPublic SafetyOther Public Safety

Confidential Drug Enforcement Payments	\$	3,000	
Maintenance and Repair Services - Vehicles		7,922	
Travel		2,405	
Veterinary Services		1,105	
Animal Food and Supplies		1,794	
Other Supplies and Materials		3,782	
Trustee's Commission		655	
Other Charges		6,063	
Total Other Public Safety			\$ 26,726

Total Drug Control Fund 26,726

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$	35	
Total Chancery Court			\$ 35

Total Constitutional Officers - Fees Fund 35

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	71,743	
Clerical Personnel		29,202	
Overtime Pay		647	
Bonus Payments		300	
Social Security		5,848	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Pensions	\$	6,547	
Unemployment Compensation		130	
Employer Medicare		1,368	
Dues and Memberships		2,759	
Postal Charges		52	
Custodial Supplies		361	
Office Supplies		614	
Uniforms		11,335	
Total Administration			\$ 130,906

Highway and Bridge Maintenance

Truck Drivers	\$	31,757	
Laborers		430,631	
Overtime Pay		37,927	
Bonus Payments		4,500	
Social Security		28,955	
Pensions		33,199	
Unemployment Compensation		352	
Employer Medicare		6,772	
Other Contracted Services		2,487	
Asphalt - Cold Mix		247,614	
Asphalt - Hot Mix		845,836	
Concrete		4,379	
Crushed Stone		153,536	
Other Road Materials		37,358	
Pipe - Metal		11,641	
Road Signs		685	
Wood Products		3,422	
Total Highway and Bridge Maintenance			1,881,051

Operation and Maintenance of Equipment

Foremen	\$	57,308	
Mechanic(s)		61,557	
Bonus Payments		900	
Social Security		6,406	
Pensions		7,768	
Unemployment Compensation		232	
Employer Medicare		1,498	
Maintenance and Repair Services - Equipment		2,886	
Maintenance and Repair Services - Vehicles		7,819	
Towing Services		665	
Other Contracted Services		963	
Diesel Fuel		41,365	
Equipment and Machinery Parts		93,077	
Garage Supplies		547	
Gasoline		21,797	
Lubricants		4,580	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Propane Gas	\$	2,457	
Small Tools		3,500	
Tires and Tubes		15,206	
Other Supplies and Materials		7,790	
Total Operation and Maintenance of Equipment			\$ 338,321

Other Charges

Communication	\$	6,146	
Electricity		7,894	
Natural Gas		809	
Water and Sewer		1,058	
Trustee's Commission		19,489	
Vehicle and Equipment Insurance		25,200	
Other Charges		30,327	
Highway Equipment		28,482	
Motor Vehicles		52,194	
Total Other Charges			171,599

Employee Benefits

Employee and Dependent Insurance	\$	62,329	
Life Insurance		368	
Workers' Compensation Insurance		67,646	
Total Employee Benefits			130,343

Principal on DebtHighways and Streets

Principal on Notes	\$	351,131	
Total Highways and Streets			351,131

Interest on DebtHighways and Streets

Interest on Notes	\$	11,182	
Total Highways and Streets			11,182

Total Highway/Public Works Fund \$ 3,014,533

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	160,000	
Principal on Other Loans		712,600	
Total General Government			\$ 872,600

Interest on DebtGeneral Government

Interest on Bonds	\$	76,895	
Interest on Other Loans		171,233	
Total General Government			248,128

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)Other Debt ServiceGeneral Government

Trustee's Commission	\$ 14,150	
Other Debt Service	135,093	
Total General Government		\$ 149,243

Total General Debt Service Fund \$ 1,269,971

Rural Debt Service FundPrincipal on DebtEducation

Principal on Bonds	\$ 480,000	
Principal on Other Loans	171,000	
Total Education		\$ 651,000

Interest on DebtEducation

Interest on Bonds	\$ 182,931	
Interest on Other Loans	10,813	
Total Education		193,744

Other Debt ServiceEducation

Trustee's Commission	\$ 16,222	
Other Debt Service	10,232	
Total Education		26,454

Total Rural Debt Service Fund 871,198

General Capital Projects FundGeneral GovernmentCounty Buildings

Other Supplies and Materials	\$ 460	
Administration Equipment	8,000	
Communication Equipment	49	
Maintenance Equipment	22,262	
Total County Buildings		\$ 30,771

Public SafetySheriff's Department

Motor Vehicles	\$ 54,269	
Total Sheriff's Department		54,269

Public Health and WelfareLocal Health Center

Building Improvements	\$ 482	
Total Local Health Center		482

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Social, Cultural, and Recreational Services</u>			
<u>Libraries</u>			
Office Supplies	\$	250	
Total Libraries			\$ 250
<u>Highways</u>			
<u>Capital Outlay</u>			
Trustee's Commission	\$	2,091	
Total Capital Outlay			2,091
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Right-of-Way	\$	3,572	
Total Highway and Street Capital Projects			<u>3,572</u>
Total General Capital Projects Fund			\$ 91,435
<u>Education Capital Projects Fund</u>			
<u>Support Services</u>			
<u>Transportation</u>			
Motor Vehicles	\$	179,850	
Total Transportation			\$ 179,850
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Trustee's Commission	\$	595	
Total Education Capital Projects			595
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Building Improvements	\$	57,393	
Total Capital Projects Donated to School Department			<u>57,393</u>
Total Education Capital Projects Fund			<u>237,838</u>
Total Governmental Funds - Primary Government			<u>\$ 15,830,511</u>

Exhibit J-8

Scott County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Scott County School Department
For the Year Ended June 30, 2017

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 6,983,798	
Career Ladder Program	43,295	
Career Ladder Extended Contracts	12,000	
Homebound Teachers	42,217	
Educational Assistants	487,686	
Other Salaries and Wages	189,431	
Certified Substitute Teachers	121,926	
Social Security	463,436	
Pensions	686,303	
Life Insurance	11,361	
Medical Insurance	1,265,497	
Unemployment Compensation	10,517	
Employer Medicare	108,384	
Other Fringe Benefits	5,888	
Other Contracted Services	4,065	
Instructional Supplies and Materials	179,781	
Textbooks - Bound	86,018	
Other Charges	10,527	
Regular Instruction Equipment	6,206	
Total Regular Instruction Program		\$ 10,718,336

Alternative Instruction Program

Teachers	\$ 45,574	
Educational Assistants	13,930	
Social Security	3,037	
Pensions	5,074	
Medical Insurance	14,384	
Unemployment Compensation	84	
Employer Medicare	710	
Total Alternative Instruction Program		82,793

Special Education Program

Teachers	\$ 769,733	
Career Ladder Program	5,000	
Homebound Teachers	40,382	
Educational Assistants	143,289	
Certified Substitute Teachers	13,452	
Social Security	56,753	
Pensions	83,458	
Medical Insurance	95,112	
Unemployment Compensation	1,685	
Employer Medicare	13,273	
Other Contracted Services	64,899	
Instructional Supplies and Materials	14,295	
Other Supplies and Materials	12,304	
Special Education Equipment	915	
Total Special Education Program		1,314,550

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	423,489	
Career Ladder Program		3,000	
Educational Assistants		40,441	
Social Security		27,391	
Pensions		41,325	
Medical Insurance		59,269	
Unemployment Compensation		612	
Employer Medicare		6,406	
Instructional Supplies and Materials		419	
Other Supplies and Materials		3,964	
Total Career and Technical Education Program			\$ 606,316

Support Services

Attendance

Supervisor/Director	\$	62,963	
Career Ladder Program		1,000	
Social Security		3,966	
Pensions		5,782	
Unemployment Compensation		48	
Employer Medicare		927	
Travel		1,731	
Other Charges		430	
Total Attendance			76,847

Health Services

Supervisor/Director	\$	54,642	
Medical Personnel		48,773	
Other Salaries and Wages		138,676	
Social Security		13,675	
Pensions		17,733	
Medical Insurance		29,533	
Unemployment Compensation		537	
Employer Medicare		3,198	
Travel		6,118	
Other Supplies and Materials		12,337	
Other Charges		1,575	
Total Health Services			326,797

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		205,424	
Secretary(ies)		21,908	
Social Security		13,378	
Pensions		20,343	
Medical Insurance		35,812	
Unemployment Compensation		240	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	3,129	
Evaluation and Testing		9,556	
Travel		1,793	
Total Other Student Support			\$ 314,583

Regular Instruction Program

Supervisor/Director	\$	65,697	
Career Ladder Program		9,000	
Librarians		332,435	
Secretary(ies)		14,379	
Social Security		24,090	
Pensions		37,790	
Medical Insurance		55,922	
Unemployment Compensation		408	
Employer Medicare		5,636	
Travel		12,926	
Library Books/Media		22,416	
In Service/Staff Development		36,126	
Other Charges		55,974	
Other Equipment		12,032	
Total Regular Instruction Program			684,831

Special Education Program

Supervisor/Director	\$	65,747	
Career Ladder Program		1,000	
Psychological Personnel		47,529	
Secretary(ies)		31,156	
Social Security		8,533	
Pensions		12,485	
Medical Insurance		10,905	
Unemployment Compensation		147	
Employer Medicare		1,996	
Travel		14,343	
Total Special Education Program			193,841

Career and Technical Education Program

Supervisor/Director	\$	59,931	
Social Security		3,677	
Pensions		5,418	
Medical Insurance		6,065	
Unemployment Compensation		46	
Employer Medicare		860	
Total Career and Technical Education Program			75,997

Technology

Supervisor/Director	\$	52,477	
---------------------	----	--------	--

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Salaries and Wages	\$	135,834	
Social Security		10,844	
Pensions		11,763	
Medical Insurance		19,220	
Unemployment Compensation		288	
Employer Medicare		2,536	
Internet Connectivity		53,019	
Cabling		7,119	
Software		141,957	
Total Technology			\$ 435,057

Other Programs

On-behalf Payments to OPEB	\$	78,490	
Total Other Programs			78,490

Board of Education

Secretary to Board	\$	30,156	
Board and Committee Members Fees		39,900	
Social Security		4,343	
Pensions		2,912	
Medical Insurance		3,876	
Unemployment Compensation		276	
Employer Medicare		1,016	
Dues and Memberships		18,696	
Legal Services		3,773	
Travel		14,820	
Other Contracted Services		68,638	
Other Supplies and Materials		2,820	
Liability Insurance		772	
Trustee's Commission		90,224	
Workers' Compensation Insurance		165,135	
Other Charges		18,264	
Total Board of Education			465,621

Director of Schools

County Official/Administrative Officer	\$	85,819	
Career Ladder Program		1,000	
Secretary(ies)		30,156	
Social Security		7,252	
Pensions		9,914	
Medical Insurance		21,353	
Unemployment Compensation		96	
Employer Medicare		1,696	
Communication		42,948	
Postal Charges		1,510	
Travel		4,898	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$	5,831	
Other Charges		10,917	
Total Director of Schools			\$ 223,390

Office of the Principal

Principals	\$	428,232	
Career Ladder Program		4,083	
Assistant Principals		117,651	
Secretary(ies)		146,137	
Social Security		41,812	
Pensions		59,961	
Medical Insurance		50,321	
Unemployment Compensation		745	
Employer Medicare		9,867	
Communication		21,785	
Travel		446	
Total Office of the Principal			881,040

Operation of Plant

Supervisor/Director	\$	28,934	
Custodial Personnel		344,362	
Social Security		22,630	
Pensions		25,106	
Medical Insurance		30,458	
Unemployment Compensation		1,124	
Employer Medicare		5,293	
Disposal Fees		23,863	
Other Contracted Services		9,236	
Electricity		611,924	
Natural Gas		72,651	
Water and Sewer		83,689	
Other Supplies and Materials		124,682	
Building and Contents Insurance		163,819	
Other Charges		26,008	
Plant Operation Equipment		19,374	
Total Operation of Plant			1,593,153

Maintenance of Plant

Maintenance Personnel	\$	147,777	
Social Security		9,152	
Pensions		10,122	
Medical Insurance		20,326	
Unemployment Compensation		291	
Employer Medicare		2,140	
Other Supplies and Materials		87,284	
Other Charges		5,487	
Total Maintenance of Plant			282,579

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	28,892	
Mechanic(s)		47,952	
Bus Drivers		585,840	
Social Security		42,173	
Pensions		40,988	
Medical Insurance		3,876	
Unemployment Compensation		2,034	
Employer Medicare		9,863	
Maintenance and Repair Services - Vehicles		14,820	
Diesel Fuel		105,297	
Gasoline		11,872	
Tires and Tubes		26,616	
Vehicle Parts		84,685	
Other Supplies and Materials		1,965	
Other Charges		28,899	
Total Transportation			\$ 1,035,772

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	34,668	
Social Security		2,127	
Pensions		3,134	
Medical Insurance		6,065	
Unemployment Compensation		24	
Employer Medicare		497	
Travel		4,074	
Instructional Supplies and Materials		2,112	
Other Charges		1,195	
Total Community Services			53,896

Early Childhood Education

Supervisor/Director	\$	34,668	
Teachers		420,283	
Educational Assistants		142,899	
Other Salaries and Wages		19,795	
Certified Substitute Teachers		14,960	
Social Security		37,819	
Pensions		52,356	
Medical Insurance		60,483	
Unemployment Compensation		982	
Employer Medicare		8,893	
Travel		7,590	
Instructional Supplies and Materials		108,229	
In Service/Staff Development		20,261	
Total Early Childhood Education			929,218

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Construction	\$ 548,269	
Building Improvements	30,680	
Total Regular Capital Outlay		\$ 578,949

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 358,229	
Total Education		358,229

Total General Purpose School Fund \$ 21,310,285

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$ 11,782	
Teachers	663,622	
Educational Assistants	145,037	
Other Salaries and Wages	705	
Certified Substitute Teachers	204	
Non-certified Substitute Teachers	23,124	
Social Security	46,140	
Pensions	66,223	
Medical Insurance	110,621	
Unemployment Compensation	1,285	
Employer Medicare	10,791	
Instructional Supplies and Materials	69,946	
Other Charges	5,893	
Regular Instruction Equipment	4,267	
Total Regular Instruction Program		\$ 1,159,640

Special Education Program

Teachers	\$ 164,305	
Educational Assistants	208,294	
Social Security	22,456	
Pensions	29,124	
Medical Insurance	48,548	
Unemployment Compensation	770	
Employer Medicare	5,252	
Other Contracted Services	27,247	
Instructional Supplies and Materials	22,705	
Total Special Education Program		528,701

Career and Technical Education Program

Instructional Supplies and Materials	\$ 8,400	
Vocational Instruction Equipment	49,117	
Total Career and Technical Education Program		57,517

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Travel	\$	1,859	
In Service/Staff Development		2,729	
Other Charges		5,334	
Total Other Student Support			\$ 9,922

Regular Instruction Program

Supervisor/Director	\$	61,454	
Secretary(ies)		14,512	
Other Salaries and Wages		89,485	
Social Security		9,075	
Pensions		14,625	
Medical Insurance		29,840	
Unemployment Compensation		159	
Employer Medicare		2,122	
Travel		107	
Food Supplies		2,094	
Other Supplies and Materials		688	
In Service/Staff Development		38,178	
Total Regular Instruction Program			262,339

Special Education Program

Psychological Personnel	\$	43,001	
Social Security		2,500	
Pensions		3,818	
Unemployment Compensation		48	
Employer Medicare		553	
Other Supplies and Materials		1,970	
In Service/Staff Development		6,675	
Total Special Education Program			58,565

Career and Technical Education Program

Travel	\$	727	
In Service/Staff Development		1,712	
Total Career and Technical Education Program			2,439

Board of Education

Criminal Investigation of Applicants - TBI	\$	163	
Total Board of Education			163

Transportation

Bus Drivers	\$	32,158	
Social Security		1,994	
Pensions		2,203	
Unemployment Compensation		109	
Employer Medicare		466	
Total Transportation			36,930

Total School Federal Projects Fund \$ 2,116,216

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	60,976	
Cafeteria Personnel		529,388	
Other Salaries and Wages		47,089	
In-service Training		11,071	
Social Security		38,496	
Pensions		42,105	
Medical Insurance		32,215	
Unemployment Compensation		1,948	
Employer Medicare		9,006	
Travel		8,827	
Food Preparation Supplies		6,444	
Food Supplies		823,755	
USDA - Commodities		149,150	
Other Supplies and Materials		136,669	
Food Service Equipment		46,982	
Total Food Service			\$ 1,944,121

Total Central Cafeteria Fund	\$	1,944,121
------------------------------	----	-----------

Total Governmental Funds - Scott County School Department	\$	25,370,622
---	----	------------

Exhibit J-9

Scott County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund	Special School District Fund	City School ADA - Oneida Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 376,772	\$ 709,371	\$ 1,086,143
Discounts on Property Taxes	0	(4,262)	(7,164)	(11,426)
Trustee's Collections - Prior Years	0	25,161	52,629	77,790
Circuit/Clerk and Master Collections - Prior Years	0	3,936	23,008	26,944
Interest and Penalty	0	1,975	10,420	12,395
Payments in-Lieu-of-Taxes - Local Utilities	0	74,694	99,273	173,967
Local Option Sales Tax	1,679,635	0	621,070	2,300,705
Interstate Telecommunications Tax	0	0	610	610
Marriage Licenses	0	0	248	248
Other Local Revenues	0	0	30	30
Mixed Drink Tax	0	0	95	95
Total Cash Receipts	<u>\$ 1,679,635</u>	<u>\$ 478,276</u>	<u>\$ 1,509,590</u>	<u>\$ 3,667,501</u>
<u>Cash Disbursements</u>				
Remittance of Revenue Collected	\$ 1,662,839	\$ 470,491	\$ 1,476,116	\$ 3,609,446
Trustee's Commission	16,796	9,618	23,845	50,259
Total Cash Disbursements	<u>\$ 1,679,635</u>	<u>\$ 480,109</u>	<u>\$ 1,499,961</u>	<u>\$ 3,659,705</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (1,833)	\$ 9,629	\$ 7,796
Cash Balance, July 1, 2016	0	1,833	57,300	59,133
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,929</u>	<u>\$ 66,929</u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, and have issued our report thereon dated October 3, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Scott County's internal control over financial reporting (internal control) to determine 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 Scott County's internal control. Accordingly, we do not express an opinion on the effectiveness of Scott 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 did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2017-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scott 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 determination of financial statement amounts. 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: 2017-001 and 2017-003.

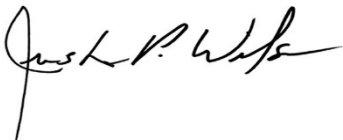
Scott County's Responses to Findings

Scott County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Scott 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 them.

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 Scott County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 3, 2017

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Scott County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Scott County's major federal programs for the year ended June 30, 2017. Scott County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Scott County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have

a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Scott County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Scott County's compliance.

Opinion on Each Major Federal Program

In our opinion, Scott County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Scott County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Scott County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Scott County's 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.

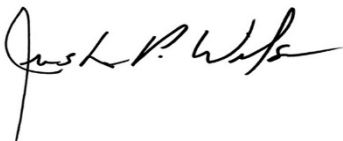
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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 Scott County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated October 3, 2017, 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 3, 2017

JPW/sb

Scott County, Tennessee, and the Scott County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2017

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	N/A	\$ 44,325
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	489,724
National School Lunch Program	10.555	N/A	1,305,344 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	149,150 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-17-45179-00	38,380
Direct Program:			
Emergency Watershed Protection Program	10.923		154,313
Total U.S. Department of Agriculture			<u>\$ 2,181,236</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	(3)	\$ 1,500
Total U.S. Department of Housing and Urban Development			<u>\$ 1,500</u>
Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 144,645
Total Bureau of Land Management, Department of the Interior			<u>\$ 144,645</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Violence Against Women Formula Grants - Recovery Act	16.588	N/A	\$ 41,741
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	73,821
Total U.S. Department of Justice			<u>\$ 115,562</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	N/A	\$ 194,214
Alcohol Open Container Requirements	20.607	(3)	978
Total U.S. Department of Transportation			<u>\$ 195,192</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,146,638
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	611,734
Special Education - Preschool Grants	84.173	N/A	19,462
Career and Technical Education - Basic Grants to States	84.048	N/A	64,544
Rural Education	84.358	N/A	31,268
Improving Teacher Quality State Grants	84.367	N/A	192,937
Total U.S. Department of Education			<u>\$ 2,066,583</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-17-45179-00	\$ 2,573
Family Planning Services	93.217	GG-17-45179-00	4,196
National State Based Tobacco Control Programs	93.305	GG-17-45179-00	6,130
Child Care and Development Block Grant	93.575	N/A	74,751
Medical Assistance Program	93.778	GG-17-45179-00	22,595
HIV Prevention Activities - Health Department Based	93.940	GG-17-45179-00	215
Maternal and Child Health Services Block Grant to the States	93.994	GG-17-45179-00	26,946
Total U.S. Department of Health and Human Services			<u>\$ 137,406</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 18,984
Total U.S. Department of Homeland Security			<u>\$ 18,984</u>
Total Expenditures of Federal Grants			<u>\$ 4,861,108</u>

<u>State Grants</u>		<u>Contract Number</u>	
Juvenile Service Program - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(3)	35,265
Airport Maintenance Program - State Department of Transportation	N/A	(3)	7,556
Airport Layout Plan Grant - State Department of Transportation	N/A	(3)	56,126
Health Department Programs - State Department of Health	N/A	(3)	187,602
Arts Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(3)	611
Connect Tennessee - State Department of Education	N/A	(3)	7,623
Drivers Education - State Department of Education	N/A	(3)	16,243
Recovery Court Grant - State Department of Mental Health and Substance Abuse	N/A	(3)	68,409
Coordinated School Health - State Department of Education	N/A	(3)	98,862
Family Resource Center - State Department of Education	N/A	(3)	31,224
Safe Schools - State Department of Education	N/A	(3)	19,645
Early Childhood Education - State Department of Education	N/A	(3)	929,328
Total State Grants			<u>\$ 1,467,494</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Scott County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total \$1,944,218; Special Education Cluster total \$631,196.

(5) Total for CFDA No. 10.555 is \$1,454,494.

SUBRECIPIENTS	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Community Development Block Grant	14.218	\$1,500	Town of Huntsville

Scott County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

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 uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Scott County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2016	188	2016-001	The Office Failed to Make a Scheduled Principal Payment on a Capital Outlay Note	N/A	Corrected
2016	188	2016-002	Duties were not Segregated Adequately in the Offices of Clerk and Master and Register of Deeds	N/A	Corrected

Prior-year Federal Award Findings

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

SCOTT COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Scott County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiencies 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:
 - * CFDA Number: 84.010 Title I Grants to Local Education Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF FINANCE

FINDING 2017-001

THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the county commission in the Education Capital Projects and Capital Projects Donated to School Department major appropriation categories of the Education Capital Projects Fund by \$595 and \$57,393, respectively, both of which contributed to total expenditures exceeding total appropriations by \$52,065. 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 for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." These deficiencies exist due to a lack of management oversight and management's failure 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 FINANCE

The Finance Department failed to prepare a budget amendment for the Education Capital Projects Fund resulting in total expenditures exceeding total appropriations.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF FINANCE

FINDING 2017-002

THE OFFICE HAD DEFICIENCIES RELATED TO TIME RECORDS

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

Weaknesses were noted with the electronic payroll system used to record the hours worked by employees. Scott County uses a computerized payroll system to track employees' time

worked. Each employee is issued a badge and ID number that they use to clock in and out each day. Supervisors approve employees' time, including their own time, each pay period before the payroll is processed in the Finance Office. Supervisors can also amend the time that employees clock in and out of the system. This feature is in place if an employee forgets to clock in or out, they can have a supervisor manually correct their time. However, supervisors can also manually amend their own time. From our review of supervisor's time sheets across several county departments, we noted that many supervisors do not use the system daily. Instead, supervisors regularly clock themselves in and out for multiple days at one time.

In the case of one supervisor whose time sheets were examined, it had been reported to our auditors that the individual was being paid for a 40-hour work week while only working approximately 23 hours per week. However, since supervisors are allowed to amend their own time sheets without any other additional supervision, we are unable to determine if the individual worked the 40 hours reported on the time sheet.

Sound business practices dictate that an employee should not be able to alter their own electronically recorded time. This could lead to inaccurate time records and improper payments for time worked. This deficiency is due to the lack of management oversight.

RECOMMENDATION

Supervisors should electronically record their time worked daily. Time records for supervisors should be approved by the county mayor or other supervising official. Supervisors should not alter their own time records.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The electronic payroll system is not designed for supervisors to approve their own time card. However, due to a change in personnel, the County Mayor's Office did not know this weakness actually existed.

OTHER FINDING

FINDING 2017-003

A COUNTY COMMISSIONER IS SERVING AS A COMPENSATED COUNTY MEDICAL EXAMINER CONTRARY TO STATE STATUTE AND AN ATTORNEY GENERAL'S OPINION

(Noncompliance Under *Government Auditing Standards*)

In November 1998, the Scott County Commission approved a resolution to abolish the Office of County Coroner, and vest the duties of the county coroner in the County Medical Examiner as allowed by Section 8-9-101, *Tennessee Code Annotated (TCA)*. On February 23, 2015, the Scott County Commission approved a resolution confirming the county mayor's appointment of a county commissioner as the county medical examiner for a five-year term, subject to him waiving compensation for service as county medical examiner. The resolution specifically stated this agreement was "to avoid any potential conflicts of

interest.” However, on August 15, 2016, the county commissioner began receiving compensation and Tennessee Consolidated Retirement Service benefits for services as the county medical examiner, which had been waived as a condition of his original appointment.

The State Attorney General’s Office has opined in Opinion 11-74 that “A county medical examiner in whom the county commission has vested the duties of county coroner may not serve as a county commissioner.” This opinion is based in part on Section 5-5-102(c)(2), *TCA*, which states “No person elected or appointed to fill the office of county mayor, sheriff, trustee, register, county clerk, assessor of property, or any other county-wide office filled by vote of the people or the county legislative body, shall also be nominated for or elected to membership in the county legislative body.”

This finding is a result of a lack of management oversight resulting in a violation of state statute.

RECOMMENDATION

County officials should take appropriate steps to comply with state statutes that prohibit an individual serving as the county medical examiner, vested with the duties of county coroner, from also serving as a county commissioner.

MANAGEMENT’S RESPONSE – COUNTY ATTORNEY

After the death of then county medical examiner, Dr. Maxwell Huff in 2015, the Scott County Mayor and Legislative Body, pursuant to the directives of *TCA* §38-7-104(a), called for a meeting of physicians residing in the county for the purpose of soliciting a recommendation as to filling the vacancy. More specifically, the Scott County Mayor mailed letters to each resident physician asking them to convene in his office on February 10, 2015, for this purpose. Only two physicians attended the meeting: Dr. Trent Cross (who also served as a county commissioner) and Dr. Evelyn Silver, who declined the appointment. Other than Dr. Cross, no other physician expressed a desire or willingness to serve as the county’s medical examiner.

The Scott County Attorney researched the statutes regarding conflicts of interest and did review relevant state attorney general opinions. He also consulted with state advisers on the issue of appointing a county commissioner as the county’s medical examiner. Based upon all of the foregoing as well as the apparent lack of any other available physician, the Scott County Attorney advised that the appointment of Dr. Cross be without compensation to mitigate any conflict of interest or conflict with state law, which was then agreed to by Dr. Cross.

As a result, Dr. Cross was appointed as the Scott County Medical Examiner in February 2015, subject to him waving compensation.

However, it is acknowledged that the county’s reinstatement of the medical examiner’s compensation in August 2016, did conflict with the county’s previously adopted resolution in February 2015, as well as prevailing state law.

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, 2017.

Scott County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

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
-------------------	------------------	---------------------------------------

OFFICE OF DIRECTOR OF FINANCE

2017-001	The County had Deficiencies in Budget Operations	193
----------	--	-----

OFFICES OF COUNTY MAYOR AND DIRECTOR OF FINANCE

2017-002	The Office had Deficiencies Related to Time Records	194
----------	---	-----

OTHER FINDINGS

2017-003	A County Commissioner is Serving as a Compensated County Medical Examiner Contrary to State Statute and an Attorney General's Opinion	195
----------	---	-----

SCOTT COUNTY GOVERNMENT
P.O. BOX 180
HUNTSVILLE, TENNESSEE 37756

Corrective Action Plan

FINDING: THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Ginger Reynolds, Finance Director

Person Responsible for Implementing the Corrective Action:

Ginger Reynolds, Finance Director

Anticipated Completion Date of Corrective Action:

09/20/2017

Repeat Finding:

No

Planned Corrective Action:

Additional training has been conducted for accounting personnel. Every fund will be reviewed each month to ensure the expenditures are held within appropriations by the County Commission. The changes are effective immediately.

FINDING: **THE OFFICE HAD DEFICIENCIES RELATED TO TIME RECORDS**

Response and Corrective Action Plan Prepared by:
Dale Perdue, Mayor

Person Responsible for Implementing the Corrective Action:
Dale Perdue, Mayor

Anticipated Completion Date of Corrective Action:
09/27/2017

Repeat Finding:
No

Planned Corrective Action:

Supervisor will be notified by the county mayor to clock in and out each day. They are not to alter their own time. If a correction is need, they will need to contact the Finance Department. The county mayor, sheriff and director of the ambulance department will need to approve their time cards.

FINDING: A COUNTY COMMISSIONER IS SERVING AS A
COMPENSATED COUNTY MEDICAL EXAMINER
CONTRARY TO STATE STATUE AND AN ATTORNEY
GENERAL'S OPINION

Response and Corrective Action Plan Prepared by:

John A. Beaty, Scott County Attorney

Person Responsible for Implementing the Corrective Action:

Scott County Mayor and Legislative Body

Anticipated Completion Date of Corrective Action:

January 31, 2018

Repeat Finding:

No

Planned Corrective Action:

Scott County's Mayor and legislative body shall re-examine the appointment of the county's medical examiner and come into compliance with relevant state law.

Signature:

A handwritten signature in cursive script, appearing to read "Dale Perdue", written over a horizontal line.