

ANNUAL FINANCIAL REPORT
BLEDSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
BLEDSOE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2019**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Annual Financial Report
Bledsoe County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Bledsoe County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Bledsoe County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

OFFICE OF ROAD SUPERINTENDENT

- ◆ Appropriations exceeded estimated available funding in the Highway/Public Works Fund.

INTRODUCTORY SECTION

Bledsoe County Officials

June 30, 2019

Officials

Gregg Ridley, County Mayor
Robby Roberson, Road Superintendent
Jennifer Terry, Director of Schools
Deanna Rains, Trustee
Zach Olendorf, Assessor of Property
Genese Sapp, County Clerk
Michael Walker, Circuit, General Sessions, and Juvenile Courts Clerk
Debbie Debord, Clerk and Master
Emma Boynton, Register of Deeds
James Morris, Sheriff

Board of County Commissioners

Craig Mercer, Chairman	
Ruth Burton	Tanya Roberson
Tim Campbell	Ronald Sapp
Matthew Colvard	Roger Simmons
Joshua Griffith	Johnny Swafford
Junior Hankins	Perry Swafford
Robert Reese	Robert Worthington

Board of Education

Vincent Boring, Chairman	
Andy Billingsley	Vincent Pendegrass
Stacy Farmer	Charles Reece
Jacob Frady	Donald Snow

Industrial Development Corporation Board

George Hamilton, Chairman	Wayne Griffith
Matthew Ashburn	Greg Hardwood
Ruth Burton	Jessy Riggs
Tim Burks	Travis Smith

Audit Committee

Elizabeth Turner, Chairman
Dylan Hankins
Marietta Thompson

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Bledsoe County Mayor and
Board of County Commissioners
Bledsoe 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 Bledsoe County, Tennessee, as of and for the year ended June 30, 2019, 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 did not audit the financial statements of the discretely presented Bledsoe County Nursing Home. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bledsoe County Nursing Home is based solely on the reports of the other auditors. We were unable to determine Bledsoe County Nursing Home's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Bledsoe County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. 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, based on our audit and the report of other auditors, 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 Bledsoe County, Tennessee, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General 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, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and schools changes in total other postemployment benefits liability and related ratios, as listed in the table of contents, 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 and other auditors 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 Bledsoe County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bledsoe County School Department and the Bledsoe County Industrial Development Corporation Board (discretely presented component units), miscellaneous schedules, and other information such as the introductory section and management's corrective action plan 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 also 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 not a required part of the basic financial statements.

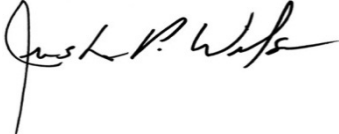
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bledsoe County School Department and the Bledsoe County Industrial Development Corporation Board (discretely presented component units), 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 General Debt Service Fund, combining and individual fund financial statements of the Bledsoe County School Department and the Bledsoe County Industrial Development Corporation Board (discretely presented component units), 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 and management's corrective action plan have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020, on our consideration of Bledsoe 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 Bledsoe 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 Bledsoe County’s internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 27, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Bledsoe County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Governmental Activities	Component Units		
		Bledsoe County School Department	Bledsoe County Industrial Development Corporation Board	Bledsoe County Nursing Home
<u>ASSETS</u>				
Cash	\$ 14,447	\$ 3,459	\$ 272,763	\$ 1,688,086
Equity in Pooled Cash and Investments	7,685,466	2,769,789	0	0
Accounts Receivable	1,055,623	163	0	453,327
Allowance for Uncollectible	(580,355)	0	0	(51,000)
Due from Other Governments	477,371	487,063	0	0
Due from Component Units	8,297,358	0	0	0
Property Taxes Receivable	3,326,459	2,106,001	0	0
Allowance for Uncollectible Property Taxes	(230,225)	(145,758)	0	0
Prepaid Items	0	0	0	24,502
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	20,994		
Net Pension Asset - Agent Plan	111,223	91,950	0	31,574
Net Pension Asset - Teacher Retirement Plan	0	43,369	0	0
Net Pension Asset - Teacher Legacy Plan	0	724,112	0	0
Customer Deposits Payable	0	0	0	20,210
Capital Assets:				
Assets Not Depreciated:				
Land	271,140	375,847	0	0
Construction in Progress	1,468,566	0	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	6,166,920	10,218,753	126,000	33,829
Infrastructure	3,792,707	84,333	0	0
Other Capital Assets	802,775	1,110,689	0	23,257
Total Assets	\$ 32,659,475	\$ 17,890,764	\$ 398,763	\$ 2,223,785
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 540,170	\$ 64,311	\$ 0	\$ 0
Pension Changes in Experience	103,117	234,073	0	29,272
Pension Changes in Assumptions	134,890	541,226	0	38,292
Pension Changes in Proportionate Share	0	99,755	0	0
Pension Contributions After Measurement Date	311,234	1,018,591	0	95,035
OPEB Changes in Assumptions	2,151	36,758	0	0
OPEB Changes in Proportionate Share	0	16,948	0	0
OPEB Contributions After Measurement Date	502	44,043	0	0
Total Deferred Outflows of Resources	\$ 1,092,064	\$ 2,055,705	\$ 0	\$ 162,599
<u>LIABILITIES</u>				
Accounts Payable	\$ 6,600	\$ 115,800	\$ 0	\$ 127,612
Payable to Medicaid (see Note VI.L.)	0	0	0	51,965
Accrued Payroll	621	0	0	71,750
Payroll Deductions Payable	2,599	0	0	0
Accrued Interest Payable	49,234	0	0	0
Customer Deposits Payable	0	883	0	20,210
Due to Primary Government	0	8,297,358	0	0
Due to State of Tennessee	994	0	0	0
Other Current Liabilities	0	0	0	70,296
Noncurrent Liabilities:				
Due Within One Year - Debt	1,371,380	0	0	0
Due Within One Year - Other	2,499	0	0	0
Due in More Than One Year - Debt	20,216,102	0	0	0
Due in More Than One Year - Other	111,277	1,122,065	0	0
Total Liabilities	\$ 21,761,306	\$ 9,536,106	\$ 0	\$ 341,833
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,912,645	\$ 1,844,013	\$ 0	\$ 0
Pension Changes in Experience	76,741	1,042,056	0	21,783
Pension Changes in Investment Earnings	43,476	195,989	0	12,340
Pension Changes in Proportionate Share	0	3,424	0	0
OPEB Changes in Experience	30,212	338,158	0	0
OPEB Changes in Assumptions	2,757	54,080	0	0
Total Deferred Inflows of Resources	\$ 3,065,831	\$ 3,477,720	\$ 0	\$ 34,123

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units		
		Bledsoe County School Department	Bledsoe County Industrial Development Corporation Board	Bledsoe County Nursing Home
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ (788,016)	\$ 11,853,933	\$ 126,000	\$ 57,086
Restricted for:				
General Government	95,057	0	0	0
Finance	12,741	0	0	0
Administration of Justice	48,936	0	0	0
Public Safety	78,819	0	0	0
Public Health and Welfare	342,233	0	0	0
Highways	1,154,864	0	0	0
Debt Service	1,700,344	0	0	0
Capital Projects	3,848,575	0	0	0
Education	0	1,381,468	0	0
Pensions	111,223	880,425	0	0
Unrestricted	2,319,626	(7,183,183)	272,763	1,953,342
Total Net Position	\$ 8,924,402	\$ 6,932,643	\$ 398,763	\$ 2,010,428

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

Exhibit B

Bledsoe County, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Primary Government	Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Units		
						Bledsoe County School Department	Bledsoe County Industrial Development Corporation Board	Bledsoe County Nursing Home
Primary Government:								
Governmental Activities:								
General Government	\$ 724,554	\$ 223,291	\$ 37,111	\$ 0	\$ (464,152)	\$ 0	\$ 0	\$ 0
Finance	437,877	253,613	0	0	(184,264)	0	0	0
Administration of Justice	537,922	191,338	9,000	0	(337,584)	0	0	0
Public Safety	2,972,945	856,204	428,587	0	(1,688,154)	0	0	0
Public Health and Welfare	1,569,169	974,195	361,155	64,388	(169,431)	0	0	0
Social, Cultural, and Recreational Services	129,346	879	0	0	(128,467)	0	0	0
Agriculture and Natural Resources	81,075	0	0	0	(81,075)	0	0	0
Highways/Public Works	2,151,127	0	2,125,761	0	(25,366)	0	0	0
Interest on Long-term Debt	579,919	0	0	0	(579,919)	0	0	0
Education (Contributions from Component Unit)	0	0	0	243,099	243,099	0	0	0
Total Governmental Activities	\$ 9,183,934	\$ 2,499,520	\$ 2,961,614	\$ 307,487	\$ (3,415,313)	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 9,183,934	\$ 2,499,520	\$ 2,961,614	\$ 307,487	\$ (3,415,313)	\$ 0	\$ 0	\$ 0
Component Units:								
Bledsoe County School Department	\$ 18,170,851	\$ 112,956	\$ 3,687,693	\$ 15,000	\$ 0	\$ (14,355,202)	\$ 0	\$ 0
Bledsoe County Industrial Development Corporation Board	4,811	20,400	0	0	0	0	15,589	0
Bledsoe County Nursing Home	2,965,008	3,136,148	0	0	0	0	0	171,140
Total Component Units	\$ 21,140,670	\$ 3,269,504	\$ 3,687,693	\$ 15,000	\$ 0	\$ (14,355,202)	\$ 15,589	\$ 171,140

(Continued)

Exhibit B

Bledsoe 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	Total Governmental Activities	Primary Government	Component Units		
						Bledsoe County School Department	Bledsoe County Industrial Development Corporation Board	Bledsoe County Nursing Home	
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 555,785	\$ 1,825,884	\$ 0	\$ 0	
Property Taxes Levied for Debt Service					2,469,361	89,357	0	0	
Local Option Sales Taxes					86,600	866,493	0	0	
Litigation Tax - General					14,143	0	0	0	
Business Tax					34,230	0	0	0	
Wholesale Beer Tax					67,229	0	0	0	
Grants and Contributions Not Restricted to Specific Programs					451,628	12,602,382	0	0	
Unrestricted Investment Income					187,559	1,060	881	4,753	
Miscellaneous					15,889	25,685	0	0	
Sale of Equipment					68,203	0	0	0	
Total General Revenues					\$ 3,950,627	\$ 15,410,861	\$ 881	\$ 4,753	
Change in Net Position					\$ 535,314	\$ 1,055,659	\$ 16,470	\$ 175,893	
Net Position, July 1, 2018					8,389,088	5,876,984	382,293	1,834,535	
Net Position, June 30, 2019					\$ 8,924,402	\$ 6,932,643	\$ 398,763	\$ 2,010,428	

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

Exhibit C-1

Bledsoe County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>					
Cash	\$ 0	\$ 14,396	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,439,664	802,224	1,169,128	105,758	3,742,817
Accounts Receivable	1,053,256	0	0	0	0
Allowance for Uncollectibles	(580,355)	0	0	0	0
Due from Other Governments	117,320	341,890	0	0	0
Due from Other Funds	2,030	0	0	0	0
Property Taxes Receivable	2,413,825	0	600,378	0	0
Allowance for Uncollectible Property Taxes	(167,061)	0	(41,552)	0	0
Total Assets	<u>\$ 4,278,679</u>	<u>\$ 1,158,510</u>	<u>\$ 1,727,954</u>	<u>\$ 105,758</u>	<u>\$ 3,742,817</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll	0	621	0	0	0
Payroll Deductions Payable	344	416	0	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	0	994	0	0	0
Total Liabilities	<u>\$ 344</u>	<u>\$ 2,031</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,113,543	\$ 0	\$ 525,691	\$ 0	\$ 0
Deferred Delinquent Property Taxes	125,401	0	31,190	0	0
Other Deferred/Unavailable Revenue	464,624	170,945	0	0	0
Total Deferred Inflows of Resources	<u>\$ 2,703,568</u>	<u>\$ 170,945</u>	<u>\$ 556,881</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 55,250	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	12,741	0	0	0	0
Restricted for Administration of Justice	48,936	0	0	0	0
Restricted for Public Safety	23,862	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Highways/Public Works	0	985,534	0	0	0
Restricted for Capital Outlay	0	0	0	105,758	3,742,817
Restricted for Debt Service	0	0	1,171,073	0	0
Restricted for Other Purposes	0	0	0	0	0
Unassigned	1,433,978	0	0	0	0
Total Fund Balances	<u>\$ 1,574,767</u>	<u>\$ 985,534</u>	<u>\$ 1,171,073</u>	<u>\$ 105,758</u>	<u>\$ 3,742,817</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,278,679</u>	<u>\$ 1,158,510</u>	<u>\$ 1,727,954</u>	<u>\$ 105,758</u>	<u>\$ 3,742,817</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$	51	\$	14,447
Equity in Pooled Cash and Investments		425,875		7,685,466
Accounts Receivable		2,367		1,055,623
Allowance for Uncollectibles		0		(580,355)
Due from Other Governments		18,161		477,371
Due from Other Funds		0		2,030
Property Taxes Receivable		312,256		3,326,459
Allowance for Uncollectible Property Taxes		(21,612)		(230,225)
		<hr/>		<hr/>
Total Assets	\$	737,098	\$	11,750,816
		<hr/>		<hr/>
<u>LIABILITIES</u>				
Accounts Payable	\$	6,600	\$	6,600
Accrued Payroll		0		621
Payroll Deductions Payable		1,839		2,599
Due to Other Funds		2,030		2,030
Due to State of Tennessee		0		994
Total Liabilities	\$	10,469	\$	12,844
		<hr/>		<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$	273,411	\$	2,912,645
Deferred Delinquent Property Taxes		16,221		172,812
Other Deferred/Unavailable Revenue		0		635,569
Total Deferred Inflows of Resources	\$	289,632	\$	3,721,026
		<hr/>		<hr/>

(Continued)

Exhibit C-1

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

FUND BALANCES

Restricted:

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Governmental	Funds
	Funds	Funds	Funds
Restricted for General Government	\$ 0	\$	55,250
Restricted for Finance	0		12,741
Restricted for Administration of Justice	0		48,936
Restricted for Public Safety	54,957		78,819
Restricted for Public Health and Welfare	342,233		342,233
Restricted for Highways/Public Works	0		985,534
Restricted for Capital Outlay	0		3,848,575
Restricted for Debt Service	0		1,171,073
Restricted for Other Purposes	39,807		39,807
Unassigned	0		1,433,978
Total Fund Balances	<u>\$ 436,997</u>	<u>\$</u>	<u>8,016,946</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 737,098</u>	<u>\$</u>	<u>11,750,816</u>

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

Exhibit C-2

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

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)		\$ 8,016,946
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 271,140	
Add: construction in progress	1,468,566	
Add: buildings and improvements net of accumulated depreciation	6,166,920	
Add: infrastructure net of accumulated depreciation	3,792,707	
Add: other capital assets net of accumulated depreciation	<u>802,775</u>	12,502,108
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (21,465,000)	
Less: notes payable	(107,358)	
Less: capital lease payable	(15,124)	
Less: accrued interest on bonds, notes, and other loans	(49,234)	
Less: compensated absences payable	(49,991)	
Less: other postemployment benefits liability	(63,785)	
Add: debt to be contributed by the school department	8,297,358	
Add: deferred amount on refunding	<u>540,170</u>	(12,912,964)
(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	\$ 549,241	
Less: deferred inflows of resources related to pensions	(120,217)	
Add: deferred outflows of resources related to OPEB	2,653	
Less: deferred inflows of resources related to OPEB	<u>(32,969)</u>	398,708
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		111,223
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>808,381</u>
Net position of governmental activities (Exhibit A)		<u>\$ 8,924,402</u>

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

Exhibit C-3

Bledsoe County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>					
Local Taxes	\$ 2,417,931	\$ 0	\$ 551,150	\$ 0	\$ 0
Licenses and Permits	13,479	0	3,334	0	0
Fines, Forfeitures, and Penalties	43,711	0	0	0	0
Charges for Current Services	1,003,920	0	0	0	0
Other Local Revenues	212,427	25,453	187,764	0	0
Fees Received From County Officials	447,302	0	0	0	0
State of Tennessee	1,028,581	2,115,720	63,540	0	0
Federal Government	45,310	0	0	0	64,388
Other Governments and Citizens Groups	200,070	0	1,107,469	0	0
Total Revenues	\$ 5,412,731	\$ 2,141,173	\$ 1,913,257	\$ 0	\$ 64,388
<u>Expenditures</u>					
Current:					
General Government	\$ 983,022	\$ 0	\$ 0	\$ 0	\$ 0
Finance	436,297	0	0	0	0
Administration of Justice	528,962	0	0	0	0
Public Safety	2,395,549	0	0	0	0
Public Health and Welfare	1,372,644	0	0	0	0
Social, Cultural, and Recreational Services	93,451	0	0	0	0
Agriculture and Natural Resources	74,955	0	0	0	0
Other Operations	37,312	0	0	0	0
Highways	0	2,061,745	0	0	0
Debt Service:					
Principal on Debt	0	0	1,174,668	0	0
Interest on Debt	0	0	599,259	0	0
Other Debt Service	0	0	11,660	0	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,399,567	\$ 124,988
Total Expenditures	\$ 5,922,192	\$ 2,061,745	\$ 1,785,587	\$ 1,399,567	\$ 124,988
Excess (Deficiency) of Revenues Over Expenditures	\$ (509,461)	\$ 79,428	\$ 127,670	\$ (1,399,567)	\$ (60,600)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 3,485	\$ 44,035	\$ 0	\$ 0	\$ 0
Insurance Recovery	0	9,546	0	0	0
Transfers In	0	0	0	69,000	0
Transfers Out	0	0	0	0	(69,000)
Total Other Financing Sources (Uses)	\$ 3,485	\$ 53,581	\$ 0	\$ 69,000	\$ (69,000)
Net Change in Fund Balances	\$ (505,976)	\$ 133,009	\$ 127,670	\$ (1,330,567)	\$ (129,600)
Fund Balance, July 1, 2018	2,080,743	852,525	1,043,403	1,436,325	3,872,417
Fund Balance, June 30, 2019	\$ 1,574,767	\$ 985,534	\$ 1,171,073	\$ 105,758	\$ 3,742,817

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 286,737		\$ 3,255,818
Licenses and Permits	1,734		18,547
Fines, Forfeitures, and Penalties	16,721		60,432
Charges for Current Services	866		1,004,786
Other Local Revenues	8,652		434,296
Fees Received From County Officials	0		447,302
State of Tennessee	77,247		3,285,088
Federal Government	108,564		218,262
Other Governments and Citizens Groups	400,615		1,708,154
Total Revenues	<u>\$ 901,136</u>		<u>\$ 10,432,685</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 107		\$ 983,129
Finance	0		436,297
Administration of Justice	57		529,019
Public Safety	490,507		2,886,056
Public Health and Welfare	307,093		1,679,737
Social, Cultural, and Recreational Services	0		93,451
Agriculture and Natural Resources	0		74,955
Other Operations	0		37,312
Highways	73,313		2,135,058
Debt Service:			
Principal on Debt	0		1,174,668
Interest on Debt	0		599,259
Other Debt Service	0		11,660

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 108,564	\$	1,633,119
Total Expenditures	<u>\$ 979,641</u>	<u>\$</u>	<u>12,273,720</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (78,505)</u>	<u>\$</u>	<u>(1,841,035)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 0	\$	47,520
Insurance Recovery	0		9,546
Transfers In	0		69,000
Transfers Out	0		(69,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$</u>	<u>57,066</u>
Net Change in Fund Balances	<u>\$ (78,505)</u>	<u>\$</u>	<u>(1,783,969)</u>
Fund Balance, July 1, 2018	<u>515,502</u>		<u>9,800,915</u>
Fund Balance, June 30, 2019	<u>\$ 436,997</u>	<u>\$</u>	<u>8,016,946</u>

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

Exhibit C-4

Bledsoe 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, 2019

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,783,969)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,993,236	
Less: current-year depreciation expense	<u>(575,856)</u>	1,417,380
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: net book value of capital assets disposed		(13,010)
(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, 2019	\$ 808,381	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(657,773)</u>	150,608
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: contribution from the school department for bonds, notes, and other loans	\$ (864,370)	
Less: change in deferred amount on refunding debt	(52,496)	
Add: change in premium on debt issuance	255,156	
Add: principal payments on bonds	1,110,000	
Add: principal payments on notes	39,370	
Add: principal payments on other loans	25,298	
Add: principal payments on capital lease	<u>33,781</u>	546,739
(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	\$ 19,340	
Change in compensated absences payable	8,442	
Change in net pension liability/asset	130,122	
Change in deferred outflows related to pensions	71,748	
Change in deferred inflows related to pensions	(3,418)	
Change in net OPEB liability/asset	19,272	
Change in deferred outflows related to OPEB	1,889	
Change in deferred inflows related to OPEB	<u>(29,829)</u>	217,566
Change in net position of governmental activities (Exhibit B)		<u>\$ 535,314</u>

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

Exhibit C-5

Bledsoe County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,417,931	\$ 2,521,447	\$ 2,521,447	\$ (103,516)
Licenses and Permits	13,479	12,662	12,662	817
Fines, Forfeitures, and Penalties	43,711	37,675	37,675	6,036
Charges for Current Services	1,003,920	975,831	975,831	28,089
Other Local Revenues	212,427	165,486	167,086	45,341
Fees Received From County Officials	447,302	433,502	433,502	13,800
State of Tennessee	1,028,581	1,412,019	1,463,356	(434,775)
Federal Government	45,310	17,800	49,800	(4,490)
Other Governments and Citizens Groups	200,070	0	0	200,070
Total Revenues	\$ 5,412,731	\$ 5,576,422	\$ 5,661,359	\$ (248,628)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 76,384	\$ 78,273	\$ 82,073	\$ 5,689
Board of Equalization	300	2,000	2,000	1,700
County Mayor/Executive	206,375	209,977	212,276	5,901
County Attorney	5,881	27,500	27,500	21,619
Election Commission	140,333	146,738	152,738	12,405
Register of Deeds	133,414	136,110	136,110	2,696
County Buildings	121,589	167,965	167,965	46,376
Other General Administration	298,746	291,306	351,306	52,560
<u>Finance</u>				
Property Assessor's Office	155,493	166,381	166,381	10,888
County Trustee's Office	137,893	135,765	142,738	4,845
County Clerk's Office	142,911	149,690	149,990	7,079
<u>Administration of Justice</u>				
Circuit Court	205,899	225,850	225,850	19,951
General Sessions Court	119,970	120,751	120,751	781
Chancery Court	165,584	176,591	176,591	11,007
Juvenile Court	37,509	39,144	39,144	1,635
<u>Public Safety</u>				
Sheriff's Department	1,000,754	1,026,255	1,046,453	45,699
Jail	1,264,221	1,406,184	1,406,184	141,963
Fire Prevention and Control	47,100	45,500	47,100	0
Rescue Squad	6,200	6,200	6,200	0
Other Emergency Management	44,436	33,818	57,945	13,509
County Coroner/Medical Examiner	32,838	23,000	51,000	18,162
<u>Public Health and Welfare</u>				
Local Health Center	46,977	60,760	60,760	13,783
Ambulance/Emergency Medical Services	1,255,370	1,169,837	1,298,704	43,334
Other Local Health Services	68,752	85,400	89,900	21,148
General Welfare Assistance	1,545	1,600	1,600	55
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	4,500	4,500	4,500	0
Libraries	88,951	95,611	95,611	6,660
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	69,955	66,261	76,361	6,406
Soil Conservation	5,000	5,000	5,000	0

(Continued)

Exhibit C-5

Bledsoe 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>				
Other Economic and Community Development	\$ 3,575	\$ 64,101	\$ 64,101	\$ 60,526
Veterans' Services	31,537	32,155	33,905	2,368
Contributions to Other Agencies	2,200	7,000	7,000	4,800
Total Expenditures	<u>\$ 5,922,192</u>	<u>\$ 6,207,223</u>	<u>\$ 6,505,737</u>	<u>\$ 583,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (509,461)</u>	<u>\$ (630,801)</u>	<u>\$ (844,378)</u>	<u>\$ 334,917</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 3,485	\$ 0	\$ 0	\$ 3,485
Insurance Recovery	0	5,000	5,000	(5,000)
Total Other Financing Sources	<u>\$ 3,485</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (1,515)</u>
Net Change in Fund Balance	<u>\$ (505,976)</u>	<u>\$ (625,801)</u>	<u>\$ (839,378)</u>	<u>\$ 333,402</u>
Fund Balance, July 1, 2018	<u>2,080,743</u>	<u>1,858,846</u>	<u>1,858,846</u>	<u>221,897</u>
Fund Balance, June 30, 2019	<u>\$ 1,574,767</u>	<u>\$ 1,233,045</u>	<u>\$ 1,019,468</u>	<u>\$ 555,299</u>

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

Exhibit C-6

Bledsoe County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 25,453	\$ 3,000	\$ 27,223	\$ (1,770)
State of Tennessee	2,115,720	2,332,544	2,332,544	(216,824)
Total Revenues	<u>\$ 2,141,173</u>	<u>\$ 2,335,544</u>	<u>\$ 2,359,767</u>	<u>\$ (218,594)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 178,657	\$ 179,276	\$ 184,775	\$ 6,118
Highway and Bridge Maintenance	787,028	803,967	961,367	174,339
Operation and Maintenance of Equipment	282,707	265,300	355,503	72,796
Quarry Operations	1,762	3,250	3,250	1,488
Other Charges	98,343	117,489	117,489	19,146
Employee Benefits	292,889	353,000	353,000	60,111
Capital Outlay	420,359	623,700	692,300	271,941
Total Expenditures	<u>\$ 2,061,745</u>	<u>\$ 2,345,982</u>	<u>\$ 2,667,684</u>	<u>\$ 605,939</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 79,428	\$ (10,438)	\$ (307,917)	\$ 387,345
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 44,035	\$ 0	\$ 44,035	\$ 0
Insurance Recovery	9,546	0	9,545	1
Total Other Financing Sources	<u>\$ 53,581</u>	<u>\$ 0</u>	<u>\$ 53,580</u>	<u>\$ 1</u>
Net Change in Fund Balance	\$ 133,009	\$ (10,438)	\$ (254,337)	\$ 387,346
Fund Balance, July 1, 2018	852,525	198,980	198,980	653,545
Fund Balance, June 30, 2019	<u>\$ 985,534</u>	<u>\$ 188,542</u>	<u>\$ (55,357)</u>	<u>\$ 1,040,891</u>

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

Exhibit D

Bledsoe County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 864,646
Due from Other Governments	<u>37,429</u>
Total Assets	<u>\$ 902,075</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 37,429
Due to Litigants, Heirs, and Others	<u>864,646</u>
Total Liabilities	<u>\$ 902,075</u>

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

BLEDSON COUNTY, TENNESSEE
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BLEDSOE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bledsoe 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 Bledsoe County:

A. Reporting Entity

Bledsoe County is a public municipal corporation governed by an elected 13-member board. As required by GAAP, these financial statements present Bledsoe County (the primary government) and its component units. The financial statements of the Bledsoe County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Bledsoe County School Department operates the public school system in the county, and the voters of Bledsoe 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 Bledsoe 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 Bledsoe County Industrial Development Corporation Board provides assistance in industrial recruitment in Bledsoe County, and the Bledsoe County Commission appoints its eight-member board. The board is funded primarily through lease payments collected from tenants in property owned by the Bledsoe County Industrial Development Corporation Board and through annual contributions from Bledsoe County.

The Bledsoe County Nursing Home provides nursing care to the citizens of Bledsoe County, and the Bledsoe County Commission appoints its governing

body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the nursing home must obtain the county commission's approval.

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

The Bledsoe County School Department and the Bledsoe County Industrial Development Corporation Board do not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department and the Industrial Development Corporation Board are included in this report as listed in the table of contents. Complete financial statements of the Bledsoe County Nursing Home and the Bledsoe County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Bledsoe County Nursing Home
107 Wheelertown Avenue
Pikeville, TN 37367

Bledsoe County Emergency Communications District
305 Allen P. Deakins Road
Pikeville, TN 37367

B. Government-wide and Fund Financial Statements

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

Bledsoe County issues all debt for the discretely presented Bledsoe County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2019.

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

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

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

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

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

Bledsoe 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.

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.

General Capital Projects Fund – This fund accounts for expenditures associated with the construction of a new Detention Center.

Community Development/Industrial Park Fund – This capital projects fund accounts for expenditures associated with the construction of a new health department.

Additionally, Bledsoe County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Bledsoe County. 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 Bledsoe County School Department reports the following major governmental funds:

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

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

Additionally, the Bledsoe 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.

The discretely presented Bledsoe County Industrial Development Corporation Board reports the following major governmental fund:

General Fund – This is the primary operating fund of the Bledsoe County Industrial Development Corporation Board. It is used to account for all operations of the board.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bledsoe County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Bledsoe County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

that the State Treasurer's Investment Pooled complied with accounting principles generally accepted in the United State of America.

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 is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.82 percent of total taxes levied.

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

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Bledsoe County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Bledsoe County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Bledsoe County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$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 acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 30
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 and the governmental funds balance sheet. These items are for pension changes in experience, assumptions, and proportionate share of contributions, other postemployment benefits (OPEB) changes in assumptions, and proportionate share of contributions, and employer contributions made to the pension and OPEB plans after the measurement date reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation beyond fiscal year-end. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay is reported in the governmental funds only if amounts

have matured, for example, as a result of employee resignations and retirements. Employees are allowed to accumulate sick leave days equal to the number of days earned in a year; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Bledsoe County School Department does not allow for the accumulation of vacation days beyond fiscal year-end for professional or support personnel. All professional (teachers) and support personnel of the school department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded.

7. Long-term Debt and Long-Term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences 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, 2019, Bledsoe County had \$8,297,358 in outstanding debt for capital purposes for the discretely presented Bledsoe County School Department. This debt is a liability of Bledsoe County, but the capital assets acquired are reported in the financial statements of the school department.

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

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws

and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

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

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

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 Bledsoe County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bledsoe 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 Bledsoe County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Bledsoe County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Bledsoe 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.

Discretely Presented Bledsoe County Industrial Development Corporation Board

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

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

Primary Government

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

Discretely Presented Bledsoe 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.

Discretely Presented Bledsoe County Industrial Development Corporation Board

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and

any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County 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 Career and Technical Education Program major appropriations category (the legal level of control) of the School Federal Projects Fund by \$4,809. These expenditures in excess of appropriations were funded by available fund balance in the School Federal Projects Fund.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments approved by the county commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$55,357 at June 30, 2019.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bledsoe County and the Bledsoe 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of 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 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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investment's in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the

securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2019, Bledsoe County had the following investments carried at amortized cost using a Stable Net Asset Value established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Bledsoe County and the discretely presented Bledsoe County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 86	N/A	\$ 5,277,586

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Bledsoe County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Bledsoe County has no investment policy that would further limit its investment choices. As of June 30, 2019, Bledsoe County’s investment in the State Treasurer’s Investment Pool was unrated.

TCRS Stabilization Trust

Legal Provisions. The Bledsoe County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Bledsoe County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based

on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Bledsoe County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 6,508
Developed Market International Equity	N/A	N/A	2,939
Emerging Market International Equity	N/A	N/A	840
U.S. Fixed Income	N/A	N/A	4,199
Real Estate	N/A	N/A	2,099
Short-term Securities	N/A	N/A	210
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	4,199
Total			\$ 20,994

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	\$ 6,508	\$ 6,508	\$ 0	\$ 0	0
Developed Market International Equity	2,939	2,939	0	0	0
Emerging Market International Equity	840	840	0	0	0
U.S. Fixed Income	4,199	0	4,199	0	0
Real Estate	2,099	0	0	2,099	0
Short-term Securities	210	0	210	0	0
Private Equity and Strategic Lending	4,199	0	0	0	4,199
Total	\$ 20,994	\$ 10,287	\$ 4,409	\$ 2,099	\$ 4,199

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Bledsoe County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Bledsoe County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Bledsoe County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Bledsoe County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 271,140	\$ 0	\$ 0	\$ 271,140
Construction in Progress	0	1,468,566	0	1,468,566
Total Capital Assets Not Depreciated	<u>\$ 271,140</u>	<u>\$ 1,468,566</u>	<u>\$ 0</u>	<u>\$ 1,739,706</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 8,280,735	\$ 0	\$ 0	\$ 8,280,735
Infrastructure	6,974,851	0	0	6,974,851
Other Capital Assets	3,335,712	524,670	(440,071)	3,420,311
Total Capital Assets Depreciated	<u>\$ 18,591,298</u>	<u>\$ 524,670</u>	<u>\$ (440,071)</u>	<u>\$ 18,675,897</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 1,928,423	\$ 185,392	\$ 0	\$ 2,113,815
Infrastructure	2,980,681	201,463	0	3,182,144
Other Capital Assets	2,855,596	189,001	(427,061)	2,617,536
Total Accumulated Depreciation	<u>\$ 7,764,700</u>	<u>\$ 575,856</u>	<u>\$ (427,061)</u>	<u>\$ 7,913,495</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,826,598</u>	<u>\$ (51,186)</u>	<u>\$ (13,010)</u>	<u>\$ 10,762,402</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,097,738</u>	<u>\$ 1,417,380</u>	<u>\$ (13,010)</u>	<u>\$ 12,502,108</u>

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

Governmental Activities:

General Government	\$ 14,366
Finance	2,940
Administration of Justice	12,413
Public Safety	212,149
Public Health and Welfare	145,198
Social, Cultural, and Recreational Services	3,972
Agriculture and Natural Resources	3,920
Highways/Public Works	<u>180,898</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 575,856</u>

Discretely Presented Bledsoe County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 375,847	\$ 0	\$ 0	\$ 375,847
Total Capital Assets Not Depreciated	<u>\$ 375,847</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 375,847</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,513,797	\$ 55,245	\$ 0	\$ 18,569,042
Infrastructure	184,674	0	0	184,674
Other Capital Assets	3,153,168	0	(438,115)	2,715,053
Total Capital Assets Depreciated	<u>\$ 21,851,639</u>	<u>\$ 55,245</u>	<u>\$ (438,115)</u>	<u>\$ 21,468,769</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 7,891,756	\$ 458,533	\$ 0	\$ 8,350,289
Infrastructure	91,630	8,711	0	100,341
Other Capital Assets	1,881,363	155,064	(432,063)	1,604,364
Total Accumulated Depreciation	<u>\$ 9,864,749</u>	<u>\$ 622,308</u>	<u>\$ (432,063)</u>	<u>\$ 10,054,994</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,986,890</u>	<u>\$ (567,063)</u>	<u>\$ (6,052)</u>	<u>\$ 11,413,775</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,362,737</u>	<u>\$ (567,063)</u>	<u>\$ (6,052)</u>	<u>\$ 11,789,622</u>

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

Governmental Activities:

Instruction	\$	6,322
Support Services		603,094
Operation of Non-instructional Services		<u>12,892</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>622,308</u></u>

Discretely Presented Bledsoe County Industrial Development Corporation Board

Governmental Activities:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets			
Depreciated:			
Buildings and Improvements	\$ 160,000	\$ 0	\$ 160,000
Total Capital Assets Depreciated	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 30,000	\$ 4,000	\$ 34,000
Total Accumulated Depreciation	<u>\$ 30,000</u>	<u>\$ 4,000</u>	<u>\$ 34,000</u>
Total Capital Assets Depreciated, Net	<u>\$ 130,000</u>	<u>\$ (4,000)</u>	<u>\$ 126,000</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 130,000</u></u>	<u><u>\$ (4,000)</u></u>	<u><u>\$ 126,000</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2019.

Depreciation expense was charged to functions of the Industrial Development Corporation Board as follows:

Governmental Activities:

Other General Government	<u>\$ 4,000</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 4,000</u></u>

C. Construction Commitments

At June 30, 2019, the county has uncompleted construction contracts of approximately \$101,043 for the construction of an addition to the jail and \$1,288,972 for the construction of a health department. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 2,030

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

Due to/from Primary Government and Component Unit:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 8,297,358

The Due to Primary Government consists of the balance of bonds (\$8,190,000) and notes (\$107,358) issued for the school department. The school department has agreed to contribute funds annually to retire the debt. This long-term debt obligation is reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Capital Projects Fund		
Community Development/ Industrial Park Fund	\$ 69,000		Jail construction
Total	\$ 69,000		

Discretely Presented Bledsoe County School Department

Transfers Out	Transfers In			Purpose
	General Purpose School Fund	Education Debt Service Fund	Nonmajor Governmental Funds	
General Purpose School	\$ 0	\$ 525,000	\$ 0	Debt retirement
"		0	95,000	Capital projects
Nonmajor governmental	23,393	0	0	Indirect costs
Total	\$ 23,393	\$ 525,000	\$ 95,000	

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 in accordance with budgetary authorizations.

E. Capital Leases

On April 6, 2016, Bledsoe County entered into a five-year lease-purchase agreement for a trackhoe for the highway department. The terms of the agreement require total lease payments of \$71,950 plus interest of 4.803 percent. Title to the trackhoe transfers to the Bledsoe County Highway Department at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On February 13, 2014, Bledsoe County entered into a five-year lease-purchase agreement for four defibrillators and accessories for the Ambulance Service. The terms of the agreement require total lease payments of \$132,569 plus interest of 4.693 percent. Title to the defibrillators transfers to Bledsoe County at the end of the lease period. The final lease payment was made during the audit period from the General Fund.

The assets acquired through the capital lease are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 203,950
Less: Accumulated Depreciation	<u>(80,220)</u>
Total Book Value	<u>\$ 123,730</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2020	\$ 15,753
2021	<u>102</u>
Total Minimum Lease Payments	\$ 15,855
Less: Amount Representing Interest	<u>(731)</u>
Present Value of Minimum Lease Payments	<u>\$ 15,124</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Bledsoe County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing

as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Bledsoe County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds -	2 to 3.5	%	6-1-42	\$ 9,500,000	\$ 8,860,000
General Obligation Bonds - Refunding	1 to 3.5		6-1-41	16,990,000	12,605,000
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	4.95		12-20-21	412,269	107,358
Capital Leases	4.803		4-1-21	71,950	15,124

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2019, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,315,000	\$ 567,024	\$ 1,882,024
2021	1,355,000	538,906	1,893,906
2022	1,380,000	508,600	1,888,600
2023	1,425,000	476,004	1,901,004
2024	1,055,000	446,180	1,501,180
2025-2029	4,795,000	1,825,793	6,620,793
2030-2034	3,825,000	1,307,031	5,132,031
2035-2039	4,435,000	707,081	5,142,081
2040-2042	1,880,000	104,374	1,984,374
Total	<u>\$ 21,465,000</u>	<u>\$ 6,480,993</u>	<u>\$ 27,945,993</u>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 41,353	\$ 4,397	\$ 45,750
2021	43,458	2,292	45,750
2022	22,547	327	22,874
Total	<u>\$ 107,358</u>	<u>\$ 7,016</u>	<u>\$ 114,374</u>

There is \$1,171,073 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,667, based on the 2010 federal census. Total debt per capita, including bonds, notes, and capital leases, totaled \$1,677, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-19
<u>Bonds Payable</u>	
<u>Contributions from the Education Debt Service Fund</u>	
School Refunding Series 2011	\$ 3,365,000
School Refunding Series 2013	1,465,000
General Obligation Series 2013	3,360,000
 <u>Notes Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Program	107,358
 Total	 <u><u>\$ 8,297,358</u></u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 22,575,000	\$ 146,728	\$ 25,298
Reductions	(1,110,000)	(39,370)	(25,298)
 Balance, June 30, 2019	 <u>\$ 21,465,000</u>	 <u>\$ 107,358</u>	 <u>\$ 0</u>
 Balance Due Within One Year	 <u>\$ 1,315,000</u>	 <u>\$ 41,353</u>	 <u>\$ 0</u>

	Capital Leases - Direct Placement
Balance, July 1, 2018	\$ 48,905
Reductions	<u>(33,781)</u>
Balance, June 30, 2019	<u>\$ 15,124</u>
Balance Due Within One Year	<u>\$ 15,027</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 21,587,482
Less: Balance Due Within One Year - Debt	<u>(1,371,380)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 20,216,102</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018		
Additions	\$ 58,433	\$ 83,057
Reductions	119,531	15,024
	<u>(127,973)</u>	<u>(34,296)</u>
Balance, June 30, 2019	<u>\$ 49,991</u>	<u>\$ 63,785</u>
Balance Due Within One Year	<u>\$ 2,499</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan#
Balance, July 1, 2018	\$ 18,899
Additions	158,142
Reductions	<u>(288,264)</u>
Balance, June 30, 2019	<u>\$ (111,223)</u>
Balance Due Within One Year	<u>\$ 0</u>

#The Agent Plan had a net pension asset at June 30, 2019.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 113,776
Less: Balance Due Within One Year - Other	<u>(2,499)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 111,277</u>

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

Discretely Presented Bledsoe County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Bledsoe County School Department for the year ended June 30, 2019, was as follows:

	Other Postemployment Benefits	Net Pension Liability - Agent Plan #
Balance, July 1, 2018	\$ 1,368,088	\$ 15,964
Additions	183,755	130,739
Reductions	(429,778)	(238,653)
	<hr/>	<hr/>
Balance, June 30, 2019	\$ 1,122,065	\$ (91,950)
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/>	<hr/>

#The Agent Plan had a net pension asset at June 30, 2019.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 1,122,065
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,122,065</u>

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

Discretely Presented Bledsoe County Industrial Development Corporation Board

Capital Outlay Notes

The Industrial Development Corporation Board issues capital outlay notes to provide funds for the acquisition of major capital facilities. Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes were issued for original terms of up to nine years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. During the year, the final payment was paid from the General Fund of the Industrial Development Corporation Board.

Changes in Long-term Debt

Long-term debt activity for the discretely presented Bledsoe County Industrial Development Corporation Board for the year ended June 30, 2019, was as follows:

Governmental Activities:	<u>Notes - Direct Placement</u>
Balance, July 1, 2018	\$ 50,753
Reductions	<u>(50,753)</u>
Balance, June 30, 2019	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>

H. On-Behalf Payments

Discretely Presented Bledsoe County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bledsoe 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, 2019, were \$26,531 and \$17,463, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. Bledsoe County is a member of the Local Government Property and Causality Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Employee Health Insurance

Bledsoe County, with the exception of the highway department, provides health insurance coverage to its employees through the Local Government

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

The Bledsoe County Highway Department provides commercial health insurance coverage to its employees. Settled claims have not exceeded this commercial coverage over the past three fiscal years. highway department pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Bledsoe County School Department

The school department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays an annual premium to the TN-RMT for its general liability, property, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Employee Health Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Bledsoe County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations

(AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

The county is involved in several pending lawsuits. However, the county attorney estimates that the potential claims against the county, not covered by insurance, resulting from such litigation should not be material to the county's financial statements.

D. Changes in Administration

On August 31, 2018, Marvin Smith left the Office of Road Superintendent and was succeeded by Robby Roberson.

On December 31, 2018, Greg Forgey left the Office of Clerk and Master and was succeeded by Debbie DeBord.

E. Joint Ventures

The Sequatchie/Bledsoe Landfill Board is responsible for a closed regional sanitary landfill, which is owned by Bledsoe County, Sequatchie County, the City of Dunlap, and the City of Pikeville. The landfill is governed by a twelve-member board, including the county mayor and five members appointed by the county commission. The remaining six members are appointed by the other joint owners. Bledsoe County has control over budgeting and financing the joint venture only to the extent of representation by the six board members and is responsible for funding approximately 39 percent of any postclosure care

costs. Bledsoe County contributed \$47,541 to the board during the year ended June 30, 2019.

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district is composed of Bledsoe, Franklin, Grundy, Marion, Rhea, and Sequatchie counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Bledsoe County made no contributions to the DTF for the year ended June 30, 2019.

Bledsoe County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the Sequatchie/Bledsoe Landfill Board and the DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Sequatchie/Bledsoe Landfill
P.O. Box 149
Pikeville, TN 37367

Office of District Attorney General
Twelfth Judicial District Drug Task Force
375 Church Street, Suite 300
Dayton, TN 37321

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Bledsoe County, non-certified employees of the discretely presented Bledsoe County School Department, and employees of the discretely presented Bledsoe County Nursing Home 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 47.38 percent, the non-certified employees of the discretely presented school department comprised 39.17 percent, and employees of the discretely presented Bledsoe County Nursing Home comprised 13.45 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and 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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	146
Inactive Employees Entitled to But Not Yet Receiving Benefits	274
Active Employees	254
Total	674

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Bledsoe 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, 2019, the employer contribution for Bledsoe County was \$655,021 based on a rate of 8.63 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bledsoe County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Bledsoe County’s net pension liability (asset) was measured as of June 30, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2018, actuarial valuations were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	% 31 %
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 Bledsoe County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 18,349,998	\$ 18,310,503	\$ 39,495
Changes for the Year:			
Service Cost	\$ 582,536	\$ 0	\$ 582,536
Interest	1,345,781	0	1,345,781
Differences Between Expected and Actual Experience	261,617	0	261,617
Changes in Assumptions	0	0	0
Contributions-Employer	0	608,015	(608,015)
Contributions-Employees	0	352,791	(352,791)
Net Investment Income	0	1,528,017	(1,528,017)
Benefit Payments, Including Refunds of Employee Contributions	(740,084)	(740,084)	0
Administrative Expense	0	(24,648)	24,648
Other Changes	0	0	0
Net Changes	<u>\$ 1,449,850</u>	<u>\$ 1,724,091</u>	<u>\$ (274,241)</u>
Balance, June 30, 2018	<u>\$ 19,799,848</u>	<u>\$ 20,034,594</u>	<u>\$ (234,746)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	47.38%	\$ 9,381,168	\$ 9,492,391	\$ (111,223)
Nursing Home	13.45%	2,663,080	2,694,653	(31,573)
School Department	39.17%	<u>7,755,600</u>	<u>7,847,550</u>	<u>(91,950)</u>
Total		<u>\$ 19,799,848</u>	<u>\$ 20,034,594</u>	<u>\$ (234,746)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Bledsoe County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Bledsoe County	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 2,289,189	(234,746)	\$ (2,342,711)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, Bledsoe County recognized pension expense of \$237,360.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Bledsoe 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	\$ 217,639	\$ 161,969
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	91,759
Changes in Assumptions	284,698	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	<u>655,021</u>	<u>N/A</u>
Total	<u>\$ 1,157,358</u>	<u>\$ 253,728</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 549,241	\$ 120,217
School Department	445,518	99,388
Nursing Home	<u>162,599</u>	<u>34,123</u>
Total	<u>\$ 1,157,358</u>	<u>\$ 253,728</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
2020	\$ 206,116
2021	64,081
2022	(35,238)
2023	13,643
2024	0
Thereafter	0

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

Discretely Presented Bledsoe County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Bledsoe County, non-certified employees of the discretely presented Bledsoe County School Department, and employees of the discretely presented Bledsoe County Nursing Home 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 47.38 percent, the non-certified employees of the discretely presented school department comprised 39.17 percent, and employees of the Bledsoe County Nursing Home comprised 13.45 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bledsoe County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for 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, 2019, to the Teacher Retirement Plan were \$18,773, which is 1.94 percent of covered payroll. In addition, employer contributions of \$19,935, which is 2.06 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the Stabilization Reserve Trust Fund, 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, 2019, the school department reported a liability (asset) of (\$43,369) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was .095625 percent. The proportion as of June 30, 2017, was .084852 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$14,511.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,456	\$ 1,727
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,450
Changes in Assumptions	2,046	0
Changes in Proportion of Net Pension Liability (Asset)	0	3,424
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	18,773	N/A
Total	<u>\$ 23,275</u>	<u>\$ 7,601</u>

The School Department's employer contributions of \$18,773, 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, 2020. 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
2020	\$ (617)
2021	(695)
2022	(1,044)
2023	(404)
2024	(78)
Thereafter	(260)

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	0.00	1
		100 %
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 6,705 \$ (43,369) \$ (80,261)

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 Bledsoe County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for 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 Bledsoe County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$751,066, which is 10.46 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, 2019, the school department reported a liability (asset) of (\$724,112) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2018, the school department's proportion was .205777 percent. The proportion measured at June 30, 2017, was .203522 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized negative pension expense of (\$171,275).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 146,368	\$ 976,884
Changes in Assumptions	427,664	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	157,597
Changes in Proportion of Net Pension Liability (Asset)	99,755	
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	<u>751,066</u>	N/A
Total	<u>\$ 1,424,853</u>	<u>\$ 1,134,481</u>

The school department's employer contributions of \$751,066 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, 2020. 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
2020	\$ 185,277
2021	(195,241)
2022	(385,323)
2023	(65,408)
2024	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent.

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the

school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 5,581,912 \$ (724,112) \$ (5,941,468)

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

Discretely Presented Bledsoe County School Department

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$48,377 and teachers contributed \$79,775 to this deferred compensation plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

Retirees of Bledsoe County and the employees of Bledsoe County are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .28% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.62 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period

July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

Local Government OPEB Plan (Primary Government)

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

Benefits Provided. Bledsoe County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Bledsoe County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>Bledsoe County</u>
Retirees and Beneficiaries	0
Inactive, Nonretired Members	0
Active Members Eligible for Future Benefits	68
Active Members Not Eligible for Future Benefits	7
Total	<u><u>75</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, the county paid \$502 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 83,057
Changes for the Year:	
Service Cost	\$ 9,361
Interest	3,276
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	(33,532)
Changes in Assumption and Other Inputs	2,387
Benefit Payments	(764)
Net Changes	<u>\$ (19,272)</u>
Balance June 30, 2018	<u><u>\$ 63,785</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$9,170. At June 30, 2019, the county reported deferred outflows of

resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 30,212
Changes of Assumptions/Inputs	2,151	2,757
Net Difference Between Projected and Benefits Paid after the Measurement Date of June 30, 2018	<u>502</u>	<u>0</u>
Total	<u>\$ 2,653</u>	<u>\$ 32,969</u>

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

Year Ending June 30	County
2020	\$ (3,467)
2021	(3,467)
2022	(3,467)
2023	(3,467)
2024	(3,467)
Thereafter	(13,483)

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

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

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 69,726	\$ 63,785	\$ 58,427

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

	1% Decrease 5.75 to 2.81%	Current Trend Rate 6.75 to 3.81%	1% Increase 7.75 to 4.81%
Total OPEB Liability	\$ 54,874	\$ 63,785	\$ 74,557

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

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

Benefits Provided. The Bledsoe County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct

subsidies provided for retiree premiums. Bledsoe County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>School Department</u>
Retirees and Beneficiaries	9
Inactive, Nonretired Members	0
Active Members Eligible for Future Benefits	205
Active Members Not Eligible for Future Benefits	22
Total	<u><u>236</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$44,043 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Bledsoe County School Department 65.80%</u>	<u>State of TN 34.20%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 1,368,088	\$ 742,556	\$ 2,110,644
Changes for the Year:			
Service Cost	\$ 71,277	\$ 37,039	\$ 108,316
Interest	50,992	26,498	77,490
Change in Proportion	20,817	(20,817)	0
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	(374,133)	(194,416)	(568,549)
Changes in Assumption			
and Other Inputs	40,669	21,133	61,802
Benefit Payments	(55,645)	(28,916)	(84,561)
Net Changes	\$ (246,023)	\$ (159,479)	\$ (405,502)
Balance June 30, 2018	\$ 1,122,065	\$ 583,077	\$ 1,705,142

The Bledsoe County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Bledsoe County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$41,469 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Bledsoe County School Department's proportionate share of the collective OPEB liability was 65.80 percent and the State of Tennessee's share was 34.20 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$126,545 including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 338,158
Changes of Assumptions/Inputs	36,758	54,080
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	16,948	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>44,043</u>	<u>0</u>
Total	<u>\$ 97,749</u>	<u>\$ 392,238</u>

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

Year Ending June 30	School Department
2020	\$ (37,194)
2021	(37,194)
2022	(37,194)
2023	(37,194)
2024	(37,194)
Thereafter	(152,564)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,206,261	\$ 1,122,065	\$ 1,042,576
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 996,214	\$ 1,122,065	\$ 1,270,341
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H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Bledsoe County Mayor's Office are governed by the County Purchasing Law of 1983, Section 5-14-201, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Superintendent

Purchasing procedures for the highway department are governed by provisions of Chapter 153, Private Acts of 1941, and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

Bledsoe County Industrial Development Corporation Board

Purchasing procedures utilized by the Industrial Development Corporation Board are governed by the County Purchasing Law of 1983, Section 5-14-201, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

VI. OTHER NOTES – DISCRETELY PRESENTED BLEDSOE COUNTY NURSING HOME

A. Summary of Significant Accounting Policies

Reporting Entity

Bledsoe County Nursing Home (the nursing home) was organized in 1967, as a public corporation to operate a 50-bed intermediate care facility located in Pikeville, Tennessee. The nursing home, a component unit of Bledsoe County, Tennessee, is governed by a six-member Board appointed by the Bledsoe County Commission who also has financial responsibility of the nursing home, such as approval of any bond indentures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Method of Accounting

The nursing home, as an enterprise fund, utilizes the accrual method of accounting whereby revenue and expenses are recognized on the accrual basis and the economic resource measurement focus. Substantially all revenues and expenses are subject to accrual.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the nursing home considers currency on hand and demand deposits with financial institutions to be cash. The nursing home considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash in resident trust funds is not considered cash or a cash equivalent since balances therein are held by the nursing home in an agency capacity for various patients. State statutes authorize the nursing home to invest in obligations of the U.S. Treasury, bank certificates of deposit, state approved repurchase agreements and pooled investment funds, and state or local bonds, rated A or higher by a nationally recognized rating service. The nursing home had \$1,508,000 in cash equivalents at June 30, 2019.

Patient Accounts Receivable

For patient accounts receivable, the allowance for doubtful accounts is based on management's assessment of the collectability of specific patient's accounts and the aging of the account receivable. If there is a deterioration of a patient's credit worthiness or actual defaults are higher than historical experience, management's estimates of recoverability of amounts due to the nursing home could be adversely affected.

Assets Limited as to Use

Assets limited as to use consist of residents' personal assets held by the nursing home for the personal use of those residents (see Note VI.D.).

Capital Assets

Individual capital assets purchased for greater than \$5,000 are reported at historical cost. Donated capital items are reported at their estimated fair value at the date of donation. Depreciation is computed over the estimated useful lives using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. Expenditures for maintenance, repairs, renewals and betterments that do not extend the useful lives of the assets are expensed as incurred. A summary of estimated useful lives of capital assets follows:

<u>Description</u>	<u>Estimated Useful Lives - Years</u>
Buildings, Land Improvements, Fixed Equipment	8 - 40
Equipment	5 - 10

Operating Revenues and Expenses

Operating revenues include net patient service revenue, rental income, and any other revenues generated by the nursing home's day to day operations. The Medicaid program, a major third-party payor, reimburses the nursing home for services rendered to Medicaid beneficiaries based on a prospective per diem rate established by the Medicaid program. The per diem rate established by Medicaid is based primarily on prior years' cost, subject to a maximum per diem rate set by the State of Tennessee. A provision for contractual adjustment is made to reduce recorded charges to estimated payments.

Net patient service revenue is net of bad debts of \$42,000 for the year ended June 30, 2019.

Revenue from the Medicaid program accounted for approximately 76 percent of the nursing home's net patient service revenue for the year ended June 30, 2019.

Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Nonoperating income consists of interest income.

Net Position

Net position of the nursing home is classified into three components. *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted Net Position* is a noncapital asset that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the nursing home. *Unrestricted Net Position* is the remaining net position that does not meet the definition of net investment in capital assets or restricted. There were no restricted assets at June 30, 2019.

The nursing home first applies restricted net position, if available, when an expense or outlay is incurred for which both restricted and unrestricted net position are available.

Deferred Outflows/Inflows of Resources

The nursing home adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Under this Statement, GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

Deferred outflows of resources – a consumption of net assets by the government that is applicable to a future reporting period.

Deferred inflows of resources – an acquisition of net assets by the government that is applicable to a future reporting period.

As of June 30, 2019, the nursing home had deferred outflows of \$162,599 and deferred inflows of \$34,123.

Pensions

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the nursing home's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the nursing home'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.

Income Taxes

The nursing home, as a component unit of Bledsoe County, Tennessee, is exempt from federal and state income taxes.

Risk Management

The nursing home is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; and employee health benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

B. Management / Support Services Contract

On October 1, 2001, Bledsoe County, Tennessee (Owner) and the Board of Directors (the Board) of Bledsoe County Nursing Home entered into an agreement with the Chattanooga Hamilton County Hospital Authority d/b/a Erlanger Health Systems, a Tennessee governmental hospital authority (the hospital), to manage the operations of the nursing home for an initial five-year period, renewable for four additional five-year terms.

The hospital also provides insurance coverage, employee health insurance, and a portion of the director of nursing's, administrator's and accountant's compensation, which is billed to the nursing home on a monthly basis. The term of this agreement shall terminate on October 1, 2026. The fee for these services shall be \$120,000 for years one through five; \$130,000 for years six through ten; \$140,000 for years eleven through fifteen; \$150,000 for years sixteen through twenty; and \$160,000 for years twenty-one through twenty-five. All management fees are payable in equal quarterly amounts due on the fifteenth day of the first month of each calendar quarter.

Through this agreement, Bledsoe County and the board agree to be, and remain, solely liable for and obligated to satisfy and discharge all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) arising directly or indirectly in connection with, or relating to, the operation of the nursing home, except to the extent that such claims have been caused by the gross negligence or willful misconduct of the hospital.

On March 1, 2017, the management agreement was terminated with the execution of a support services agreement between the two parties. Per the terms of the support services agreement, the Hospital will provide certain support services to the nursing home and this agreement will expire September 30, 2021, with renewable five-year terms upon mutual consent. The fee for these services will be \$17,500 per quarter through September 30, 2021, and \$20,000 per quarter from that point forward.

The management fee/support service expense amounted to \$70,000 in 2019.

C. Deposits and Certificates of Deposit

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the nursing home may not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal

depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name, or by the Federal Reserve Banks acting as third-party agents.

Of the bank balances for June 30, 2019, \$500,000 was covered by federal depository insurance and \$1,752,000 was covered by collateral held in the pledging bank's trust department in the nursing home's name while \$250,000 in deposits was not insured or collateralized.

At June 30, 2019, the carrying amounts of the nursing home's deposits with commercial banks totaled \$1,708,296 and the bank balances totaled \$1,715,806.

Interest Rate Risk

For an investment, this is the risk that a change in interest rates will affect the fair market value of investments held. The nursing home has certificates of deposit at a fixed interest rate.

The nursing home currently has no formal policy addressing interest rates or custodial credit risks other than to comply with state statutes.

The nursing home maintains eight certificates of deposit totaling \$1,508,000 with two local financial institutions. The certificates of deposit are nonnegotiable and renew automatically at the end of each month. The stated interest rate at June 30, 2019, ranged from .15 percent to 3 percent.

D. Assets Limited as to Use

The nursing home administers certain funds, which are residents' personal assets. These assets are reflected in the accompanying financial statements as both an asset and a liability to the nursing home.

The composition of assets whose use is limited is:

	<u>6-30-19</u>
Resident Trust Fund	\$ 20,210

E. Capital Assets

Capital assets consist of the following:

	Balance 7-1-18	Additions	Decreases	Balance 6-30-19
Capital Assets Being Depreciated:				
Land Improvements	\$ 48,696	\$ 0	\$ 0	\$ 48,696
Building	1,213,436	0	0	1,213,436
Fixed Equipment	248,306	0	0	248,306
Major Moveable Equipment	35,336	0	0	35,336
Minor Moveable Equipment	62,334	5,575	2,329	65,580
Total Capital Assets Being Depreciated	<u>\$ 1,608,108</u>	<u>\$ 5,575</u>	<u>\$ 2,329</u>	<u>\$ 1,611,354</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 43,324	\$ 377	\$ 0	\$ 43,701
Building	1,149,845	34,757	0	1,184,602
Fixed Equipment	242,396	4,213	0	246,609
Major Moveable Equipment	35,336	0	0	35,336
Minor Moveable Equipment	42,712	3,637	2,329	44,020
Total Capital Assets Being Depreciated	<u>\$ 1,513,613</u>	<u>\$ 42,984</u>	<u>\$ 2,329</u>	<u>\$ 1,554,268</u>
Capital Assets, Net	<u>\$ 94,495</u>	<u>\$ (37,409)</u>	<u>\$ 0</u>	<u>\$ 57,086</u>

F. Purchased Services

Effective March 1, 2017, as part of the supporting services agreement described in Note VI.B., the hospital will provide dietary and EVS services through third-party contractors, and the nursing home will be charged for the hospital's cost plus a reasonable markup for these services. The EVS portion of the contract was terminated in November 2018.

Prior to this, the dietary arrangement between the nursing home and the hospital was a mutual agreement that the hospital will run the day-to-day operations of the cafeteria. The cafeteria space is located in the nursing home facility; rent of \$1,000 per month is charged to the hospital. The hospital purchases all dietary supplies, dietary salaries, and consulting fees, and the nursing home was charged a cost-per-meal for the nursing home patient meals served.

Total amounts paid to the hospital for these expenses were as follows:

	<u>2019</u>
Dietary Purchased Services	\$ 570,859

The amount of unpaid expense due to the hospital totaled \$115,516 at June 30, 2019. This amount is included in accounts payable on the statement of net position.

G. Compensated Absences

Nursing home employees are paid for personal annual leave (PAL) time by a prescribed formula based on length of service. Upon termination, employees of the nursing home are compensated for any PAL time earned but not taken. Compensated absence liability of \$50,615 was reported at June 30, 2019.

H. Concentration of Credit Risk

The nursing home is located in Pikeville, Tennessee. The nursing home grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2019</u>
Medicaid	76 %
Patients	24

I. Commitments and Contingencies

Operating Leases

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred.

As of June 30, 2019, there are no future minimum lease payments under operating leases that have initial or remaining lease terms in excess of one year.

Total rental expense in 2019 for all operating leases was \$1,613.

Claims-made Insurance Policies

The nursing home is insured for professional liability under a claims-made policy with an independent insurance carrier. A claims-made policy covers claims reported to the carrier during the policy term, regardless of the date of incident giving rise to the claim. Premiums are determined by a variety of factors related to the nursing home. The primary level of coverage is \$1,000,000 per occurrence and \$3,000,000 in the aggregate.

Coverage for workers' compensation insurance is provided on a claims-made basis. The primary level of coverage is \$100,000 per claim, \$100,000 per employee, and \$500,000 in the aggregate.

Charity Care

The nursing home has an uncompensated services obligation under a Hill-Burton Grant. During the fiscal year ended June 30, 2003, the Hill-Burton obligation was converted from a dollar obligation to a time obligation expiring September 29, 2016. The fulfillment of this Hill-Burton requirement has been satisfied, but obligations continue through the Hill-Burton Community Services Assurance Program.

Litigation

The nursing home is subject to claims and suits, which arise in the ordinary course of business. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for in its financial statements and will not have a material effect on the nursing home's results of operations or financial position.

J. Net Working Capital

Net working capital at June 30, 2019, was \$1,824,866.

K. Pension Plan

Plan Description

Employees of Bledsoe County Nursing Home are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent, multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The employees of Bledsoe County Nursing Home comprise 13.75 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

Tennessee Code Annotated, Title 8, Chapters 34-37 establishes 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 are available under various eligibility criteria.

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

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. The nursing home makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the nursing home's employer contributions were \$95,035 based on a rate of 8.63 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bledsoe County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The nursing home's net pension liability (asset) was measured as of June 30, 2018, 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 June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection on cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the nursing home will be made at the actuarially determined contribution rate pursuant to an actuarial evaluation 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.

The following table represents the nursing home's proportionate share of the net pension liability (asset):

			Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Nursing Home	11.73%	\$	2,663,079	\$ 2,694,653	\$ (31,574)

The following table represents the changes in the nursing home's net pension liability (asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2017	\$ 2,468,075	\$ 2,462,763	\$ 5,312
Changes for the Year:			
Service Cost	\$ 78,351	\$ 0	\$ 78,351
Interest	181,007	0	181,007
Differences Between Expected and Actual Experience	35,187	0	35,187
Changes of Assumptions	0	0	0
Contributions-Employer	0	81,778	(81,778)
Contributions-Employees	0	47,450	(47,450)
Net Investment Income	0	205,518	(205,518)
Benefit Payments, Including Refunds of Employee Contributions	(99,541)	(99,541)	0
Administrative Expense	0	(3,315)	3,315
Other Charges	0	0	0
Net Changes	\$ 195,004	\$ 231,890	\$ (36,886)
Balance, June 30, 2018	\$ 2,663,079	\$ 2,694,653	\$ (31,574)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the nursing home's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 307,896	\$ (31,573)	\$ (315,095)

Pension Expense. For the year ended June 30, 2019, the nursing home recognized pension expense of \$29,904.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the nursing home 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
Differences Between Expected and Actual Experience	\$ 29,272	\$ 21,783
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	12,340
Change in Assumptions	38,292	
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	95,035	0
Total	<u>\$ 162,599</u>	<u>\$ 34,123</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (3,792)
2021	27,723
2022	8,619
2023	(4,740)
2024	1,835
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2019, the nursing home reported a payable of \$11,654 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

L. Effects of the Medicaid Examination Dated April 11, 2019

Pursuant to Section 71-5-130, *Tennessee Code Annotated*, and a cooperative agreement between the Tennessee Comptroller of the Treasury and the Department of Finance and Administration, the Division of State Audit performs examinations of nursing facilities and agencies providing home and community-based waiver services participating in the Tennessee Medical Assistance Program under Title XIX of the Social Security Act (Medicaid). Those examinations for the period of July 1, 2014 through June 30, 2018 revealed overbillings due to improper billing of resident leave days and Medicaid-covered services which were charged to the residents. As a result, the nursing home was required to repay \$51,965 to the Medicaid Program and \$5,881 to residents or their authorized representatives. These amounts are included on the statements of net position in payable to Medicaid and other accrued liabilities, respectively, at June 30, 2019.

M. Subsequent Events

The nursing home noted no transactions that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 461,164	\$ 485,583	\$ 511,034	\$ 558,060	\$ 582,536
Interest	1,071,540	1,141,559	1,218,537	1,278,614	1,345,781
Differences Between Actual and Expected Experience	(8,480)	41,725	(266,568)	(92,239)	261,617
Change of Assumptions	0	0	0	474,498	0
Benefit Payments, Including Refunds of Employee Contributions	(594,151)	(635,980)	(699,910)	(718,110)	(740,084)
Net Change in Total Pension Liability	\$ 930,073	\$ 1,032,887	\$ 763,093	\$ 1,500,823	\$ 1,449,850
Total Pension Liability, Beginning	14,123,122	15,053,195	16,086,082	16,849,175	18,349,998
Total Pension Liability, Ending (a)	\$ 15,053,195	\$ 16,086,082	\$ 16,849,175	\$ 18,349,998	\$ 19,799,848
Plan Fiduciary Net Position					
Contributions - Employer	\$ 481,040	\$ 496,981	\$ 529,435	\$ 576,669	\$ 608,015
Contributions - Employee	288,734	300,511	305,528	377,443	352,791
Net Investment Income	2,127,188	467,027	418,156	1,852,789	1,528,017
Benefit Payments, Including Refunds of Employee Contributions	(594,151)	(635,980)	(699,910)	(718,110)	(740,084)
Administrative Expense	(9,219)	(12,566)	(19,500)	(21,894)	(24,648)
Other	0	0	23,974	4,719	0
Net Change in Plan Fiduciary Net Position	\$ 2,293,592	\$ 615,973	\$ 557,683	\$ 2,071,616	\$ 1,724,091
Plan Fiduciary Net Position, Beginning	12,771,639	15,065,231	15,681,204	16,238,887	18,310,503
Plan Fiduciary Net Position, Ending (b)	\$ 15,065,231	\$ 15,681,204	\$ 16,238,887	\$ 18,310,503	\$ 20,034,594
Net Pension Liability (Asset), Ending (a - b)	\$ (12,036)	\$ 404,878	\$ 610,288	\$ 39,495	\$ (234,746)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.08%	97.48%	96.38%	99.78%	101.19%
Covered Payroll	\$ 5,774,661	\$ 5,758,755	\$ 6,160,509	\$ 6,682,140	\$ 7,045,360
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.21%)	7.03%	9.91%	.59%	(3.33%)

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 481,040	\$ 496,981	\$ 529,435	\$ 576,669	\$ 608,015	\$ 655,021
Less Contributions in Relation to the Actuarially Determined Contribution	(481,040)	(496,981)	(529,435)	(576,669)	(608,015)	(655,021)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,774,661	\$ 5,758,755	\$ 6,160,509	\$ 6,682,140	\$ 7,045,360	\$ 7,590,048
Contributions as a Percentage of Covered Payroll	8.33%	8.63%	8.59%	8.63%	8.63%	8.63%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 4,664	\$ 14,672	\$ 22,277	\$ 33,426	\$ 18,773
Less Contributions in Relation to the Actuarially Required Contribution	(4,664)	(14,672)	(22,277)	(33,426)	(18,773)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 116,593	\$ 366,802	\$ 556,915	\$ 835,645	\$ 967,695
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* - In FY 2019 the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed 2.06 percent of covered payroll into the Pension Stabilization Reserve Trust.

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 636,679	\$ 649,696	\$ 659,171	\$ 650,375	\$ 654,272	\$ 751,066
Less Contributions in Relation to the Actuarially Required Contribution	(636,679)	(649,696)	(659,171)	(650,375)	(654,272)	(751,066)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,169,758	\$ 7,186,910	\$ 7,291,703	\$ 7,194,408	\$ 7,205,650	\$ 7,180,356
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit E-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Asset	0.056114%	0.083365%	0.084852%	0.095625%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (2,257)	\$ (8,679)	\$ (22,387)	\$ (43,369)
Covered Payroll	\$ 116,593	\$ 366,802	\$ 556,915	\$ 835,645
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability	0.182671%	0.191983%	0.201998%	0.203522%	0.205777%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (29,683)	\$ 78,643	\$ 1,262,374	\$ (66,593)	\$ (724,112)
Covered Payroll	\$ 7,169,813	\$ 7,186,910	\$ 7,291,703	\$ 7,194,408	\$ 7,205,650
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit E-7

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 9,881	\$ 9,361
Interest	2,456	3,276
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(33,532)
Changes in Assumptions or Other Inputs	(3,523)	2,387
Benefit Payments	0	(764)
Net Change in Total OPEB Liability	\$ 8,814	\$ (19,272)
Total OPEB Liability, Beginning	74,243	83,057
Total OPEB Liability, Ending	<u>\$ 83,057</u>	<u>\$ 63,785</u>
Covered Employee Payroll	\$ 6,682,140	\$ 7,045,360
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.24%	0.91%

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

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

Exhibit E-8

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

Local Education Plan

	2017	2018
Total OPEB Liability		
Service Cost	\$ 117,222	\$ 108,316
Interest	63,809	77,490
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(568,549)
Changes in Assumptions or Other Inputs	(103,254)	61,802
Benefit Payments	(70,298)	(84,561)
Net Change in Total OPEB Liability	\$ 7,479	\$ (405,502)
Total OPEB Liability, Beginning	2,103,165	2,110,644
 Total OPEB Liability, Ending	 \$ 2,110,644	 \$ 1,705,142
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 742,556	 \$ 583,077
Employer Proportionate Share of the Total OPEB Liability	\$ 1,368,088	\$ 1,122,065
 Covered Employee Payroll	 \$ 7,658,505	 \$ 7,751,323
Total OPEB Liability as a Percentage of Covered Employee Payroll	27.56%	22.00%

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

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

BLEDSOE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for some transactions of the Bledsoe County Emergency Communications District, a discretely presented component unit, based upon a contract with the district. The district contributes funds to the county, and the county manages the operating expenses for the district.

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.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for grant expenditures of the county.

Exhibit F-1

Bledsoe County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 51	\$ 51
Equity in Pooled Cash and Investments	329,821	54,957	41,097	0	425,875
Accounts Receivable	234	0	154	1,979	2,367
Due from Other Governments	11,561	0	0	0	11,561
Property Taxes Receivable	312,256	0	0	0	312,256
Allowance for Uncollectible Property Taxes	(21,612)	0	0	0	(21,612)
Total Assets	<u>\$ 632,260</u>	<u>\$ 54,957</u>	<u>\$ 41,251</u>	<u>\$ 2,030</u>	<u>\$ 730,498</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Deductions Payable	395	0	1,444	0	1,839
Due to Other Funds	0	0	0	2,030	2,030
Total Liabilities	<u>\$ 395</u>	<u>\$ 0</u>	<u>\$ 1,444</u>	<u>\$ 2,030</u>	<u>\$ 3,869</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 273,411	\$ 0	\$ 0	\$ 0	\$ 273,411
Deferred Delinquent Property Taxes	16,221	0	0	0	16,221
Total Deferred Inflows of Resources	<u>\$ 289,632</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 289,632</u>

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Purposes
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds				
Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
\$ 0	\$ 54,957	\$ 0	\$ 0	\$ 54,957
342,233	0	0	0	342,233
0	0	39,807	0	39,807
<u>\$ 342,233</u>	<u>\$ 54,957</u>	<u>\$ 39,807</u>	<u>\$ 0</u>	<u>\$ 436,997</u>
<u>\$ 632,260</u>	<u>\$ 54,957</u>	<u>\$ 41,251</u>	<u>\$ 2,030</u>	<u>\$ 730,498</u>

(Continued)

Exhibit F-1

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

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 51
Equity in Pooled Cash and Investments	0	425,875
Accounts Receivable	0	2,367
Due from Other Governments	6,600	18,161
Property Taxes Receivable	0	312,256
Allowance for Uncollectible Property Taxes	0	(21,612)
	<hr/>	<hr/>
Total Assets	<u>\$ 6,600</u>	<u>\$ 737,098</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 6,600	\$ 6,600
Payroll Deductions Payable	0	1,839
Due to Other Funds	0	2,030
	<hr/>	<hr/>
Total Liabilities	<u>\$ 6,600</u>	<u>\$ 10,469</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 273,411
Deferred Delinquent Property Taxes	0	16,221
	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 289,632</u>

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Purposes
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital</u>		<u>Total</u>
<u>Projects Fund</u>		<u>Nonmajor</u>
HUD		<u>Governmental</u>
Grant		<u>Funds</u>
<u>Projects</u>		
\$	0	\$ 54,957
	0	342,233
	0	39,807
<u>\$</u>	<u>0</u>	<u>\$ 436,997</u>
	6,600	737,098
<u>\$</u>	<u>6,600</u>	<u>\$ 737,098</u>

Exhibit F-2

Bledsoe County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds				Total
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Revenues</u>					
Local Taxes	\$ 286,737	\$ 0	\$ 0	\$ 0	286,737
Licenses and Permits	1,734	0	0	0	1,734
Fines, Forfeitures, and Penalties	0	16,721	0	0	16,721
Charges for Current Services	702	0	0	164	866
Other Local Revenues	8,652	0	0	0	8,652
State of Tennessee	77,247	0	0	0	77,247
Federal Government	0	0	0	0	0
Other Governments and Citizens Groups	0	0	400,615	0	400,615
Total Revenues	<u>\$ 375,072</u>	<u>\$ 16,721</u>	<u>\$ 400,615</u>	<u>\$ 164</u>	<u>\$ 792,572</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 107	107
Administration of Justice	0	0	0	57	57
Public Safety	0	5,084	485,423	0	490,507
Public Health and Welfare	307,093	0	0	0	307,093
Highways	73,313	0	0	0	73,313
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 380,406</u>	<u>\$ 5,084</u>	<u>\$ 485,423</u>	<u>\$ 164</u>	<u>\$ 871,077</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,334)</u>	<u>\$ 11,637</u>	<u>\$ (84,808)</u>	<u>\$ 0</u>	<u>\$ (78,505)</u>
Net Change in Fund Balances	<u>\$ (5,334)</u>	<u>\$ 11,637</u>	<u>\$ (84,808)</u>	<u>\$ 0</u>	<u>\$ (78,505)</u>
Fund Balance, July 1, 2018	<u>347,567</u>	<u>43,320</u>	<u>124,615</u>	<u>0</u>	<u>515,502</u>
Fund Balance, June 30, 2019	<u>\$ 342,233</u>	<u>\$ 54,957</u>	<u>\$ 39,807</u>	<u>\$ 0</u>	<u>\$ 436,997</u>

(Continued)

Exhibit F-2

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 286,737
Licenses and Permits	0	1,734
Fines, Forfeitures, and Penalties	0	16,721
Charges for Current Services	0	866
Other Local Revenues	0	8,652
State of Tennessee	0	77,247
Federal Government	108,564	108,564
Other Governments and Citizens Groups	0	400,615
Total Revenues	<u>\$ 108,564</u>	<u>\$ 901,136</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 107
Administration of Justice	0	57
Public Safety	0	490,507
Public Health and Welfare	0	307,093
Highways	0	73,313
Capital Projects	108,564	108,564
Total Expenditures	<u>\$ 108,564</u>	<u>\$ 979,641</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (78,505)</u>
Net Change in Fund Balances	\$ 0	\$ (78,505)
Fund Balance, July 1, 2018	<u>0</u>	<u>515,502</u>
Fund Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 436,997</u>

Exhibit F-3

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 286,737	\$ 289,832	\$ 289,832	\$ (3,095)
Licenses and Permits	1,734	1,400	1,400	334
Charges for Current Services	702	5,000	5,000	(4,298)
Other Local Revenues	8,652	11,000	11,000	(2,348)
State of Tennessee	77,247	72,500	72,500	4,747
Total Revenues	<u>\$ 375,072</u>	<u>\$ 379,732</u>	<u>\$ 379,732</u>	<u>\$ (4,660)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 259,552	\$ 274,825	\$ 306,325	\$ 46,773
Landfill Operation and Maintenance	47,541	14,164	47,541	0
<u>Highways</u>				
Litter and Trash Collection	73,313	72,250	75,750	2,437
Total Expenditures	<u>\$ 380,406</u>	<u>\$ 361,239</u>	<u>\$ 429,616</u>	<u>\$ 49,210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,334)</u>	<u>\$ 18,493</u>	<u>\$ (49,884)</u>	<u>\$ 44,550</u>
Net Change in Fund Balance	\$ (5,334)	\$ 18,493	\$ (49,884)	\$ 44,550
Fund Balance, July 1, 2018	<u>347,567</u>	<u>343,854</u>	<u>343,854</u>	<u>3,713</u>
Fund Balance, June 30, 2019	<u>\$ 342,233</u>	<u>\$ 362,347</u>	<u>\$ 293,970</u>	<u>\$ 48,263</u>

Exhibit F-4

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 16,721	\$ 9,845	\$ 9,845	\$ 6,876
Other Local Revenues	0	100	100	(100)
Total Revenues	<u>\$ 16,721</u>	<u>\$ 9,945</u>	<u>\$ 9,945</u>	<u>\$ 6,776</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 2,449	\$ 2,000	\$ 3,000	\$ 551
Drug Enforcement	2,635	3,230	3,230	595
Total Expenditures	<u>\$ 5,084</u>	<u>\$ 5,230</u>	<u>\$ 6,230</u>	<u>\$ 1,146</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,637</u>	<u>\$ 4,715</u>	<u>\$ 3,715</u>	<u>\$ 7,922</u>
Net Change in Fund Balance	\$ 11,637	\$ 4,715	\$ 3,715	\$ 7,922
Fund Balance, July 1, 2018	<u>43,320</u>	<u>43,320</u>	<u>43,320</u>	<u>0</u>
Fund Balance, June 30, 2019	<u><u>\$ 54,957</u></u>	<u><u>\$ 48,035</u></u>	<u><u>\$ 47,035</u></u>	<u><u>\$ 7,922</u></u>

Exhibit F-5

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Governments and Citizens Groups	\$ 400,615	\$ 400,615	\$ 400,615	\$ 0
Total Revenues	\$ 400,615	\$ 400,615	\$ 400,615	\$ 0
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 485,423	\$ 400,615	\$ 520,615	\$ 35,192
Total Expenditures	\$ 485,423	\$ 400,615	\$ 520,615	\$ 35,192
Excess (Deficiency) of Revenues Over Expenditures	\$ (84,808)	\$ 0	\$ (120,000)	\$ 35,192
Net Change in Fund Balance	\$ (84,808)	\$ 0	\$ (120,000)	\$ 35,192
Fund Balance, July 1, 2018	124,615	140,817	140,817	(16,202)
Fund Balance, June 30, 2019	\$ 39,807	\$ 140,817	\$ 20,817	\$ 18,990

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 551,150	\$ 554,938	\$ 554,938	\$ (3,788)
Licenses and Permits	3,334	2,500	2,500	834
Other Local Revenues	187,764	45,000	45,000	142,764
State of Tennessee	63,540	54,459	54,459	9,081
Other Governments and Citizens Groups	1,107,469	0	1,107,469	0
Total Revenues	<u>\$ 1,913,257</u>	<u>\$ 656,897</u>	<u>\$ 1,764,366</u>	<u>\$ 148,891</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 310,298	\$ 319,860	\$ 321,307	\$ 11,009
Education	864,370	0	864,370	0
<u>Interest on Debt</u>				
General Government	356,160	279,884	356,160	0
Education	243,099	0	243,099	0
<u>Other Debt Service</u>				
General Government	11,660	13,600	12,153	493
Total Expenditures	<u>\$ 1,785,587</u>	<u>\$ 613,344</u>	<u>\$ 1,797,089</u>	<u>\$ 11,502</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 127,670</u>	<u>\$ 43,553</u>	<u>\$ (32,723)</u>	<u>\$ 160,393</u>
Net Change in Fund Balance	\$ 127,670	\$ 43,553	\$ (32,723)	\$ 160,393
Fund Balance, July 1, 2018	1,043,403	976,782	976,782	66,621
Fund Balance, June 30, 2019	<u>\$ 1,171,073</u>	<u>\$ 1,020,335</u>	<u>\$ 944,059</u>	<u>\$ 227,014</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 cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

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

Exhibit H-1

Bledsoe County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 864,646	\$ 864,646
Due from Other Governments	37,429	0	37,429
Total Assets	<u>\$ 37,429</u>	<u>\$ 864,646</u>	<u>\$ 902,075</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 37,429	\$ 0	\$ 37,429
Due to Litigants, Heirs, and Others	0	864,646	864,646
Total Liabilities	<u>\$ 37,429</u>	<u>\$ 864,646</u>	<u>\$ 902,075</u>

Exhibit H-2

Bledsoe County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 257,074	\$ 257,074	\$ 0
Due from Other Governments	28,298	37,429	28,298	37,429
Total Assets	\$ 28,298	\$ 294,503	\$ 285,372	\$ 37,429
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 28,298	\$ 294,503	\$ 285,372	\$ 37,429
Total Liabilities	\$ 28,298	\$ 294,503	\$ 285,372	\$ 37,429
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 689,284	\$ 2,336,172	\$ 2,160,810	\$ 864,646
Total Assets	\$ 689,284	\$ 2,336,172	\$ 2,160,810	\$ 864,646
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 689,284	\$ 2,336,172	\$ 2,160,810	\$ 864,646
Total Liabilities	\$ 689,284	\$ 2,336,172	\$ 2,160,810	\$ 864,646
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 689,284	\$ 2,336,172	\$ 2,160,810	\$ 864,646
Equity in Pooled Cash and Investments	0	257,074	257,074	0
Due from Other Governments	28,298	37,429	28,298	37,429
Total Assets	\$ 717,582	\$ 2,630,675	\$ 2,446,182	\$ 902,075
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 28,298	\$ 294,503	\$ 285,372	\$ 37,429
Due to Litigants, Heirs, and Others	689,284	2,336,172	2,160,810	864,646
Total Liabilities	\$ 717,582	\$ 2,630,675	\$ 2,446,182	\$ 902,075

Bledsoe County School Department

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

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

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

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

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

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

Exhibit I-1

Bledsoe County, Tennessee
Statement of Activities
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 9,358,854	\$ 9,073	\$ 1,406,877	\$ 15,000	\$ (7,927,904)
Support Services	6,406,358	0	273,883	0	(6,132,475)
Operation of Non-instructional Services	2,162,540	103,883	2,006,933	0	(51,724)
Interest on Long-term Debt	243,099	0	0	0	(243,099)
Total Governmental Activities	\$ 18,170,851	\$ 112,956	\$ 3,687,693	\$ 15,000	\$ (14,355,202)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,825,884
Property Taxes Levied for Debt Service					89,357
Local Option Sales Taxes					866,493
Grants and Contributions Not Restricted to Specific Programs					12,602,382
Unrestricted Investment Earnings					1,060
Miscellaneous					25,685
Total General Revenues					\$ 15,410,861
Change in Net Position					\$ 1,055,659
Net Position, July 1, 2018					5,876,984
Net Position, June 30, 2019					\$ 6,932,643

Exhibit I-2

Bledsoe County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bledsoe County School Department
June 30, 2019

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Debt</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Service</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 3,459	\$ 3,459
Equity in Pooled Cash and Investments	1,539,736	747,484	482,569	2,769,789
Accounts Receivable	156	0	7	163
Due from Other Governments	299,549	97,692	89,822	487,063
Property Taxes Receivable	2,007,744	98,257	0	2,106,001
Allowance for Uncollectible Property Taxes	(138,957)	(6,801)	0	(145,758)
Restricted Assets	20,994	0	0	20,994
Total Assets	<u>\$ 3,729,222</u>	<u>\$ 936,632</u>	<u>\$ 575,857</u>	<u>\$ 5,241,711</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 115,800	\$ 0	\$ 0	\$ 115,800
Current Liabilities Payable From Restricted Assets	0	0	883	883
Total Liabilities	<u>\$ 115,800</u>	<u>\$ 0</u>	<u>\$ 883</u>	<u>\$ 116,683</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,757,979	\$ 86,034	\$ 0	\$ 1,844,013
Deferred Delinquent Property Taxes	104,303	5,104	0	109,407
Other Deferred/Unavailable Revenue	22,395	48,846	0	71,241
Total Deferred Inflows of Resources	<u>\$ 1,884,677</u>	<u>\$ 139,984</u>	<u>\$ 0</u>	<u>\$ 2,024,661</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 5,896	\$ 796,648	\$ 524,974	\$ 1,327,518

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Debt</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Service</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>FUND BALANCES (Cont.)</u>				
Restricted (Cont.):				
Restricted for Hybrid Retirement Stabilization Funds	\$ 20,994	\$ 0	\$ 0	\$ 20,994
Committed:				
Committed for Education	0	0	50,000	50,000
Unassigned	1,701,855	0	0	1,701,855
Total Fund Balances	<u>\$ 1,728,745</u>	<u>\$ 796,648</u>	<u>\$ 574,974</u>	<u>\$ 3,100,367</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,729,222</u>	<u>\$ 936,632</u>	<u>\$ 575,857</u>	<u>\$ 5,241,711</u>

Exhibit I-3

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Bledsoe County School Department
June 30, 2019

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)		\$	3,100,367
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	375,847	
Add: buildings and improvements net of accumulated depreciation		10,218,753	
Add: infrastructure net of accumulated depreciation		84,333	
Add: other capital assets net of accumulated depreciation		<u>1,110,689</u>	11,789,622
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for bonds	\$	(8,190,000)	
Less: contributions due on primary government debt for notes		(107,358)	
Less: other postemployment benefits liability		(1,122,065)	
Add: deferred amount on refunding		<u>64,311</u>	(9,355,112)
(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 OPEB	\$	97,749	
Less: deferred inflows of resources related to OPEB		(392,238)	
Add: deferred outflows of resources related to pensions		1,893,645	
Less: deferred inflows of resources related to pensions		<u>(1,241,469)</u>	357,687
(4) Net pension assets of the teacher retirement plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	91,950	
Add: net pension asset - teacher retirement plan		43,369	
Add: net pension asset - teacher legacy retirement plan		<u>724,112</u>	859,431
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>180,648</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>6,932,643</u></u>

Exhibit I-4

Bledsoe County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 2,115,132	\$ 678,483	\$ 0	\$ 2,793,615
Licenses and Permits	11,632	546	0	12,178
Charges for Current Services	0	0	103,883	103,883
Other Local Revenues	22,168	0	11,053	33,221
State of Tennessee	13,473,563	10,399	14,888	13,498,850
Federal Government	105,715	0	2,650,717	2,756,432
Other Governments and Citizens Groups	0	0	15,000	15,000
Total Revenues	<u>\$ 15,728,210</u>	<u>\$ 689,428</u>	<u>\$ 2,795,541</u>	<u>\$ 19,213,179</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 9,119,443	\$ 0	\$ 985,652	\$ 10,105,095
Support Services	5,711,281	0	311,548	6,022,829
Operation of Non-Instructional Services	690,375	0	1,459,273	2,149,648
Capital Outlay	17,779	0	0	17,779
Debt Service:				
Principal on Debt	39,370	825,000	0	864,370
Interest on Debt	6,380	236,719	0	243,099
Other Debt Service	0	9,070	0	9,070
Capital Projects	0	0	88,377	88,377
Total Expenditures	<u>\$ 15,584,628</u>	<u>\$ 1,070,789</u>	<u>\$ 2,844,850</u>	<u>\$ 19,500,267</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 143,582</u>	<u>\$ (381,361)</u>	<u>\$ (49,309)</u>	<u>\$ (287,088)</u>

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 12,900	\$ 0	\$ 0	\$ 12,900
Transfers In	23,393	525,000	95,000	643,393
Transfers Out	(620,000)	0	(23,393)	(643,393)
Total Other Financing Sources (Uses)	<u>\$ (583,707)</u>	<u>\$ 525,000</u>	<u>\$ 71,607</u>	<u>\$ 12,900</u>
Net Change in Fund Balances	\$ (440,125)	\$ 143,639	\$ 22,298	\$ (274,188)
Fund Balance, July 1, 2018	<u>2,168,870</u>	<u>653,009</u>	<u>552,676</u>	<u>3,374,555</u>
Fund Balance, June 30, 2019	<u>\$ 1,728,745</u>	<u>\$ 796,648</u>	<u>\$ 574,974</u>	<u>\$ 3,100,367</u>

Exhibit I-5

Bledsoe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

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)		\$	(274,188)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated 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	\$	55,245	
Less: current-year depreciation expense		<u>(622,308)</u>	(567,063)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: net book value of assets disposed			(6,052)
(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, 2019	\$	180,648	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(164,792)</u>	15,856
(4) The contributions of long-term debt (e.g., bonds, notes, other loans) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: change in deferred amount on refunding	\$	(17,343)	
Add: principal contributions on bonds to primary government		825,000	
Add: principal contributions on notes to primary government		<u>39,370</u>	847,027
(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 OPEB liability	\$	246,023	
Change in deferred outflows related to OPEB		45,084	
Change in deferred inflows related to OPEB		(332,140)	
Change in net pension asset - agent plan		107,914	
Change in net pension asset - teacher retirement plan		20,982	
Change in net pension asset - teacher legacy plan		657,519	
Change in deferred outflows related to pensions		58,966	
Change in deferred inflows related to pensions		<u>235,731</u>	1,040,079
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,055,659</u>

Exhibit I-6

Bledsoe County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bledsoe County School Department
June 30, 2019

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 3,459	\$ 3,459	\$ 0	\$ 3,459
Equity in Pooled Cash and Investments	26,916	434,030	460,946	21,623	482,569
Accounts Receivable	7	0	7	0	7
Due from Other Governments	30,909	58,913	89,822	0	89,822
Total Assets	<u>\$ 57,832</u>	<u>\$ 496,402</u>	<u>\$ 554,234</u>	<u>\$ 21,623</u>	<u>\$ 575,857</u>
<u>LIABILITIES</u>					
Current Liabilities Payable From Restricted Assets	\$ 0	\$ 883	\$ 883	\$ 0	\$ 883
Total Liabilities	<u>\$ 0</u>	<u>\$ 883</u>	<u>\$ 883</u>	<u>\$ 0</u>	<u>\$ 883</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 7,832	\$ 495,519	\$ 503,351	\$ 21,623	\$ 524,974
Committed:					
Committed for Education	50,000	0	50,000	0	50,000
Total Fund Balances	<u>\$ 57,832</u>	<u>\$ 495,519</u>	<u>\$ 553,351</u>	<u>\$ 21,623</u>	<u>\$ 574,974</u>
Total Liabilities and Fund Balances	<u>\$ 57,832</u>	<u>\$ 496,402</u>	<u>\$ 554,234</u>	<u>\$ 21,623</u>	<u>\$ 575,857</u>

Exhibit I-7

Bledsoe County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Capital</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 103,883	\$ 103,883	\$ 0	\$ 103,883
Other Local Revenues	10,356	697	11,053	0	11,053
State of Tennessee	0	14,888	14,888	0	14,888
Federal Government	1,307,460	1,343,257	2,650,717	0	2,650,717
Other Governments and Citizens Groups	0	0	0	15,000	15,000
Total Revenues	<u>\$ 1,317,816</u>	<u>\$ 1,462,725</u>	<u>\$ 2,780,541</u>	<u>\$ 15,000</u>	<u>\$ 2,795,541</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 985,652	\$ 0	\$ 985,652	\$ 0	\$ 985,652
Support Services	311,548	0	311,548	0	311,548
Operation of Non-Instructional Services	0	1,459,273	1,459,273	0	1,459,273
Capital Projects	0	0	0	88,377	88,377
Total Expenditures	<u>\$ 1,297,200</u>	<u>\$ 1,459,273</u>	<u>\$ 2,756,473</u>	<u>\$ 88,377</u>	<u>\$ 2,844,850</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 20,616</u>	<u>\$ 3,452</u>	<u>\$ 24,068</u>	<u>\$ (73,377)</u>	<u>\$ (49,309)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 95,000	\$ 95,000
Transfers Out	(23,393)	0	(23,393)	0	(23,393)
Total Other Financing Sources (Uses)	<u>\$ (23,393)</u>	<u>\$ 0</u>	<u>\$ (23,393)</u>	<u>\$ 95,000</u>	<u>\$ 71,607</u>
Net Change in Fund Balances	\$ (2,777)	\$ 3,452	\$ 675	\$ 21,623	\$ 22,298
Fund Balance, July 1, 2018	60,609	492,067	552,676	0	552,676
Fund Balance, June 30, 2019	<u>\$ 57,832</u>	<u>\$ 495,519</u>	<u>\$ 553,351</u>	<u>\$ 21,623</u>	<u>\$ 574,974</u>

Exhibit I-8

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County School Department
General Purpose School Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,115,132	\$ 2,163,267	\$ 2,163,367	\$ (48,235)
Licenses and Permits	11,632	9,650	9,650	1,982
Other Local Revenues	22,168	31,700	33,200	(11,032)
State of Tennessee	13,473,563	13,280,661	13,432,866	40,697
Federal Government	105,715	55,898	138,756	(33,041)
Total Revenues	<u>\$ 15,728,210</u>	<u>\$ 15,541,176</u>	<u>\$ 15,777,839</u>	<u>\$ (49,629)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 6,928,378	\$ 6,822,509	\$ 7,019,242	\$ 90,864
Alternative Instruction Program	35,225	80,196	38,296	3,071
Special Education Program	1,595,540	1,795,293	1,635,547	40,007
Career and Technical Education Program	560,300	484,079	564,179	3,879
<u>Support Services</u>				
Attendance	85,507	93,817	88,467	2,960
Health Services	277,880	309,246	295,447	17,567
Other Student Support	365,246	377,151	397,068	31,822
Regular Instruction Program	431,661	450,692	439,692	8,031
Special Education Program	401,960	174,956	415,507	13,547
Career and Technical Education Program	1,060	1,800	1,800	740
Technology	214,629	347,089	227,744	13,115
Other Programs	43,994	0	43,994	0
Board of Education	378,382	391,180	401,680	23,298
Director of Schools	171,195	188,693	184,693	13,498
Office of the Principal	834,029	848,314	840,514	6,485
Fiscal Services	255,603	262,435	264,085	8,482
Operation of Plant	1,055,525	1,049,021	1,088,996	33,471
Maintenance of Plant	353,932	367,665	368,115	14,183
Transportation	840,678	957,061	948,311	107,633
<u>Operation of Non-Instructional Services</u>				
Food Service	8,809	5,158	9,783	974
Community Services	248,800	259,921	259,921	11,121
Early Childhood Education	432,766	433,692	433,824	1,058
<u>Capital Outlay</u>				
Regular Capital Outlay	17,779	99,000	68,725	50,946
<u>Principal on Debt</u>				
Education	39,370	39,500	39,500	130
<u>Interest on Debt</u>				
Education	6,380	6,500	6,500	120
Total Expenditures	<u>\$ 15,584,628</u>	<u>\$ 15,844,968</u>	<u>\$ 16,081,630</u>	<u>\$ 497,002</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 143,582</u>	<u>\$ (303,792)</u>	<u>\$ (303,791)</u>	<u>\$ 447,373</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 12,900	\$ 0	\$ 0	\$ 12,900
Insurance Recovery	0	5,000	5,000	(5,000)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers In	\$ 23,393	\$ 20,000	\$ 20,000	\$ 3,393
Transfers Out	(620,000)	(620,000)	(620,000)	0
Total Other Financing Sources	<u>\$ (583,707)</u>	<u>\$ (595,000)</u>	<u>\$ (595,000)</u>	<u>\$ 11,293</u>
Net Change in Fund Balance	\$ (440,125)	\$ (898,792)	\$ (898,791)	\$ 458,666
Fund Balance, July 1, 2018	<u>2,168,870</u>	<u>1,827,723</u>	<u>1,827,723</u>	<u>341,147</u>
Fund Balance, June 30, 2019	<u><u>\$ 1,728,745</u></u>	<u><u>\$ 928,931</u></u>	<u><u>\$ 928,932</u></u>	<u><u>\$ 799,813</u></u>

Exhibit I-9

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County School Department
School Federal Projects Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 10,356	\$ 0	\$ 0	\$ 10,356
Federal Government	1,307,460	1,509,504	1,520,048	(212,588)
Total Revenues	\$ 1,317,816	\$ 1,509,504	\$ 1,520,048	\$ (202,232)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 539,473	\$ 562,977	\$ 562,977	\$ 23,504
Special Education Program	418,138	465,286	465,286	47,148
Career and Technical Education Program	28,041	22,859	23,232	(4,809)
<u>Support Services</u>				
Other Student Support	22,421	29,284	29,137	6,716
Regular Instruction Program	204,644	322,469	322,469	117,825
Special Education Program	83,409	89,663	89,663	6,254
Career and Technical Education Program	1,074	1,300	1,074	0
Total Expenditures	\$ 1,297,200	\$ 1,493,838	\$ 1,493,838	\$ 196,638
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,616	\$ 15,666	\$ 26,210	\$ (5,594)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (23,393)	\$ (26,210)	\$ (26,210)	\$ 2,817
Total Other Financing Sources	\$ (23,393)	\$ (26,210)	\$ (26,210)	\$ 2,817
Net Change in Fund Balance	\$ (2,777)	\$ (10,544)	\$ 0	\$ (2,777)
Fund Balance, July 1, 2018	60,609	10,544	10,544	50,065
Fund Balance, June 30, 2019	\$ 57,832	\$ 0	\$ 10,544	\$ 47,288

Exhibit I-10

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 103,883	\$ 129,000	\$ 129,000	\$ (25,117)
Other Local Revenues	697	1,000	1,000	(303)
State of Tennessee	14,888	14,000	14,000	888
Federal Government	1,343,257	1,487,000	1,487,000	(143,743)
Total Revenues	<u>\$ 1,462,725</u>	<u>\$ 1,631,000</u>	<u>\$ 1,631,000</u>	<u>\$ (168,275)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,459,273	\$ 1,629,650	\$ 1,629,650	\$ 170,377
Total Expenditures	<u>\$ 1,459,273</u>	<u>\$ 1,629,650</u>	<u>\$ 1,629,650</u>	<u>\$ 170,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,452</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 2,102</u>
Net Change in Fund Balance	\$ 3,452	\$ 1,350	\$ 1,350	\$ 2,102
Fund Balance, July 1, 2018	492,067	549,687	549,687	(57,620)
Fund Balance, June 30, 2019	<u>\$ 495,519</u>	<u>\$ 551,037</u>	<u>\$ 551,037</u>	<u>\$ (55,518)</u>

Exhibit I-11

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County School Department
Education Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 678,483	\$ 570,050	\$ 570,050	\$ 108,433
Licenses and Permits	546	375	375	171
State of Tennessee	10,399	10,000	10,000	399
Total Revenues	<u>\$ 689,428</u>	<u>\$ 580,425</u>	<u>\$ 580,425</u>	<u>\$ 109,003</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 825,000	\$ 825,000	\$ 825,000	\$ 0
<u>Interest on Debt</u>				
Education	236,719	236,720	236,720	1
<u>Other Debt Service</u>				
Education	9,070	11,000	11,000	1,930
Total Expenditures	<u>\$ 1,070,789</u>	<u>\$ 1,072,720</u>	<u>\$ 1,072,720</u>	<u>\$ 1,931</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (381,361)	\$ (492,295)	\$ (492,295)	\$ 110,934
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 525,000	\$ 525,000	\$ 525,000	\$ 0
Total Other Financing Sources	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 143,639	\$ 32,705	\$ 32,705	\$ 110,934
Fund Balance, July 1, 2018	<u>653,009</u>	<u>588,215</u>	<u>588,215</u>	<u>64,794</u>
Fund Balance, June 30, 2019	<u>\$ 796,648</u>	<u>\$ 620,920</u>	<u>\$ 620,920</u>	<u>\$ 175,728</u>

Bledsoe County Industrial Development Corporation Board

This section presents combining and individual fund financial statements for the Bledsoe County Industrial Development Corporation Board, a discretely presented component unit. The Industrial Development Corporation Board only uses one fund, a General Fund.

General Fund – The General Fund is used to account for general operations of the Industrial Development Corporation Board.

Exhibit J-1

Bledsoe County, Tennessee
Statement of Activities
Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:			
Other Operations	\$ 4,070	\$ 20,400	\$ 16,330
Interest on Long-term Debt	741	0	(741)
Total Governmental Activities	\$ 4,811	\$ 20,400	\$ 15,589
General Revenues:			
Interest Income			\$ 881
Total General Revenues			\$ 881
Change in Net Position			\$ 16,470
Net Position, July 1, 2018			382,293
Net Position, June 30, 2019			\$ 398,763

Exhibit J-2

Bledsoe County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bledsoe County Industrial Development Corporation Board
June 30, 2019

	<u>Major Fund</u>	Total
	General	Governmental Funds
<u>ASSETS</u>		
Cash	\$ 272,763	\$ 272,763
Total Assets	<u>\$ 272,763</u>	<u>\$ 272,763</u>
<u>FUND BALANCES</u>		
Unassigned	\$ 272,763	\$ 272,763
Total Fund Balances	<u>\$ 272,763</u>	<u>\$ 272,763</u>

Exhibit J-3

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Bledsoe County Industrial Development Corporation Board
June 30, 2019

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)	\$ 272,763
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: buildings and improvements net of accumulated depreciation	<u>126,000</u>
Net position of governmental activities (Exhibit A)	<u><u>\$ 398,763</u></u>

Exhibit J-4

Bledsoe County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

	<u>Major Fund</u> General	Total Governmental Funds
<u>Revenues</u>		
Other Local Revenues	\$ 21,281	\$ 21,281
Total Revenues	<u>\$ 21,281</u>	<u>\$ 21,281</u>
<u>Expenditures</u>		
Current:		
Other Operations	\$ 70	\$ 70
Debt Service:		
Principal on Debt	50,753	50,753
Interest on Debt	741	741
Total Expenditures	<u>\$ 51,564</u>	<u>\$ 51,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (30,283)</u>	<u>\$ (30,283)</u>
Net Change in Fund Balances	\$ (30,283)	\$ (30,283)
Fund Balance, July 1, 2018	<u>303,046</u>	<u>303,046</u>
Fund Balance, June 30, 2019	<u>\$ 272,763</u>	<u>\$ 272,763</u>

Exhibit J-5

Bledsoe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds (Exhibit J-4)	\$ (30,283)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:	
Less: current-year depreciation expense	(4,000)
(2) 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 first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Add: principal payments on notes	<u>50,753</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 16,470</u>

Exhibit J-6

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County Industrial Development Corporation Board
General Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 21,281	\$ 20,400	\$ 20,400	\$ 881
Other Governments and Citizens Groups	0	60,000	60,000	(60,000)
Total Revenues	<u>\$ 21,281</u>	<u>\$ 80,400</u>	<u>\$ 80,400</u>	<u>\$ (59,119)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 70	\$ 22,850	\$ 22,850	\$ 22,780
<u>Principal on Debt</u>				
General Government	50,753	17,504	50,753	0
<u>Interest on Debt</u>				
General Government	741	741	741	0
Total Expenditures	<u>\$ 51,564</u>	<u>\$ 41,095</u>	<u>\$ 74,344</u>	<u>\$ 22,780</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (30,283)</u>	<u>\$ 39,305</u>	<u>\$ 6,056</u>	<u>\$ (36,339)</u>
Net Change in Fund Balance	\$ (30,283)	\$ 39,305	\$ 6,056	\$ (36,339)
Fund Balance, July 1, 2018	<u>303,046</u>	<u>301,055</u>	<u>301,055</u>	<u>1,991</u>
Fund Balance, June 30, 2019	<u><u>\$ 272,763</u></u>	<u><u>\$ 340,360</u></u>	<u><u>\$ 307,111</u></u>	<u><u>\$ (34,348)</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Bledsoe County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
Primary Government and Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Series 2017	\$ 5,500,000	2 to 3.25 %	12-7-17	6-1-42	\$ 5,500,000	\$ 0	\$ 5,500,000
General Obligation/Refunding Bond Series 2009	8,790,000	2 to 4.5	6-1-09	6-1-19	190,000	190,000	0
General Refunding Bonds Series 2016	8,025,000	2 to 3	4-15-16	6-1-41	7,870,000	95,000	7,775,000
Total Payable through General Debt Service Fund					<u>\$ 13,560,000</u>	<u>\$ 285,000</u>	<u>\$ 13,275,000</u>
<u>Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund</u>							
School Refunding Series 2011	5,850,000	1 to 3.5	7-15-11	10-1-26	\$ 3,725,000	\$ 360,000	\$ 3,365,000
School Refunding Series 2013	3,115,000	2 to 3.5	4-10-13	12-1-38	1,800,000	335,000	1,465,000
General Obligation Series 2013	4,000,000	2 to 3.5	4-10-13	12-1-38	3,490,000	130,000	3,360,000
Total Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund					<u>\$ 9,015,000</u>	<u>\$ 825,000</u>	<u>\$ 8,190,000</u>
Total Bonds Payable					<u>\$ 22,575,000</u>	<u>\$ 1,110,000</u>	<u>\$ 21,465,000</u>
<u>NOTES PAYABLE</u>							
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
Energy Program	412,269	4.95	12-2-09	12-20-21	\$ 146,728	\$ 39,370	\$ 107,358
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 146,728</u>	<u>\$ 39,370</u>	<u>\$ 107,358</u>
Total Notes Payable					<u>\$ 146,728</u>	<u>\$ 39,370</u>	<u>\$ 107,358</u>

(Continued)

Exhibit K-1

Bledsoe County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
Primary Government and Discretely Presented Bledsoe County Industrial Development Corporation Board (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Ambulances	\$ 214,200	3.75 %	2-6-12	3-1-19	\$ 25,298	\$ 25,298	\$ 0
Total Payable through General Debt Service Fund					\$ 25,298	\$ 25,298	\$ 0
Total Other Loans Payable					<u>\$ 25,298</u>	<u>\$ 25,298</u>	<u>\$ 0</u>
<u>CAPITAL LEASES PAYABLE</u>							
<u>Payable through General Fund</u>							
Defibrillators	132,569	4.693	2-13-14	3-1-19	\$ 19,443	\$ 19,443	\$ 0
Total Payable through General Fund					\$ 19,443	\$ 19,443	\$ 0
<u>Payable through Highway/Public Works Fund</u>							
Trackhoe	71,950	4.803	4-6-16	4-1-21	\$ 29,462	\$ 14,338	\$ 15,124
Total Payable through Highway/Public Works Fund					\$ 29,462	\$ 14,338	\$ 15,124
Total Capital Leases Payable					<u>\$ 48,905</u>	<u>\$ 33,781</u>	<u>\$ 15,124</u>
<u>DISCRETELY PRESENTED BLEDSOE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION BOARD</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through General Fund</u>							
Industrial Development	160,631	1.75	1-3-11	4-9-19	\$ 50,753	\$ 50,753	\$ 0
Total Notes Payable					<u>\$ 50,753</u>	<u>\$ 50,753</u>	<u>\$ 0</u>

Exhibit K-2

Bledsoe County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,315,000	\$ 567,024	\$ 1,882,024
2021	1,355,000	538,906	1,893,906
2022	1,380,000	508,600	1,888,600
2023	1,425,000	476,004	1,901,004
2024	1,055,000	446,180	1,501,180
2025	1,090,000	419,347	1,509,347
2026	1,115,000	390,860	1,505,860
2027	1,180,000	360,245	1,540,245
2028	700,000	335,808	1,035,808
2029	710,000	319,533	1,029,533
2030	725,000	301,933	1,026,933
2031	745,000	282,343	1,027,343
2032	765,000	262,737	1,027,737
2033	785,000	241,487	1,026,487
2034	805,000	218,531	1,023,531
2035	835,000	194,681	1,029,681
2036	855,000	170,012	1,025,012
2037	885,000	142,863	1,027,863
2038	915,000	114,425	1,029,425
2039	945,000	85,100	1,030,100
2040	765,000	58,762	823,762
2041	790,000	35,050	825,050
2042	325,000	10,562	335,562
Total	\$ 21,465,000	\$ 6,480,993	\$ 27,945,993

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 41,353	\$ 4,397	\$ 45,750
2021	43,458	2,292	45,750
2022	22,547	327	22,874
Total	\$ 107,358	\$ 7,016	\$ 114,374

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2020	\$ 15,027	\$ 726	\$ 15,753
2021	97	5	102
Total	\$ 15,124	\$ 731	\$ 15,855

Exhibit K-3

Bledsoe County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Community Development/Industrial Park	General Capital Projects	Jail construction	\$ 69,000
Total Transfers Primary Government			<u>\$ 69,000</u>
<u>DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 23,393
General Purpose School	Education Debt Service	Debt retirement	525,000
General Purpose School	Education Capital Projects	Capital projects	<u>95,000</u>
Total Transfers Discretely Presented Bledsoe County School Department			<u>\$ 643,393</u>

Exhibit K-4

Bledsoe County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 83,238	\$ 100,000	(3) RLI Insurance Company
Road Superintendent:	Section 8-24-102, <i>TCA</i>			
Marvin Smith (7-1-18 through 8-31-18)		13,213	100,000	"
Robby Roberson (9-1-18 through 6-30-19)		66,063	100,000	"
Director of Schools	State Board of Education and County Board of Education	103,791 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	72,069	688,574	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
County Clerk	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
Clerk and Master:	Section 8-24-102, <i>TCA</i> and			
Greg Forgey (7-1-18 through 12-31-18)	Chancery Court Judge	39,083 (2)	75,000	"
Debbie DeBord (1-1-18 through 6-30-19)		32,986	(3)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) RLI Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	79,276 (4)	100,000	(3) "
Employee Dishonesty Bond Coverage:				
General County Government			400,000	Local Government Insurance Pool
Highway Department			400,000	"
School Employees			400,000	Tennessee Risk Management Trust

- (1) Does not include a chief executive officer training supplement of \$1,000 or a travel allowance of \$5,000.
(2) Does not include special commissioner fees of \$2,273.
(3) Official is under the employee fidelity insurance coverage.
(4) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Bledsoe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,963,511	\$ 254,004	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	114,497	14,917	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	86,921	11,244	0	0	0
Interest and Penalty	19,060	2,466	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	7,103	919	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	4,507	583	0	0	0
Payments in-Lieu-of Taxes - Other	2,386	309	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	86,600	0	0	0	0
Litigation Tax - General	14,143	0	0	0	0
Business Tax	34,230	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	17,744	2,295	0	0	0
Wholesale Beer Tax	67,229	0	0	0	0
Total Local Taxes	\$ 2,417,931	\$ 286,737	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 76	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	13,403	1,734	0	0	0
Total Licenses and Permits	\$ 13,479	\$ 1,734	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 6,916	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Circuit Court (Cont.)</u>					
Officers Costs	\$ 2,673	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	0	0	42	0	0
Drug Court Fees	384	0	0	0	0
Jail Fees	254	0	0	0	0
DUI Treatment Fines	95	0	0	0	0
<u>General Sessions Court</u>					
Fines	3,341	0	0	0	0
Officers Costs	16,886	0	0	0	0
Drug Control Fines	0	0	7,497	0	0
Drug Court Fees	3,258	0	0	0	0
Jail Fees	2,426	0	0	0	0
DUI Treatment Fines	1,603	0	0	0	0
Data Entry Fee - General Sessions Court	3,177	0	0	0	0
<u>Juvenile Court</u>					
Officers Costs	26	0	0	0	0
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	2,672	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	9,182	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 43,711</u>	<u>\$ 0</u>	<u>\$ 16,721</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 702	\$ 0	\$ 0	\$ 0
Patient Charges	964,841	0	0	0	0
Work Release Charges for Board	1,560	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Copy Fees	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 0
Library Fees	879	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0
Telephone Commissions	25,276	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	164
Data Processing Fee - Register	4,222	0	0	0	0
Data Processing Fee - Sheriff	8	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,900	0	0	0	0
Data Processing Fee - County Clerk	1,464	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	370	0	0	0	0
Total Charges for Current Services	<u>\$ 1,003,920</u>	<u>\$ 702</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 164</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	150,000	0	0	0	0
Commissary Sales	3,940	0	0	0	0
Sale of Recycled Materials	0	8,652	0	0	0
Miscellaneous Refunds	14,378	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	43,655	0	0	0	0
Contributions and Gifts	421	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	33	0	0	0	0
Total Other Local Revenues	<u>\$ 212,427</u>	<u>\$ 8,652</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Juvenile Court Clerk	\$ 247	\$ 0	\$ 0	\$ 0	0
<u>Fees In-Lieu-of Salary</u>					
County Clerk	94,816	0	0	0	0
Circuit Court Clerk	22,667	0	0	0	0
General Sessions Court Clerk	59,277	0	0	0	0
Clerk and Master	56,795	0	0	0	0
Juvenile Court Clerk	1,042	0	0	0	0
Register	49,038	0	0	0	0
Sheriff	8,431	0	0	0	0
Trustee	154,989	0	0	0	0
Total Fees Received From County Officials	\$ 447,302	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	8,400	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	68,024	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	0	44,200	0	0	0
<u>Other State Revenues</u>					
Vehicle Certificate of Title Fees	6,320	0	0	0	0
Alcoholic Beverage Tax	47,070	0	0	0	0
State Revenue Sharing - T.V.A.	233,559	30,214	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
State Revenue Sharing - Telecommunications	\$ 21,903	\$ 2,833	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	603,837	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	11,373	0	0	0	0
Other State Grants	17,100	0	0	0	0
Other State Revenues	1,995	0	0	0	0
Total State of Tennessee	\$ 1,028,581	\$ 77,247	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 19,572	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	25,738	0	0	0	0
Total Federal Government	\$ 45,310	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 200,070	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	400,615	0
Total Other Governments and Citizens Groups	\$ 200,070	\$ 0	\$ 0	\$ 400,615	\$ 0
Total	\$ 5,412,731	\$ 375,072	\$ 16,721	\$ 400,615	\$ 164

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	HUD Grant Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 488,375	\$ 0	\$ 0	\$ 2,705,890
Trustee's Collections - Prior Year	0	28,520	0	0	157,934
Circuit Clerk/Clerk and Master Collections - Prior Years	0	21,620	0	0	119,785
Interest and Penalty	0	4,741	0	0	26,267
Payments in-Lieu-of Taxes - T.V.A.	0	1,767	0	0	9,789
Payments in-Lieu-of Taxes - Local Utilities	0	1,121	0	0	6,211
Payments in-Lieu-of Taxes - Other	0	593	0	0	3,288
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	86,600
Litigation Tax - General	0	0	0	0	14,143
Business Tax	0	0	0	0	34,230
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	4,413	0	0	24,452
Wholesale Beer Tax	0	0	0	0	67,229
Total Local Taxes	\$ 0	\$ 551,150	\$ 0	\$ 0	\$ 3,255,818
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76
Cable TV Franchise	0	3,334	0	0	18,471
Total Licenses and Permits	\$ 0	\$ 3,334	\$ 0	\$ 0	\$ 18,547
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,916

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	HUD Grant Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Circuit Court (Cont.)</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	2,673
Drug Control Fines	0	0	0	0	42
Drug Court Fees	0	0	0	0	384
Jail Fees	0	0	0	0	254
DUI Treatment Fines	0	0	0	0	95
<u>General Sessions Court</u>					
Fines	0	0	0	0	3,341
Officers Costs	0	0	0	0	16,886
Drug Control Fines	0	0	0	0	7,497
Drug Court Fees	0	0	0	0	3,258
Jail Fees	0	0	0	0	2,426
DUI Treatment Fines	0	0	0	0	1,603
Data Entry Fee - General Sessions Court	0	0	0	0	3,177
<u>Juvenile Court</u>					
Officers Costs	0	0	0	0	26
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	2,672
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	9,182
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	60,432
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	702
Patient Charges	0	0	0	0	964,841
Work Release Charges for Board	0	0	0	0	1,560

(Continued)

Exhibit K-5

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

	Special	Debt Service	Capital Projects Funds		Total
	Revenue Fund	Fund	Community Development/ Industrial Park	HUD Grant Projects	
	Highway / Public Works	General Debt Service			
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	1,200
Library Fees	0	0	0	0	879
Greenbelt Late Application Fee	0	0	0	0	200
Telephone Commissions	0	0	0	0	25,276
Constitutional Officers' Fees and Commissions	0	0	0	0	164
Data Processing Fee - Register	0	0	0	0	4,222
Data Processing Fee - Sheriff	0	0	0	0	8
Sexual Offender Registration Fee - Sheriff	0	0	0	0	3,900
Data Processing Fee - County Clerk	0	0	0	0	1,464
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	370
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	1,004,786
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 187,559	\$ 0	\$ 0	187,559
Lease/Rentals	0	0	0	0	150,000
Commissary Sales	0	0	0	0	3,940
Sale of Recycled Materials	0	0	0	0	8,652
Miscellaneous Refunds	1,230	205	0	0	15,813
<u>Nonrecurring Items</u>					
Sale of Equipment	24,223	0	0	0	67,878
Contributions and Gifts	0	0	0	0	421
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	33
Total Other Local Revenues	\$ 25,453	\$ 187,764	\$ 0	\$ 0	434,296

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	HUD Grant Projects	
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	247
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	94,816
Circuit Court Clerk	0	0	0	0	22,667
General Sessions Court Clerk	0	0	0	0	59,277
Clerk and Master	0	0	0	0	56,795
Juvenile Court Clerk	0	0	0	0	1,042
Register	0	0	0	0	49,038
Sheriff	0	0	0	0	8,431
Trustee	0	0	0	0	154,989
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	447,302
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	8,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	68,024
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	44,200
<u>Other State Revenues</u>					
Vehicle Certificate of Title Fees	0	0	0	0	6,320
Alcoholic Beverage Tax	0	0	0	0	47,070
State Revenue Sharing - T.V.A.	0	58,092	0	0	321,865

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	HUD Grant Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
State Revenue Sharing - Telecommunications	\$ 0	\$ 5,448	\$ 0	\$ 0	\$ 30,184
Contracted Prisoner Boarding	0	0	0	0	603,837
Gasoline and Motor Fuel Tax	2,106,429	0	0	0	2,106,429
Petroleum Special Tax	9,291	0	0	0	9,291
Registrar's Salary Supplement	0	0	0	0	11,373
Other State Grants	0	0	0	0	17,100
Other State Revenues	0	0	0	0	1,995
Total State of Tennessee	\$ 2,115,720	\$ 63,540	\$ 0	\$ 0	\$ 3,285,088
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,572
Other Federal through State	0	0	64,388	108,564	198,690
Total Federal Government	\$ 0	\$ 0	\$ 64,388	\$ 108,564	\$ 218,262
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,070
Contributions	0	1,107,469	0	0	1,508,084
Total Other Governments and Citizens Groups	\$ 0	\$ 1,107,469	\$ 0	\$ 0	\$ 1,708,154
Total	\$ 2,141,173	\$ 1,913,257	\$ 64,388	\$ 108,564	\$ 10,432,685

Exhibit K-6

Bledsoe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

	General Purpose School	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Debt Service	Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,633,192	\$ 0	\$ 0	\$ 79,928	\$ 0	\$ 1,713,120
Trustee's Collections - Prior Year	94,958	0	0	4,646	0	99,604
Circuit Clerk/Clerk and Master Collections - Prior Years	72,299	0	0	3,538	0	75,837
Interest and Penalty	15,853	0	0	775	0	16,628
Payments in-Lieu-of Taxes - T.V.A.	5,908	0	0	289	0	6,197
Payments in-Lieu-of Taxes - Local Utilities	3,749	0	0	183	0	3,932
Payments in-Lieu-of Taxes - Other	1,985	0	0	97	0	2,082
<u>County Local Option Taxes</u>						
Local Option Sales Tax	272,384	0	0	588,305	0	860,689
Mixed Drink Tax	45	0	0	0	0	45
<u>Statutory Local Taxes</u>						
Bank Excise Tax	14,759	0	0	722	0	15,481
Total Local Taxes	\$ 2,115,132	\$ 0	\$ 0	\$ 678,483	\$ 0	\$ 2,793,615
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 484	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484
Cable TV Franchise	11,148	0	0	546	0	11,694
Total Licenses and Permits	\$ 11,632	\$ 0	\$ 0	\$ 546	\$ 0	\$ 12,178
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 34,588	\$ 0	\$ 0	\$ 34,588
A la Carte Sales	0	0	69,295	0	0	69,295
Total Charges for Current Services	\$ 0	\$ 0	\$ 103,883	\$ 0	\$ 0	\$ 103,883

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Debt Service	Education Capital Projects	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,060	\$ 0	\$ 697	\$ 0	\$ 0	\$ 1,757
E-Rate Funding	9,073	0	0	0	0	9,073
Miscellaneous Refunds	65	0	0	0	0	65
<u>Nonrecurring Items</u>						
Sale of Equipment	2,555	10,356	0	0	0	12,911
Damages Recovered from Individuals	819	0	0	0	0	819
Contributions and Gifts	8,400	0	0	0	0	8,400
<u>Other Local Revenues</u>						
Other Local Revenues	196	0	0	0	0	196
Total Other Local Revenues	\$ 22,168	\$ 10,356	\$ 697	\$ 0	\$ 0	\$ 33,221
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 43,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,994
<u>State Education Funds</u>						
Basic Education Program	12,351,277	0	0	0	0	12,351,277
Early Childhood Education	433,825	0	0	0	0	433,825
School Food Service	0	0	11,188	0	0	11,188
Other State Education Funds	241,430	0	0	0	0	241,430
Career Ladder Program	46,332	0	0	0	0	46,332
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	194,267	0	0	9,507	0	203,774
State Revenue Sharing - Telecommunications	18,218	0	0	892	0	19,110
Other State Grants	144,220	0	3,700	0	0	147,920
Total State of Tennessee	\$ 13,473,563	\$ 0	\$ 14,888	\$ 10,399	\$ 0	\$ 13,498,850

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Debt Service	Education Capital Projects	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 685,859	\$ 0	\$ 0	\$ 685,859
USDA - Commodities	0	0	98,989	0	0	98,989
Breakfast	0	0	376,091	0	0	376,091
USDA - Other	0	0	73,891	0	0	73,891
Vocational Education - Basic Grants to States	60,293	39,944	0	0	0	100,237
Title I Grants to Local Education Agencies	0	627,373	0	0	0	627,373
Special Education - Grants to States	0	483,919	0	0	0	483,919
Special Education Preschool Grants	0	28,267	0	0	0	28,267
English Language Acquisition Grants	0	2,814	0	0	0	2,814
Rural Education	0	32,609	0	0	0	32,609
Eisenhower Professional Development State Grants	0	92,534	0	0	0	92,534
Other Federal through State	45,422	0	108,427	0	0	153,849
Total Federal Government	\$ 105,715	\$ 1,307,460	\$ 1,343,257	\$ 0	\$ 0	\$ 2,756,432
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 15,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 15,000
Total	\$ 15,728,210	\$ 1,317,816	\$ 1,462,725	\$ 689,428	\$ 15,000	\$ 19,213,179

Exhibit K-7

Bledsoe County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

	General	Total
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 881	\$ 881
Lease/Rentals	20,400	20,400
Total Other Local Revenues	<u>\$ 21,281</u>	<u>\$ 21,281</u>
Total	<u>\$ 21,281</u>	<u>\$ 21,281</u>

Exhibit K-8

Bledsoe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	49,791	
Social Security		2,414	
Pensions		1,274	
Medical Insurance		14,871	
Employer Medicare		565	
Audit Services		4,893	
Dues and Memberships		1,350	
Legal Notices, Recording, and Court Costs		1,200	
Postal Charges		26	
Total County Commission			\$ 76,384

Board of Equalization

Board and Committee Members Fees	\$	300	
Total Board of Equalization			300

County Mayor/Executive

County Official/Administrative Officer	\$	83,238	
Assistant(s)		31,919	
Secretary(ies)		29,066	
Social Security		8,659	
Pensions		12,447	
Life Insurance		101	
Medical Insurance		9,574	
Employer Medicare		2,025	
Communication		3,956	
Data Processing Services		14,738	
Dues and Memberships		1,475	
Maintenance Agreements		1,200	
Postal Charges		1,500	
Rentals		92	
Travel		4,152	
Office Supplies		1,534	
Premiums on Corporate Surety Bonds		699	
Total County Mayor/Executive			206,375

County Attorney

Legal Services	\$	4,950	
Legal Notices, Recording, and Court Costs		931	
Total County Attorney			5,881

Election Commission

County Official/Administrative Officer	\$	61,260	
Secretary(ies)		7,117	
Election Commission		4,700	
Election Workers		21,906	
Social Security		3,509	
Pensions		5,287	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Life Insurance	\$	35	
Medical Insurance		4,813	
Employer Medicare		821	
Communication		804	
Legal Notices, Recording, and Court Costs		2,488	
Maintenance Agreements		1,000	
Postal Charges		742	
Rentals		56	
Travel		5,117	
Other Contracted Services		731	
Data Processing Supplies		17,155	
Office Supplies		972	
Other Charges		1,820	
Total Election Commission			\$ 140,333

Register of Deeds

County Official/Administrative Officer	\$	72,069	
Clerical Personnel		27,070	
Social Security		5,636	
Pensions		8,556	
Life Insurance		40	
Medical Insurance		8,837	
Employer Medicare		1,318	
Communication		1,169	
Data Processing Services		4,215	
Dues and Memberships		641	
Maintenance Agreements		1,111	
Postal Charges		111	
Rentals		56	
Travel		544	
Office Supplies		1,692	
Premiums on Corporate Surety Bonds		349	
Total Register of Deeds			133,414

County Buildings

Custodial Personnel	\$	23,480	
Social Security		2,258	
Pensions		2,026	
Life Insurance		35	
Medical Insurance		4,787	
Employer Medicare		528	
Communication		2,797	
Maintenance and Repair Services - Buildings		48,161	
Other Contracted Services		719	
Custodial Supplies		3,132	
Electricity		27,580	
Water and Sewer		5,872	
Other Supplies and Materials		214	
Total County Buildings			121,589

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

Other Salaries and Wages	\$	1,149	
Social Security		71	
Employer Medicare		17	
Dues and Memberships		1,071	
Other Contracted Services		55,685	
Office Supplies		943	
Other Supplies and Materials		5,964	
Building and Contents Insurance		107,110	
Trustee's Commission		48,513	
Workers' Compensation Insurance		76,953	
Liability Claims		500	
Other Charges		770	
Total Other General Administration			\$ 298,746

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		32,415	
Clerical Personnel		11,920	
Social Security		6,939	
Pensions		10,046	
Medical Insurance		5,584	
Employer Medicare		1,623	
Communication		1,252	
Contracts with Government Agencies		5,856	
Maintenance Agreements		1,075	
Postal Charges		928	
Rentals		56	
Travel		2,593	
Other Contracted Services		970	
Office Supplies		2,167	
Total Property Assessor's Office			155,493

County Trustee's Office

County Official/Administrative Officer	\$	72,069
Deputy(ies)		19,000
Social Security		5,633
Pensions		7,859
Life Insurance		67
Employer Medicare		1,317
Communication		1,373
Data Processing Services		17,466
Dues and Memberships		679
Legal Notices, Recording, and Court Costs		320
Maintenance Agreements		379
Postal Charges		605
Printing, Stationery, and Forms		295

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Rentals	\$	64	
Travel		70	
Data Processing Supplies		1,897	
Office Supplies		1,427	
Premiums on Corporate Surety Bonds		7,373	
Total County Trustee's Office	\$		137,893

County Clerk's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		29,500	
Social Security		6,104	
Pensions		8,765	
Life Insurance		70	
Medical Insurance		8,000	
Employer Medicare		1,428	
Communication		1,824	
Dues and Memberships		641	
Maintenance Agreements		379	
Postal Charges		2,836	
Rentals		56	
Travel		228	
Data Processing Supplies		8,214	
Office Supplies		2,448	
Premiums on Corporate Surety Bonds		349	
Total County Clerk's Office			142,911

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		22,211	
Accountants/Bookkeepers		29,702	
Clerical Personnel		22,056	
Jury and Witness Expense		5,707	
Social Security		8,914	
Pensions		10,686	
Life Insurance		70	
Medical Insurance		9,574	
Employer Medicare		2,085	
Communication		3,558	
Data Processing Services		11,880	
Dues and Memberships		541	
Maintenance Agreements		1,046	
Postal Charges		1,300	
Rentals		56	
Other Contracted Services		1,171	
Office Supplies		2,924	
Premiums on Corporate Surety Bonds		349	
Total Circuit Court			205,899

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	103,173	
Social Security		6,397	
Pensions		8,904	
Employer Medicare		1,496	
Total General Sessions Court			\$ 119,970

Chancery Court

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		31,364	
Secretary(ies)		18,600	
Social Security		7,076	
Pensions		9,436	
Life Insurance		104	
Medical Insurance		9,373	
Employer Medicare		1,655	
Communication		1,785	
Data Processing Services		5,841	
Dues and Memberships		701	
Legal Notices, Recording, and Court Costs		1,010	
Maintenance Agreements		1,028	
Postal Charges		3,000	
Rentals		92	
Data Processing Supplies		298	
Office Supplies		2,152	
Total Chancery Court			165,584

Juvenile Court

Social Workers	\$	30,009	
In-service Training		350	
Social Security		1,818	
Pensions		2,590	
Life Insurance		35	
Employer Medicare		425	
Communication		600	
Maintenance Agreements		379	
Travel		713	
Office Supplies		590	
Total Juvenile Court			37,509

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,276	
Deputy(ies)		345,748	
Youth Service Officer(s)		156,689	
Salary Supplements		8,400	
Overtime Pay		84,326	
In-service Training		6,645	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Social Security	\$	41,112	
Pensions		57,531	
Life Insurance		386	
Medical Insurance		45,617	
Employer Medicare		9,615	
Communication		1,046	
Dues and Memberships		1,500	
Maintenance Agreements		1,499	
Maintenance and Repair Services - Equipment		641	
Maintenance and Repair Services - Vehicles		19,933	
Medical and Dental Services		60	
Postal Charges		110	
Towing Services		7,385	
Travel		3,296	
Gasoline		57,198	
Office Supplies		556	
Uniforms		5,124	
Other Supplies and Materials		1,526	
Premiums on Corporate Surety Bonds		998	
Law Enforcement Equipment		8,355	
Motor Vehicles		56,182	
Total Sheriff's Department			\$ 1,000,754

Jail

Supervisor/Director	\$	41,625
Guards		552,239
Cafeteria Personnel		34,104
Part-time Personnel		48,443
Overtime Pay		49,212
In-service Training		914
Social Security		43,613
Pensions		45,530
Life Insurance		379
Medical Insurance		60,723
Employer Medicare		10,200
Communication		10,740
Medical and Dental Services		71,111
Postal Charges		1,300
Travel		1,672
Other Contracted Services		23,269
Custodial Supplies		11,000
Drugs and Medical Supplies		7,496
Electricity		53,644
Food Supplies		122,531
Natural Gas		20,590
Office Supplies		2,246
Prisoners Clothing		4,320

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	1,445	
Water and Sewer		23,172	
Other Supplies and Materials		22,703	
Total Jail			\$ 1,264,221

Fire Prevention and Control

Contributions	\$	45,000	
Refunds		1,600	
Other Charges		500	
Total Fire Prevention and Control			47,100

Rescue Squad

Contributions	\$	6,200	
Total Rescue Squad			6,200

Other Emergency Management

Supervisor/Director	\$	9,023	
Social Security		559	
Employer Medicare		131	
Communication		1,707	
Licenses		645	
Maintenance and Repair Services - Equipment		309	
Maintenance and Repair Services - Vehicles		1,296	
Travel		375	
Diesel Fuel		685	
Other Supplies and Materials		23,617	
Other Charges		6,089	
Total Other Emergency Management			44,436

County Coroner/Medical Examiner

Medical and Dental Services	\$	27,338	
Travel		5,500	
Total County Coroner/Medical Examiner			32,838

Public Health and Welfare

Local Health Center

Secretary(ies)	\$	5,600	
Social Security		347	
Employer Medicare		81	
Communication		4,719	
Contracts with Government Agencies		9,295	
Dues and Memberships		200	
Other Contracted Services		10,424	
Electricity		13,220	
Utilities		3,091	
Total Local Health Center			46,977

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Supervisor/Director	\$	60,952	
Medical Personnel		306,567	
Clerical Personnel		43,181	
Part-time Personnel		30,399	
Overtime Pay		258,923	
In-service Training		3,890	
Social Security		51,932	
Pensions		47,393	
Life Insurance		234	
Medical Insurance		92,560	
Communication		6,468	
Consultants		31,397	
Dues and Memberships		435	
Licenses		1,500	
Maintenance and Repair Services - Equipment		3,702	
Maintenance and Repair Services - Vehicles		38,877	
Postal Charges		25	
Travel		1,323	
Other Contracted Services		21,817	
Drugs and Medical Supplies		27,012	
Electricity		6,512	
Gasoline		39,760	
Office Supplies		4,167	
Uniforms		4,004	
Water and Sewer		1,522	
Other Supplies and Materials		1,232	
Refunds		1,890	
Vehicle and Equipment Insurance		4,000	
Workers' Compensation Insurance		13,000	
Other Charges		2,612	
Principal on Capital Leases		19,443	
Interest on Capital Leases		345	
Communication Equipment		726	
Motor Vehicles		127,570	
Total Ambulance/Emergency Medical Services			\$ 1,255,370

Other Local Health Services

Medical Personnel	\$	37,839	
Clerical Personnel		11,403	
Other Salaries and Wages		1,557	
Social Security		3,067	
Pensions		3,266	
Medical Insurance		4,787	
Employer Medicare		717	
Travel		3,486	
Other Contracted Services		2,573	
Other Supplies and Materials		57	
Total Other Local Health Services			68,752

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Contributions	\$ 1,545	
Total General Welfare Assistance		\$ 1,545

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 4,500	
Total Senior Citizens Assistance		4,500

Libraries

Assistant(s)	\$ 18,960	
Librarians	34,973	
Social Security	3,056	
Pensions	4,654	
Life Insurance	50	
Medical Insurance	8,459	
Employer Medicare	715	
Communication	3,140	
Dues and Memberships	60	
Maintenance and Repair Services - Buildings	300	
Postal Charges	156	
Travel	130	
Other Contracted Services	1,946	
Data Processing Supplies	1,679	
Electricity	2,470	
Library Books/Media	3,165	
Water and Sewer	2,286	
Other Supplies and Materials	1,508	
Data Processing Equipment	1,244	
Total Libraries		88,951

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 43,324	
Social Security	2,685	
Pensions	7,142	
Medical Insurance	2,843	
Unemployment Compensation	4	
Employer Medicare	469	
Communication	3,755	
Transportation - Other than Students	4,800	
Other Supplies and Materials	4,900	
Workers' Compensation Insurance	33	
Total Agricultural Extension Service		69,955

Soil Conservation

Contributions	\$ 5,000	
Total Soil Conservation		5,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 3,575	
Total Other Economic and Community Development		\$ 3,575

Veterans' Services

Supervisor/Director	\$ 18,600	
Social Security	1,153	
Pensions	1,426	
Employer Medicare	270	
Communication	3,286	
Maintenance Agreements	449	
Postal Charges	100	
Travel	327	
Other Contracted Services	474	
Custodial Supplies	76	
Electricity	1,593	
Office Supplies	1,244	
Water and Sewer	2,539	
Total Veterans' Services		31,537

Contributions to Other Agencies

Contributions	\$ 2,200	
Total Contributions to Other Agencies		2,200

Total General Fund \$ 5,922,192

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$ 23,014
Other Salaries and Wages	75,792
Social Security	4,616
Pensions	3,667
Life Insurance	50
Medical Insurance	4,788
Employer Medicare	1,080
Communication	1,620
Maintenance and Repair Services - Buildings	524
Other Contracted Services	85,998
Diesel Fuel	16,194
Electricity	3,506
Equipment and Machinery Parts	8,874
Water and Sewer	425
Other Supplies and Materials	2,078
Building and Contents Insurance	5,000
Trustee's Commission	5,882
Vehicle and Equipment Insurance	5,000
Workers' Compensation Insurance	4,700

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Motor Vehicles	\$	4,200	
Solid Waste Equipment		744	
Other Construction		1,800	
Total Convenience Centers			\$ 259,552

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	47,541	
Total Landfill Operation and Maintenance			47,541

Highways

Litter and Trash Collection

Education Media Personnel	\$	8,840	
Clerical Personnel		4,700	
Other Salaries and Wages		39,633	
Social Security		2,604	
Pensions		2,408	
Life Insurance		63	
Medical Insurance		9,967	
Employer Medicare		609	
Other Supplies and Materials		4,489	
Total Litter and Trash Collection			73,313

Total Solid Waste/Sanitation Fund \$ 380,406

Drug Control Fund

Public Safety

Sheriff's Department

Other Supplies and Materials	\$	2,449	
Total Sheriff's Department			\$ 2,449

Drug Enforcement

Confidential Drug Enforcement Payments	\$	500	
Other Supplies and Materials		2,060	
Trustee's Commission		75	
Total Drug Enforcement			2,635

Total Drug Control Fund 5,084

Other Special Revenue Fund

Public Safety

Other Public Safety

Supervisor/Director	\$	41,280	
Dispatchers/Radio Operators		178,637	
Part-time Personnel		16,698	
Overtime Pay		27,863	
In-service Training		1,492	
Social Security		19,639	

(Continued)

Exhibit K-8

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

Other Special Revenue Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Pensions	\$	21,257	
Life Insurance		157	
Medical Insurance		14,361	
Communication		9,783	
Dues and Memberships		234	
Travel		2,812	
Other Contracted Services		5,760	
Electricity		5,727	
Gasoline		537	
Office Supplies		5,610	
Water and Sewer		1,362	
Building and Contents Insurance		5,000	
Refunds		120,000	
Workers' Compensation Insurance		6,000	
Other Charges		1,214	
Total Other Public Safety			\$ 485,423

Total Other Special Revenue Fund \$ 485,423

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	107	
Total Register of Deeds			\$ 107

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	32	
Total Circuit Court			32

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$	25	
Total General Sessions Court Clerk			25

Total Constitutional Officers - Fees Fund 164

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	79,276	
Data Processing Personnel		29,707	
Secretary(ies)		21,125	
Communication		5,612	
Data Processing Services		8,356	
Dues and Memberships		3,053	
Legal Notices, Recording, and Court Costs		31	
Postal Charges		673	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Travel	\$	4,105	
Other Contracted Services		1,425	
Data Processing Supplies		493	
Electricity		7,252	
Office Supplies		1,546	
Propane Gas		3,960	
Uniforms		1,823	
Water and Sewer		3,076	
Other Supplies and Materials		1,075	
Other Charges		6,069	
Total Administration			\$ 178,657

Highway and Bridge Maintenance

Foremen	\$	45,038	
Equipment Operators		149,166	
Truck Drivers		70,569	
Laborers		128,538	
Overtime Pay		10,000	
Freight Expenses		1,221	
Other Contracted Services		100	
Asphalt		158,698	
Concrete		5,206	
Crushed Stone		142,193	
Ice		1,327	
Other Road Materials		249	
Pipe - Metal		67,736	
Propane Gas		114	
Road Signs		4,385	
Wood Products		129	
Other Supplies and Materials		1,793	
Other Charges		566	
Total Highway and Bridge Maintenance			787,028

Operation and Maintenance of Equipment

Mechanic(s)	\$	30,174	
Nightwatchmen		42,812	
Overtime Pay		1,000	
Freight Expenses		1,753	
Maintenance and Repair Services - Equipment		7,310	
Maintenance and Repair Services - Vehicles		1,799	
Other Contracted Services		1,430	
Diesel Fuel		57,945	
Equipment and Machinery Parts		68,868	
Garage Supplies		8,885	
Gasoline		16,687	
Lubricants		14,327	
Small Tools		4,423	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Tires and Tubes	\$	22,147	
Other Supplies and Materials		2,859	
Other Charges		288	
Total Operation and Maintenance of Equipment			\$ 282,707

Quarry Operations

Other Charges	\$	1,762	
Total Quarry Operations			1,762

Other Charges

Other Contracted Services	\$	3,748	
Building and Contents Insurance		745	
Liability Insurance		12,472	
Trustee's Commission		21,263	
Vehicle and Equipment Insurance		5,943	
Workers' Compensation Insurance		36,283	
Principal on Capital Leases		14,338	
Interest on Capital Leases		1,415	
Other Debt Service		2,136	
Total Other Charges			98,343

Employee Benefits

Social Security	\$	44,758	
Pensions		35,867	
Employee and Dependent Insurance		207,371	
Unemployment Compensation		4,233	
Other Fringe Benefits		660	
Total Employee Benefits			292,889

Capital Outlay

Building Improvements	\$	3,415	
Highway Equipment		416,380	
Office Equipment		564	
Total Capital Outlay			420,359

Total Highway/Public Works Fund \$ 2,061,745

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	285,000	
Principal on Other Loans		25,298	
Total General Government			\$ 310,298

Education

Principal on Bonds	\$	825,000	
Principal on Notes		39,370	
Total Education			864,370

(Continued)

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 356,160	
Total General Government		\$ 356,160
 <u>Education</u>		
Interest on Bonds	\$ 236,719	
Interest on Notes	<u>6,380</u>	
Total Education		243,099
 <u>Other Debt Service</u>		
<u>General Government</u>		
Fiscal Agent Charges	\$ 353	
Trustee's Commission	<u>11,307</u>	
Total General Government		<u>11,660</u>
Total General Debt Service Fund		\$ 1,785,587
 <u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Other Capital Outlay	\$ 1,399,567	
Total Other General Government Projects		<u>\$ 1,399,567</u>
Total General Capital Projects Fund		1,399,567
 <u>Community Development/Industrial Park Fund</u>		
<u>Capital Projects</u>		
<u>Public Health and Welfare Projects</u>		
Legal Notices, Recording, and Court Costs	\$ 236	
Other Contracted Services	13,500	
Other Capital Outlay	<u>111,252</u>	
Total Public Health and Welfare Projects		<u>\$ 124,988</u>
Total Community Development/Industrial Park Fund		124,988
 <u>HUD Grant Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Building Improvements	\$ 101,964	
Total General Administration Projects		\$ 101,964
 <u>Public Health and Welfare Projects</u>		
Other Contracted Services	\$ 6,600	
Total Public Health and Welfare Projects		<u>6,600</u>
Total HUD Grant Projects Fund		<u>108,564</u>
Total Governmental Funds - Primary Government		<u>\$ 12,273,720</u>

Bledsoe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,634,466	
Career Ladder Program	17,800	
Homebound Teachers	3,375	
Educational Assistants	272,751	
Certified Substitute Teachers	37,726	
Non-certified Substitute Teachers	66,944	
Social Security	291,256	
Pensions	489,022	
Life Insurance	463	
Medical Insurance	706,949	
Employer Medicare	69,013	
Other Contracted Services	7,592	
Instructional Supplies and Materials	76,167	
Textbooks - Bound	164,836	
Other Supplies and Materials	3,376	
Other Charges	5,005	
Regular Instruction Equipment	81,637	
Total Regular Instruction Program		\$ 6,928,378

Alternative Instruction Program

Teachers	\$ 23,960	
Social Security	1,338	
Pensions	1,503	
Medical Insurance	8,111	
Employer Medicare	313	
Total Alternative Instruction Program		35,225

Special Education Program

Teachers	\$ 804,018	
Career Ladder Program	5,000	
Homebound Teachers	2,600	
Educational Assistants	256,771	
Speech Pathologist	122,883	
Other Salaries and Wages	8,306	
Social Security	69,841	
Pensions	110,498	
Medical Insurance	170,603	
Employer Medicare	16,334	
Contracts with Private Agencies	8,076	
Maintenance and Repair Services - Equipment	2,436	
Other Contracted Services	306	
Instructional Supplies and Materials	11,121	
Other Supplies and Materials	3,776	
Special Education Equipment	2,971	
Total Special Education Program		1,595,540

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	351,712	
Career Ladder Program		3,000	
Certified Substitute Teachers		360	
Non-certified Substitute Teachers		8,370	
Social Security		21,410	
Pensions		34,373	
Medical Insurance		50,207	
Employer Medicare		5,011	
Other Contracted Services		2,009	
Instructional Supplies and Materials		8,848	
Vocational Instruction Equipment		75,000	
Total Career and Technical Education Program	\$		560,300

Support Services

Attendance

Supervisor/Director	\$	32,918	
Other Salaries and Wages		15,312	
Social Security		1,965	
Pensions		3,443	
Medical Insurance		3,677	
Employer Medicare		682	
Data Processing Services		6,510	
Postal Charges		1,418	
Other Supplies and Materials		8,404	
In Service/Staff Development		10,343	
Attendance Equipment		835	
Total Attendance			85,507

Health Services

Supervisor/Director	\$	52,648	
Medical Personnel		142,048	
Other Salaries and Wages		15,492	
Social Security		12,711	
Pensions		18,707	
Medical Insurance		14,580	
Employer Medicare		2,973	
Travel		941	
Other Supplies and Materials		8,172	
In Service/Staff Development		2,204	
Other Charges		586	
Health Equipment		6,818	
Total Health Services			277,880

Other Student Support

Guidance Personnel	\$	171,790	
Other Salaries and Wages		29,986	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	9,999	
Pensions		17,969	
Medical Insurance		22,943	
Employer Medicare		2,773	
Evaluation and Testing		8,628	
Other Contracted Services		6,000	
Other Supplies and Materials		12,594	
In Service/Staff Development		6,251	
Other Charges		2,079	
Other Equipment		70,114	
Other Capital Outlay		4,120	
Total Other Student Support	\$		365,246

Regular Instruction Program

Supervisor/Director	\$	97,804	
Career Ladder Program		4,000	
Librarians		174,829	
Other Salaries and Wages		36,306	
Social Security		18,666	
Pensions		32,069	
Medical Insurance		19,500	
Employer Medicare		4,366	
Maintenance and Repair Services - Equipment		1,958	
Travel		2,913	
Other Contracted Services		425	
Library Books/Media		8,722	
Other Supplies and Materials		100	
In Service/Staff Development		29,948	
Other Charges		55	
Total Regular Instruction Program			431,661

Special Education Program

Supervisor/Director	\$	86,184	
Career Ladder Program		1,000	
Psychological Personnel		57,082	
Assessment Personnel		61,759	
Secretary(ies)		33,527	
Social Security		14,049	
Pensions		24,445	
Medical Insurance		34,329	
Employer Medicare		3,286	
Communication		4,736	
Postal Charges		476	
Travel		3,010	
Other Contracted Services		68,744	
Other Supplies and Materials		5,149	
In Service/Staff Development		4,184	
Total Special Education Program			401,960

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	792	
Travel		100	
In Service/Staff Development		168	
Total Career and Technical Education Program	\$		1,060

Technology

Supervisor/Director	\$	32,420	
Other Salaries and Wages		75,071	
Social Security		4,434	
Pensions		6,479	
Medical Insurance		11,918	
Employer Medicare		1,507	
Communication		9,316	
Maintenance and Repair Services - Equipment		2,308	
Internet Connectivity		37,302	
Travel		319	
Other Supplies and Materials		4,015	
In Service/Staff Development		3,726	
Other Charges		14,512	
Other Equipment		11,302	
Total Technology			214,629

Other Programs

On-behalf Payments to OPEB	\$	43,994	
Total Other Programs			43,994

Board of Education

Board and Committee Members Fees	\$	27,629	
Social Security		1,353	
Medical Insurance		27,516	
Unemployment Compensation		7,637	
Employer Medicare		316	
Audit Services		5,500	
Dues and Memberships		7,067	
Legal Services		26,199	
Other Contracted Services		2,000	
Office Supplies		34	
Other Supplies and Materials		186	
Liability Insurance		115,746	
Trustee's Commission		57,664	
Workers' Compensation Insurance		78,923	
In Service/Staff Development		6,759	
Refund to Applicant for Criminal Investigation		5,976	
Other Charges		7,877	
Total Board of Education			378,382

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	103,791	
Career Ladder Program		1,000	
Social Security		6,496	
Pensions		11,484	
Medical Insurance		19,148	
Employer Medicare		1,519	
Communication		13,664	
Dues and Memberships		1,570	
Maintenance and Repair Services - Equipment		460	
Postal Charges		1,000	
Travel		5,000	
Office Supplies		316	
In Service/Staff Development		2,873	
Other Charges		1,192	
Administration Equipment		1,682	
Total Director of Schools			\$ 171,195

Office of the Principal

Principals	\$	443,471	
Career Ladder Program		4,000	
Assistant Principals		73,794	
Secretary(ies)		134,134	
Social Security		39,127	
Pensions		66,659	
Medical Insurance		57,622	
Employer Medicare		9,151	
Communication		2,406	
Other Charges		3,665	
Total Office of the Principal			834,029

Fiscal Services

Supervisor/Director	\$	75,982	
Accountants/Bookkeepers		94,026	
Other Salaries and Wages		1,200	
Social Security		9,909	
Pensions		16,166	
Medical Insurance		30,545	
Employer Medicare		2,318	
Data Processing Services		21,531	
Travel		172	
Office Supplies		1,925	
In Service/Staff Development		1,563	
Administration Equipment		266	
Total Fiscal Services			255,603

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	342,137	
Social Security		19,915	
Pensions		29,423	
Medical Insurance		62,624	
Employer Medicare		4,658	
Other Contracted Services		58,832	
Custodial Supplies		86,057	
Electricity		365,547	
Natural Gas		35,314	
Water and Sewer		49,701	
Other Supplies and Materials		1,127	
Plant Operation Equipment		190	
Total Operation of Plant			\$ 1,055,525

Maintenance of Plant

Supervisor/Director	\$	32,918	
Maintenance Personnel		98,700	
Social Security		7,774	
Pensions		11,961	
Medical Insurance		24,858	
Employer Medicare		1,818	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		99,738	
Maintenance and Repair Services - Equipment		9,985	
Travel		132	
Other Contracted Services		24,524	
Other Supplies and Materials		3,273	
In Service/Staff Development		2,329	
Maintenance Equipment		35,722	
Total Maintenance of Plant			353,932

Transportation

Mechanic(s)	\$	68,787	
Bus Drivers		352,732	
Other Salaries and Wages		35,687	
Social Security		27,739	
Pensions		39,197	
Medical Insurance		25,223	
Employer Medicare		6,581	
Maintenance and Repair Services - Vehicles		15,991	
Medical and Dental Services		3,181	
Other Contracted Services		5,525	
Diesel Fuel		87,133	
Gasoline		6,537	
Lubricants		3,638	
Tires and Tubes		16,908	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	25,734	
Other Supplies and Materials		10,819	
In Service/Staff Development		2,486	
Other Charges		185	
Administration Equipment		1,171	
Transportation Equipment		105,424	
Total Transportation			\$ 840,678

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$	7,583	
Social Security		464	
Pensions		654	
Employer Medicare		108	
Total Food Service			8,809

Community Services

Supervisor/Director	\$	11,880	
Teachers		55,911	
Clerical Personnel		31,500	
Educational Assistants		20,386	
Other Salaries and Wages		66,428	
Social Security		9,028	
Pensions		14,626	
Medical Insurance		16,878	
Employer Medicare		2,532	
Communication		3,540	
Postal Charges		496	
Travel		959	
Instructional Supplies and Materials		5,603	
Other Supplies and Materials		3,760	
In Service/Staff Development		4,778	
Other Charges		495	
Total Community Services			248,800

Early Childhood Education

Supervisor/Director	\$	10,325	
Teachers		204,623	
Educational Assistants		61,664	
Other Salaries and Wages		39,087	
Non-certified Substitute Teachers		3,000	
Social Security		18,422	
Pensions		27,593	
Medical Insurance		26,329	
Employer Medicare		4,465	
Communication		3,834	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	557	
Instructional Supplies and Materials		23,177	
Other Supplies and Materials		515	
In Service/Staff Development		4,979	
Other Equipment		4,196	
Total Early Childhood Education			\$ 432,766

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	17,779	
Total Regular Capital Outlay			17,779

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	39,370	
Total Education			39,370

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	6,380	
Total Education			6,380

Total General Purpose School Fund \$ 15,584,628

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	263,809	
Educational Assistants		53,438	
Certified Substitute Teachers		450	
Non-certified Substitute Teachers		4,440	
Social Security		18,238	
Pensions		32,206	
Medical Insurance		67,291	
Employer Medicare		4,289	
Instructional Supplies and Materials		56,185	
Regular Instruction Equipment		39,127	
Total Regular Instruction Program			\$ 539,473

Special Education Program

Educational Assistants	\$	283,409	
Non-certified Substitute Teachers		13,234	
Social Security		16,968	
Pensions		24,456	
Medical Insurance		63,810	
Employer Medicare		3,984	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$ 9,578	
Special Education Equipment	2,699	
Total Special Education Program		\$ 418,138

Career and Technical Education Program

Other Supplies and Materials	\$ 76	
Vocational Instruction Equipment	27,965	
Total Career and Technical Education Program		28,041

Support Services

Other Student Support

Travel	\$ 6,900	
Other Supplies and Materials	6,784	
In Service/Staff Development	3,453	
Other Charges	5,284	
Total Other Student Support		22,421

Regular Instruction Program

Supervisor/Director	\$ 68,038	
Clerical Personnel	19,614	
In-service Training	2,450	
Social Security	4,833	
Pensions	9,066	
Medical Insurance	29,040	
Employer Medicare	1,131	
Consultants	44,400	
Travel	362	
Other Supplies and Materials	1,844	
In Service/Staff Development	23,866	
Total Regular Instruction Program		204,644

Special Education Program

Psychological Personnel	\$ 52,108	
Social Security	3,106	
Pensions	5,451	
Medical Insurance	5,983	
Employer Medicare	726	
Travel	453	
Other Supplies and Materials	1,292	
In Service/Staff Development	14,290	
Total Special Education Program		83,409

Career and Technical Education Program

In Service/Staff Development	\$ 1,074	
Total Career and Technical Education Program		1,074

Total School Federal Projects Fund \$ 1,297,200

(Continued)

Exhibit K-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,606	
Cafeteria Personnel		423,583	
Other Salaries and Wages		20,287	
Social Security		27,456	
Pensions		39,549	
Medical Insurance		127,365	
Employer Medicare		6,421	
Communication		2,556	
Maintenance and Repair Services - Equipment		31,335	
Travel		3,836	
Other Contracted Services		11,850	
Food Preparation Supplies		62,077	
Food Supplies		537,395	
Office Supplies		3,066	
Uniforms		195	
USDA - Commodities		98,989	
In Service/Staff Development		14,002	
Other Charges		2,209	
Food Service Equipment		4,496	
Total Food Service			\$ 1,459,273

Total Central Cafeteria Fund \$ 1,459,273

Education Debt Service Fund

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	825,000	
Total Education			\$ 825,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	236,719	
Total Education			236,719

Other Debt Service

Education

Fiscal Agent Charges	\$	1,356	
Trustee's Commission		7,714	
Total Education			9,070

Total Education Debt Service Fund 1,070,789

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Capital Outlay	\$	88,377	
Total Education Capital Projects			\$ 88,377

Total Education Capital Projects Fund 88,377

Total Governmental Funds - Bledsoe County School Department \$ 19,500,267

Exhibit K-10

Bledsoe County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bledsoe County Industrial Development Corporation Board
For the Year Ended June 30, 2019

General Fund

Other Operations

Industrial Development

Advertising	\$ 70	
Total Industrial Development		\$ 70

Principal on Debt

General Government

Principal on Notes	\$ 50,753	
Total General Government		50,753

Interest on Debt

General Government

Interest on Notes	\$ 741	
Total General Government		<u>741</u>

Total General Fund		<u>\$ 51,564</u>
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Total Governmental Funds - Bledsoe County Industrial Development Corporation Board		<u><u>\$ 51,564</u></u>
--	--	-------------------------

Exhibit K-11

Bledsoe County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	<u>\$ 257,074</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 254,503
Trustee's Commission	2,571
Total Cash Disbursements	<u>\$ 257,074</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2018	<u>0</u>
Cash Balance, June 30, 2019	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

Bledsoe County Mayor and
Board of County Commissioners
Bledsoe 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 Bledsoe County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Bledsoe County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 27, 2020. Our report includes a reference to other auditors who audited the financial statements of the Bledsoe County Nursing Home as described in our report on Bledsoe County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bledsoe 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

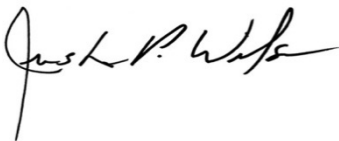
Bledsoe County's Response to the Finding

Bledsoe County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Bledsoe County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bledsoe County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 27, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Bledsoe 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 Bledsoe County's major federal programs for the year ended June 30, 2019. Bledsoe 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bledsoe 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 Bledsoe 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 Bledsoe County's compliance.

Opinion on Each Major Federal Program

In our opinion, Bledsoe 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, 2019.

Report on Internal Control Over Compliance

Management of Bledsoe 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 Bledsoe 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 Bledsoe 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.

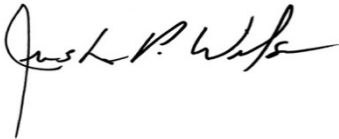
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 Bledsoe County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Bledsoe County's basic financial statements. We issued our report thereon dated January 27, 2020, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 27, 2020

JPW/yu

Bledsoe County, Tennessee, and the Bledsoe County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2019

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Healthier US School Challenge: Smarter Lunchrooms	10.543	N/A	\$ 2,500
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	376,091
National School Lunch Program	10.555	N/A	838,241 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	5,236
Fresh Fruit and Vegetable Program	10.582	N/A	22,200
Passed-through State Department of Agriculture:			
Child Nutrition Cluster (4):			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	98,989 (5)
Total U.S. Department of Agriculture			<u>\$ 1,343,257</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	(3)	\$ 108,564
Total U.S. Department of Housing and Urban Development			<u>\$ 108,564</u>
U.S. Department of the Interior:			
Passed-through State Department of Environment and Conservation:			
Historical Preservation Fund Grants-In-Aid	15.904	(3)	\$ 25,738
Total U.S. Department of the Interior			<u>\$ 25,738</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(3)	\$ 64,388
Total Appalachian Regional Commission			<u>\$ 64,388</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	GG-06-12329-00	\$ 60,293
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	637,920
Special Education Cluster:(4)			
Special Education - Grants to States	84.027	N/A	491,719
Special Education - Preschool Grants	84.173	N/A	27,424
Career and Technical Education - Basic Grants to States	84.048	N/A	39,943
Rural Education	84.358	N/A	32,609
Supporting Effective Instruction State Grants	84.367	N/A	91,213
Passed-through State Board of Education:			
English Language Acquisition State Grants	84.365	N/A	2,814
Total U.S. Department of Education			<u>\$ 1,383,935</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	N/A	\$ 36,620
Total U.S. Department of Health and Human Services			<u>\$ 36,620</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	N/A	\$ 19,572
Total U.S. Department of Homeland Security			<u>\$ 19,572</u>
Total Expenditures of Federal Awards			<u>\$ 2,982,074</u>

(Continued)

Bledsoe County, Tennessee, and the Bledsoe 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	Contract Number	Expenditures
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	Z-19-LIT004-00	\$ 44,200
Juvenile Services Program - State Department of Children's Services	N/A	(3)	9,000
Access to Health through Healthy Built Environments - State Department of Health	N/A	(3)	17,100
Local Health Services Grant - State Department of Health	N/A	GG-19-59646-00	68,024
Alternative Breakfast Grant - State Department of Education	N/A	(3)	3,700
Lottery for Education After School Programs - State Department of Education	N/A	(3)	123,361
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(3)	433,825
Coordinated School Health - State Department of Education	N/A	(3)	80,000
Safe Schools - State Department of Education	N/A	(3)	24,540
School Safety - State Department of Education	N/A	(3)	43,823
Family Resource Grants - State Department of Education	N/A	(3)	30,212
Supporting Postsecondary Access in Rural Counties - State Higher Education Commission	N/A	(3)	75,000
Read to be Ready Summer Literacy Grant - State Department of Education	N/A	(3)	8,802
Student Ticket Subsidy - State Arts Commission	N/A	(3)	857
Total State Grants			<u>\$ 962,444</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) Bledsoe County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total is \$1,313,321; Special Education Cluster total is \$519,143; CCDF Cluster total is \$36,620.
- (5) Total for CFDA No. 10.555 is \$937,230.

Bledsoe County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Bledsoe County, Tennessee, for the year ended June 30, 2019.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF COUNTY MAYOR

2018	213	2018-001	The county did not award a contract for construction management services in accordance with state statutes	N/A	Corrected
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Prior-year Federal Awards Findings

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

BLEDSON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program, and National School Lunch Program
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

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

OFFICE OF ROAD SUPERINTENDENT

FINDING 2019-001 **APPROPRIATIONS EXCEEDED ESTIMATED**
AVAILABLE FUNDING IN THE HIGHWAY/PUBLIC
WORKS FUND
(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the county commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$55,357. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

I concur with this finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

Bledsoe County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF ROAD SUPERINTENDENT

2019-001	Appropriations Exceeded Estimated Available Funding in the Highway/Public Works Fund	223
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Bledsoe County Highway Department

ROBBY ROBERSON, Superintendent
P.O. Box 322 • 602 County Crusher Road
Pikeville, Tennessee 37367
Phone 423-447-6216 • Fax 423-447-7555
bledsoehwy@bledsoe.net

Corrective Action Plan

FINDING: **APPROPRIATIONS EXCEEDED ESTIMATED**
AVAILABLE FUNDING IN THE HIGHWAY/PUBLIC
WORKS FUND

Response and Corrective Action Plan Prepared by:
Robby Roberson, Road Superintendent

Person Responsible for Implementing the Corrective Action:
Robby Roberson, Road Superintendent
Conda Hysell, Bookkeeper

Anticipated Completion Date of Corrective Action:
January 22, 2020

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Beginning with the FY 2019-20 budget the highway department will more closely follow generally accepted accounting and budgeting principles so as to not have the problem again.

Signature:  1-22-2020
Highway Superintendent

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Bledsoe County.

BLEDSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Bledsoe County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Bledsoe County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.