

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



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
CLAIBORNE 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

CLAIBORNE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

Our report on the financial statements of Claiborne County is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY CLERK

- ◆ Discrepancies in the operations of the Claiborne County Clerk's Office are currently being investigated.

OFFICE OF SHERIFF

- ◆ An investigation of the sheriff's department revealed that inmates and sheriff's litter patrol officers sold scrap metal for personal gain totaling at least \$23,763.18.
- ◆ The work release program was not operating in compliance with state statutes.

OFFICES OF SHERIFF, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND GENERAL SESSIONS JUDGE

- ◆ Accrued leave balances exceeded the maximum balance provided by the county's personnel policy.

OFFICES OF COUNTY CLERK AND REGISTER OF DEEDS

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Claiborne County Officials
June 30, 2019

Officials

Joe Brooks, County Mayor
Ronald Pittman, Road Superintendent
Dr. Joseph Miller, Director of Schools
Alice Alexander, Trustee
Shane Breeding, Assessor of Property
Karen Hurst, County Clerk
Jackie Rosenbalm, Circuit, General Sessions, and Juvenile Courts Clerk
Rita Jones, Clerk and Master
Kimberly Harmon-Reece, Register of Deeds
Bob Brooks, Sheriff
Angelia Tucker, Finance Director

Board of County Commissioners

| | |
|-------------------------|-----------------|
| Mike Campbell, Chairman | |
| Rosemary Barnett | Kimberly Large |
| Steve Brogan | Steve Mason |
| Carolyn Brooks | Sherry McCreary |
| Brent Clark | Zach Mullins |
| Mitchell Cosby | David Mundy |
| Stacey Crawford | Steven Murphy |
| Nathan Epperson | Shawn Peters |
| Nicholas Epperson | Anthony Rowe |
| James Hatmaker | Whitt Shuford |
| Juanita Honeycutt | Charlton Vass |

Board of Education

| | |
|-------------------------|-------------|
| Wade Breeding, Chairman | Linda Fultz |
| Shane Bunch | Terry Keck |
| Justin Cosby | Neta Munsey |
| Shannon England | |

Financial Management Committee

| | |
|--|----------------|
| Joe Brooks, County Mayor | Mike Campbell |
| Ronald Pittman, Road Superintendent | Mitchell Cosby |
| Dr. Joseph Miller, Director of Schools | Anthony Rowe |
| | Whitt Shuford |

Claiborne County Officials (Cont.)

Audit Committee

Carolyn Brooks, Chairman
Rosemary Barnett
Steve Brogan

Brent Clark
Sherry McCreary

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Claiborne County Mayor and
Board of County Commissioners
Claiborne 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 Claiborne 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Claiborne County, Tennessee, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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 schedule of school changes in the 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 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 Claiborne 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 Claiborne County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans 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.

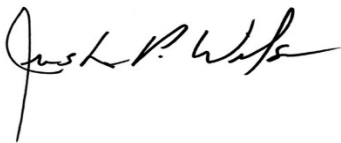
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Claiborne County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 Claiborne County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans 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 February 3, 2020, on our consideration of Claiborne 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 Claiborne 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 Claiborne County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

| | <u>Primary Government Governmental Activities</u> | <u>Component Unit Claiborne County School Department</u> |
|--|---|--|
| <u>ASSETS</u> | | |
| Cash | \$ 179,136 | \$ 3,689,155 |
| Equity in Pooled Cash and Investments | 4,267,252 | 5,181,600 |
| Accounts Receivable | 84,924 | 27,962 |
| Allowance for Uncollectibles | (3,862) | 0 |
| Due from Other Governments | 894,958 | 1,031,318 |
| Due from Component Units | 89,789 | 0 |
| Property Taxes Receivable | 7,934,295 | 7,142,559 |
| Allowance for Uncollectible Property Taxes | (379,462) | (330,166) |
| Restricted Assets: | | |
| Other Restricted Assets | 967,967 | 0 |
| Amounts Accumulated for Pension Benefits | 0 | 49,577 |
| Net Pension Asset - Agent Plan | 1,185,715 | 861,799 |
| Net Pension Asset - Teacher Legacy Plan | 0 | 1,718,239 |
| Net Pension Asset - Teacher Retirement Plan | 0 | 116,962 |
| Capital Assets: | | |
| Assets Not Depreciated: | | |
| Land | 1,054,592 | 1,224,296 |
| Assets Net of Accumulated Depreciation: | | |
| Buildings and Improvements | 16,879,870 | 29,384,684 |
| Other Capital Assets | 2,055,348 | 1,453,587 |
| Infrastructure - Roads, Streets, and Bridges | 17,326,504 | 0 |
| Total Assets | <u>\$ 52,537,026</u> | <u>\$ 51,551,572</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES</u> | | |
| Deferred Charge on Refunding | \$ 3,702 | \$ 0 |
| Pension Changes in Experience | 0 | 353,939 |
| Pension Changes in Assumptions | 468,664 | 1,360,951 |
| Pension Contributions - Subsequent to Measurement Date | 366,017 | 2,041,306 |
| Pension Other Deferrals | 0 | 94,670 |
| OPEB Changes in Experience | 0 | 8,577 |
| OPEB Changes in Assumptions | 0 | 4,018,183 |
| Total Deferred Outflow of Resources | <u>\$ 838,383</u> | <u>\$ 7,877,626</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 399,669 | \$ 713,049 |
| Accrued Payroll | 33,797 | 0 |
| Accrued Interest Payable | 255,719 | 0 |
| Due to Primary Government | 0 | 89,789 |
| Other Current Liabilities | 0 | 2,995,018 |
| Noncurrent Liabilities: | | |
| Due Within One Year - Debt | 2,432,922 | 0 |
| Due Within One Year - Other | 252,066 | 0 |
| Due in More Than One Year - Debt | 28,162,157 | 0 |
| Due in More Than One Year - Other | 753,835 | 26,150,114 |
| Total Liabilities | <u>\$ 32,290,165</u> | <u>\$ 29,947,970</u> |

(Continued)

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

| | Primary Governmental Activities | Component Unit Claiborne County School Department |
|--|---------------------------------------|--|
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | |
| Deferred Current Property Taxes | \$ 7,330,602 | \$ 6,624,692 |
| Pension Changes in Experience | 464,655 | 2,660,420 |
| Pension Changes in Investment Earnings | 82,332 | 440,408 |
| Pension Other Deferrals | 0 | 16,427 |
| OPEB Changes in Experience | 0 | 195,788 |
| Total Deferred Inflows of Resources | <u>\$ 7,877,589</u> | <u>\$ 9,937,735</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | \$ 32,915,339 | \$ 32,062,567 |
| Restricted for: | | |
| General Government | 72,343 | 0 |
| Finance | 284,328 | 0 |
| Administration of Justice | 129,667 | 0 |
| Public Safety | 173,279 | 0 |
| Public Health and Welfare | 485,822 | 0 |
| Highways | 623,786 | 0 |
| Debt Service | 596,358 | 0 |
| Education | 0 | 1,331,499 |
| Capital Projects | 187,091 | 15,904 |
| Pensions | 1,185,715 | 2,746,577 |
| Other Purposes | 967,967 | 0 |
| Unrestricted | <u>(24,414,040)</u> | <u>(16,613,054)</u> |
| Total Net Position | <u>\$ 13,207,655</u> | <u>\$ 19,543,493</u> |

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

Exhibit B

Claiborne County, Tennessee
Statement of Activities
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 | Primary | Component Unit |
| | | | | | Governmental Total Activities | Claiborne County School Department |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 2,046,476 | \$ 208,177 | \$ 15,164 | \$ 0 | \$ (1,823,135) | \$ 0 |
| Finance | 1,272,596 | 870,372 | 0 | 0 | (402,224) | 0 |
| Administration of Justice | 956,140 | 651,293 | 0 | 0 | (304,847) | 0 |
| Public Safety | 6,181,873 | 1,180,963 | 53,826 | 35,843 | (4,911,241) | 0 |
| Public Health and Welfare | 3,377,550 | 521,239 | 184,057 | 309,843 | (2,362,411) | 0 |
| Social, Cultural, and Recreational Services | 192,948 | 0 | 0 | 0 | (192,948) | 0 |
| Agriculture and Natural Resources | 140,024 | 0 | 0 | 0 | (140,024) | 0 |
| Highways | 4,559,929 | 0 | 2,403,297 | 582,677 | (1,573,955) | 0 |
| Interest on Long-term Debt | 1,169,513 | 0 | 0 | 0 | (1,169,513) | 0 |
| Total Primary Government | \$ 19,897,049 | \$ 3,432,044 | \$ 2,656,344 | \$ 928,363 | \$ (12,880,298) | \$ 0 |
| Component Unit: | | | | | | |
| School Department | \$ 43,874,617 | \$ 549,046 | \$ 6,314,022 | \$ 0 | \$ 0 | \$ (37,011,549) |
| Total Component Unit | \$ 43,874,617 | \$ 549,046 | \$ 6,314,022 | \$ 0 | \$ 0 | \$ (37,011,549) |

(Continued)

Exhibit B

Claiborne County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | |
|--|----------|-------------------------|--|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary | Component Unit |
| | | | | | Government | Claiborne County School Department |
| | | | | Total Governmental Activities | | |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 6,232,786 | \$ 6,587,174 |
| Property Taxes Levied for Solid Waste/Sanitation | | | | | 1,266,535 | 0 |
| Property Taxes Levied for Highways | | | | | 56,184 | 0 |
| Property Taxes Levied for Debt Service | | | | | 169,051 | 0 |
| Property Taxes Levied for Highway Capital Projects | | | | | 109,651 | 0 |
| Local Option Sales Taxes | | | | | 0 | 2,914,717 |
| Wheel Tax | | | | | 1,406,666 | 0 |
| Coal Severance Tax | | | | | 111,195 | 111,195 |
| General Litigation Tax | | | | | 158,675 | 0 |
| Wholesale Beer Tax | | | | | 66,415 | 0 |
| Mineral Severance Tax | | | | | 36,884 | 0 |
| Hotel/Motel Tax | | | | | 44,636 | 0 |
| Other Taxes | | | | | 279,734 | 7,335 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 4,249,187 | 26,902,261 |
| Unrestricted Investment Income | | | | | 258,575 | 31,672 |
| Gain on Investments | | | | | 0 | 2,503 |
| Miscellaneous | | | | | 31,157 | 414,054 |
| Total General Revenues | | | | | <u>\$ 14,477,331</u> | <u>\$ 36,970,911</u> |
| | | | | | | |
| Change in Net Position | | | | | \$ 1,597,033 | \$ (40,638) |
| Net Position, July 1, 2018 | | | | | <u>11,610,622</u> | <u>19,584,131</u> |
| | | | | | | |
| Net Position, June 30, 2019 | | | | | <u>\$ 13,207,655</u> | <u>\$ 19,543,493</u> |

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

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total |
|--|---------------------|--------------------------|------------------------|----------------------|-----------------------------------|----------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Funds Other Governmental Funds | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 400 | \$ 0 | \$ 0 | \$ 178,736 | \$ 179,136 |
| Equity in Pooled Cash and Investments | 1,997,669 | 762,553 | 367,723 | 848,564 | 290,743 | 4,267,252 |
| Accounts Receivable | 39,852 | 45,072 | 0 | 0 | 0 | 84,924 |
| Allowance for Uncollectibles | 0 | (3,862) | 0 | 0 | 0 | (3,862) |
| Due from Other Governments | 318,632 | 40 | 576,286 | 0 | 0 | 894,958 |
| Due from Other Funds | 3,119 | 0 | 0 | 0 | 0 | 3,119 |
| Property Taxes Receivable | 6,345,783 | 1,236,657 | 58,667 | 176,002 | 117,186 | 7,934,295 |
| Allowance for Uncollectible Property Taxes | (302,808) | (60,148) | (2,762) | (8,287) | (5,457) | (379,462) |
| Restricted Assets | 0 | 0 | 0 | 0 | 967,967 | 967,967 |
| Total Assets | <u>\$ 8,402,247</u> | <u>\$ 1,980,712</u> | <u>\$ 999,914</u> | <u>\$ 1,016,279</u> | <u>\$ 1,549,175</u> | <u>\$ 13,948,327</u> |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 130,973 | \$ 85,445 | \$ 141,069 | \$ 1,300 | \$ 40,882 | \$ 399,669 |
| Accrued Payroll | 0 | 0 | 33,797 | 0 | 0 | 33,797 |
| Due to Other Funds | 0 | 2,619 | 0 | 0 | 500 | 3,119 |
| Total Liabilities | <u>\$ 130,973</u> | <u>\$ 88,064</u> | <u>\$ 174,866</u> | <u>\$ 1,300</u> | <u>\$ 41,382</u> | <u>\$ 436,585</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 5,864,482 | \$ 1,140,316 | \$ 54,301 | \$ 162,902 | \$ 108,601 | \$ 7,330,602 |
| Deferred Delinquent Property Taxes | 165,261 | 33,510 | 1,485 | 4,456 | 2,896 | 207,608 |
| Other Deferred/Unavailable Revenue | 41,110 | 2,049 | 211,101 | 0 | 0 | 254,260 |
| Total Deferred Inflows of Resources | <u>\$ 6,070,853</u> | <u>\$ 1,175,875</u> | <u>\$ 266,887</u> | <u>\$ 167,358</u> | <u>\$ 111,497</u> | <u>\$ 7,792,470</u> |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total |
|--|--------------|--------------------------------|------------------------------|----------------------------|--|---------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Funds Other Govern- mental Funds | |
| <u>FUND BALANCES</u> | | | | | | |
| Restricted: | | | | | | |
| Restricted for General Government | \$ 72,343 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 72,343 |
| Restricted for Finance | 106,092 | 0 | 0 | 0 | 178,236 | 284,328 |
| Restricted for Administration of Justice | 129,667 | 0 | 0 | 0 | 0 | 129,667 |
| Restricted for Public Safety | 107,381 | 0 | 0 | 0 | 65,898 | 173,279 |
| Restricted for Public Health and Welfare | 153,493 | 296,770 | 0 | 0 | 0 | 450,263 |
| Restricted for Highways/Public Works | 0 | 0 | 411,200 | 0 | 0 | 411,200 |
| Restricted for Debt Service | 0 | 0 | 0 | 847,621 | 0 | 847,621 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 184,195 | 184,195 |
| Restricted for Other Purposes | 0 | 0 | 0 | 0 | 967,967 | 967,967 |
| Committed: | | | | | | |
| Committed for Public Health and Welfare | 0 | 420,003 | 0 | 0 | 0 | 420,003 |
| Committed for Highways/Public Works | 0 | 0 | 146,961 | 0 | 0 | 146,961 |
| Assigned: | | | | | | |
| Assigned for Other Operations | 882,941 | 0 | 0 | 0 | 0 | 882,941 |
| Unassigned | 748,504 | 0 | 0 | 0 | 0 | 748,504 |
| Total Fund Balances | \$ 2,200,421 | \$ 716,773 | \$ 558,161 | \$ 847,621 | \$ 1,396,296 | \$ 5,719,272 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 8,402,247 | \$ 1,980,712 | \$ 999,914 | \$ 1,016,279 | \$ 1,549,175 | \$ 13,948,327 |

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

Exhibit C-2

Claiborne 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) | | \$ 5,719,272 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 1,054,592 | |
| Add: infrastructure net of accumulated depreciation | 17,326,504 | |
| Add: buildings and improvements net of accumulated depreciation | 16,879,870 | |
| Add: other capital assets net of accumulated depreciation | <u>2,055,348</u> | 37,316,314 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: capital leases payable | \$ (63,103) | |
| Less: bonds payable | (29,995,000) | |
| Less: other loans payable | (89,789) | |
| Add: due from component unit for loans payable | 89,789 | |
| Add: deferred amount on refunding | 3,702 | |
| Less: compensated absences payable | (287,172) | |
| Less: landfill closure/postclosure care costs | (718,729) | |
| Less: accrued interest on bonds, notes, and other loans | (255,719) | |
| Less: other deferred revenue - premium on debt | <u>(447,187)</u> | (31,763,208) |
| (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 expenses in future years: | | |
| Add: deferred outflows of resources related to pensions | \$ 834,681 | |
| Less: deferred inflows of resources related to pensions | <u>(546,987)</u> | 287,694 |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | | 1,185,715 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>461,868</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 13,207,655</u> |

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

Exhibit C-3

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

| | Major Funds | | | | Nonmajor | Total |
|---|----------------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|----------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 6,976,976 | \$ 1,285,925 | \$ 228,158 | \$ 875,334 | \$ 814,771 | \$ 10,181,164 |
| Licenses and Permits | 9,660 | 0 | 0 | 0 | 0 | 9,660 |
| Fines, Forfeitures, and Penalties | 130,626 | 0 | 0 | 0 | 26,521 | 157,147 |
| Charges for Current Services | 98,200 | 496,862 | 0 | 0 | 487,763 | 1,082,825 |
| Other Local Revenues | 642,610 | 36,649 | 3,901 | 3,046,875 | 12,426 | 3,742,461 |
| Fees Received From County Officials | 999,289 | 0 | 0 | 0 | 0 | 999,289 |
| State of Tennessee | 1,950,759 | 14,826 | 2,977,758 | 0 | 0 | 4,943,343 |
| Federal Government | 358,686 | 0 | 283,528 | 0 | 0 | 642,214 |
| Other Governments and Citizens Groups | 102 | 0 | 0 | 0 | 0 | 102 |
| Total Revenues | \$ 11,166,908 | \$ 1,834,262 | \$ 3,493,345 | \$ 3,922,209 | \$ 1,341,481 | \$ 21,758,205 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 1,102,973 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,102,973 |
| Finance | 925,447 | 0 | 0 | 0 | 411,537 | 1,336,984 |
| Administration of Justice | 936,902 | 0 | 0 | 0 | 44,137 | 981,039 |
| Public Safety | 6,189,233 | 0 | 0 | 0 | 61,482 | 6,250,715 |
| Public Health and Welfare | 316,157 | 1,767,519 | 0 | 0 | 279,647 | 2,363,323 |
| Social, Cultural, and Recreational Services | 178,113 | 0 | 0 | 0 | 0 | 178,113 |
| Agriculture and Natural Resources | 141,395 | 0 | 0 | 0 | 0 | 141,395 |
| Other Operations | 1,125,291 | 0 | 0 | 0 | 750 | 1,126,041 |
| Highways | 0 | 0 | 3,146,090 | 0 | 0 | 3,146,090 |
| Debt Service: | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 2,822,673 | 0 | 2,822,673 |
| Interest on Debt | 0 | 0 | 0 | 1,303,533 | 0 | 1,303,533 |
| Other Debt Service | 0 | 0 | 0 | 7,537 | 0 | 7,537 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|--|---------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>Expenditures (Cont.)</u> | | | | | | |
| Capital Projects | \$ 166,406 | \$ 0 | \$ 0 | \$ 0 | \$ 567,496 | \$ 733,902 |
| Total Expenditures | \$ 11,081,917 | \$ 1,767,519 | \$ 3,146,090 | \$ 4,133,743 | \$ 1,365,049 | \$ 21,494,318 |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | | | | | | |
| | \$ 84,991 | \$ 66,743 | \$ 347,255 | \$ (211,534) | \$ (23,568) | \$ 263,887 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 15,106 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 15,106 |
| Transfers In | 53,600 | 0 | 0 | 336,806 | 0 | 390,406 |
| Transfers Out | 0 | 0 | (186,000) | 0 | (204,406) | (390,406) |
| Total Other Financing Sources (Uses) | \$ 68,706 | \$ 0 | \$ (186,000) | \$ 336,806 | \$ (204,406) | \$ 15,106 |
| <u>Net Change in Fund Balances</u> | | | | | | |
| Fund Balance, July 1, 2018 | \$ 2,046,724 | \$ 650,030 | \$ 396,906 | \$ 722,349 | \$ 1,624,270 | \$ 5,440,279 |
| Fund Balance, June 30, 2019 | \$ 2,200,421 | \$ 716,773 | \$ 558,161 | \$ 847,621 | \$ 1,396,296 | \$ 5,719,272 |

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

Exhibit C-4

Claiborne 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) | \$ | 278,993 |
| | | |
| (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 | \$ | 182,519 |
| Less: current-year depreciation expense | <u>(1,944,374)</u> | (1,761,855) |
| | | |
| (2) 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 | \$ | 461,868 |
| Less: deferred delinquent property taxes and other deferred June 30, 2018 | <u>(712,002)</u> | (250,134) |
| | | |
| (3) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: | | |
| Add: change in unamortized premium on debt issuances | \$ | 125,968 |
| Add: principal payments on bonds | | 2,330,000 |
| Add: principal payments on notes | | 132,838 |
| Add: principal payments on capital leases | | 330,740 |
| Add: principal payment on other loans | | 29,095 |
| Less: principal payment on other loans contributed by the school department | | (29,095) |
| Less: change in deferred amount on refunding debt | <u>(51,745)</u> | 2,867,801 |
| | | |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ | 8,052 |
| Change in compensated absences payable | | (15,848) |
| Change in landfill closure/postclosure care costs | | 61,904 |
| Change in net pension liability/asset - agent plan | | 728,086 |
| Change in deferred outflows related to pensions | | (208,127) |
| Change in deferred inflows related to pension | <u>(111,839)</u> | <u>462,228</u> |
| | | |
| Change in net position of governmental activities (Exhibit B) | \$ | <u><u>1,597,033</u></u> |

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

Exhibit C-5

Claiborne 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 | \$ 6,976,976 | \$ 7,340,000 | \$ 6,865,000 | \$ 111,976 |
| Licenses and Permits | 9,660 | 9,000 | 9,000 | 660 |
| Fines, Forfeitures, and Penalties | 130,626 | 145,700 | 145,700 | (15,074) |
| Charges for Current Services | 98,200 | 77,200 | 77,200 | 21,000 |
| Other Local Revenues | 642,610 | 535,075 | 615,075 | 27,535 |
| Fees Received From County Officials | 999,289 | 1,377,000 | 967,746 | 31,543 |
| State of Tennessee | 1,950,759 | 2,211,725 | 1,823,425 | 127,334 |
| Federal Government | 358,686 | 69,900 | 944,900 | (586,214) |
| Other Governments and Citizens Groups | 102 | 6,500 | 6,500 | (6,398) |
| Total Revenues | \$ 11,166,908 | \$ 11,772,100 | \$ 11,454,546 | \$ (287,638) |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 146,201 | \$ 154,443 | \$ 156,973 | \$ 10,772 |
| Board of Equalization | 6,982 | 7,125 | 7,125 | 143 |
| Beer Board | 450 | 1,200 | 1,200 | 750 |
| Budget and Finance Committee | 25,629 | 33,273 | 33,273 | 7,644 |
| County Mayor/Executive | 168,916 | 173,604 | 173,604 | 4,688 |
| County Attorney | 57,275 | 57,657 | 57,657 | 382 |
| Election Commission | 262,481 | 285,174 | 285,174 | 22,693 |
| Register of Deeds | 167,586 | 198,343 | 198,343 | 30,757 |
| Development | 4,577 | 5,000 | 5,000 | 423 |
| Planning | 20,069 | 31,015 | 31,015 | 10,946 |
| County Buildings | 223,219 | 256,781 | 256,781 | 33,562 |
| Preservation of Records | 19,588 | 20,822 | 20,822 | 1,234 |
| <u>Finance</u> | | | | |
| Accounting and Budgeting | 429,825 | 494,230 | 510,014 | 80,189 |
| Property Assessor's Office | 226,981 | 238,380 | 238,380 | 11,399 |
| Reappraisal Program | 77,937 | 91,308 | 91,308 | 13,371 |
| County Trustee's Office | 87,259 | 279,423 | 100,302 | 13,043 |
| County Clerk's Office | 103,445 | 374,634 | 113,924 | 10,479 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 401,020 | 418,820 | 438,121 | 37,101 |
| General Sessions Court | 227,621 | 232,955 | 232,955 | 5,334 |
| Chancery Court | 246,459 | 265,064 | 265,064 | 18,605 |
| District Attorney General | 33,020 | 38,421 | 38,421 | 5,401 |
| Office of Public Defender | 28,782 | 28,816 | 28,816 | 34 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 2,385,307 | 2,869,821 | 2,491,230 | 105,923 |
| Administration of the Sexual Offender Registry | 750 | 2,000 | 2,000 | 1,250 |
| Workhouse | 3,367,799 | 2,942,344 | 3,455,737 | 87,938 |
| Juvenile Services | 61,093 | 61,839 | 61,839 | 746 |
| Fire Prevention and Control | 156,038 | 157,400 | 157,400 | 1,362 |
| Civil Defense | 79,010 | 122,318 | 122,318 | 43,308 |
| Rescue Squad | 22,000 | 22,000 | 22,000 | 0 |
| Other Emergency Management | 51,377 | 51,377 | 51,377 | 0 |
| County Coroner/Medical Examiner | 65,859 | 47,600 | 71,600 | 5,741 |

(Continued)

Exhibit C-5

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------|------------------|----------------|--|
| | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Local Health Center | \$ 138,022 | \$ 175,737 | \$ 178,375 | \$ 40,353 |
| Rabies and Animal Control | 20,000 | 20,000 | 20,000 | 0 |
| Other Local Health Services | 106,896 | 168,125 | 168,125 | 61,229 |
| Sanitation Education/Information | 51,239 | 53,417 | 53,417 | 2,178 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Adult Activities | 7,500 | 7,500 | 7,500 | 0 |
| Senior Citizens Assistance | 57,076 | 61,350 | 61,719 | 4,643 |
| Libraries | 113,537 | 117,344 | 115,544 | 2,007 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agricultural Extension Service | 92,036 | 98,046 | 98,046 | 6,010 |
| Forest Service | 2,000 | 2,000 | 2,000 | 0 |
| Soil Conservation | 47,359 | 47,730 | 47,730 | 371 |
| <u>Other Operations</u> | | | | |
| Industrial Development | 66,010 | 60,000 | 70,000 | 3,990 |
| Housing and Urban Development | 507,880 | 1,115,638 | 1,115,638 | 607,758 |
| Other Economic and Community Development | 34,457 | 47,915 | 47,915 | 13,458 |
| Veterans' Services | 19,473 | 21,401 | 21,401 | 1,928 |
| Other Charges | 457,421 | 558,788 | 474,400 | 16,979 |
| Employee Benefits | 1,680 | 0 | 1,800 | 120 |
| Miscellaneous | 38,370 | 45,000 | 45,000 | 6,630 |
| <u>Capital Projects</u> | | | | |
| Public Safety Projects | 166,406 | 336,000 | 336,000 | 169,594 |
| Total Expenditures | \$ 11,081,917 | \$ 12,899,178 | \$ 12,584,383 | \$ 1,502,466 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 84,991 | \$ (1,127,078) | \$ (1,129,837) | \$ 1,214,828 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 15,106 | \$ 0 | \$ 15,107 | \$ (1) |
| Transfers In | 53,600 | 53,752 | 53,752 | (152) |
| Total Other Financing Sources | \$ 68,706 | \$ 53,752 | \$ 68,859 | \$ (153) |
| Net Change in Fund Balance | \$ 153,697 | \$ (1,073,326) | \$ (1,060,978) | \$ 1,214,675 |
| Fund Balance, July 1, 2018 | 2,046,724 | 1,851,642 | 1,851,642 | 195,082 |
| Fund Balance, June 30, 2019 | \$ 2,200,421 | \$ 778,316 | \$ 790,664 | \$ 1,409,757 |

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

Exhibit C-6

Claiborne County, Tennessee
Statement 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 | \$ 1,285,925 | \$ 1,282,300 | \$ 1,282,300 | \$ 3,625 |
| Charges for Current Services | 496,862 | 460,000 | 460,000 | 36,862 |
| Other Local Revenues | 36,649 | 25,000 | 25,000 | 11,649 |
| State of Tennessee | 14,826 | 63,000 | 63,000 | (48,174) |
| Total Revenues | <u>\$ 1,834,262</u> | <u>\$ 1,830,300</u> | <u>\$ 1,830,300</u> | <u>\$ 3,962</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Waste Pickup | \$ 1,767,519 | \$ 1,998,435 | \$ 1,998,435 | \$ 230,916 |
| Total Expenditures | <u>\$ 1,767,519</u> | <u>\$ 1,998,435</u> | <u>\$ 1,998,435</u> | <u>\$ 230,916</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 66,743</u> | <u>\$ (168,135)</u> | <u>\$ (168,135)</u> | <u>\$ 234,878</u> |
| Net Change in Fund Balance | \$ 66,743 | \$ (168,135) | \$ (168,135) | \$ 234,878 |
| Fund Balance, July 1, 2018 | <u>650,030</u> | <u>657,831</u> | <u>657,831</u> | <u>(7,801)</u> |
| Fund Balance, June 30, 2019 | <u>\$ 716,773</u> | <u>\$ 489,696</u> | <u>\$ 489,696</u> | <u>\$ 227,077</u> |

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

Exhibit C-7

Claiborne 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> | | | | |
| Local Taxes | \$ 228,158 | \$ 467,400 | \$ 467,400 | \$ (239,242) |
| Other Local Revenues | 3,901 | 400 | 4,300 | (399) |
| State of Tennessee | 2,977,758 | 3,065,934 | 3,097,361 | (119,603) |
| Federal Government | 283,528 | 0 | 305,248 | (21,720) |
| Total Revenues | <u>\$ 3,493,345</u> | <u>\$ 3,533,734</u> | <u>\$ 3,874,309</u> | <u>\$ (380,964)</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 146,252 | \$ 147,460 | \$ 147,060 | \$ 808 |
| Highway and Bridge Maintenance | 2,160,024 | 1,942,543 | 2,286,128 | 126,104 |
| Operation and Maintenance of Equipment | 339,858 | 343,608 | 358,608 | 18,750 |
| Other Charges | 71,975 | 76,200 | 72,454 | 479 |
| Employee Benefits | 33,868 | 35,000 | 33,868 | 0 |
| Capital Outlay | 394,113 | 935,323 | 790,191 | 396,078 |
| Total Expenditures | <u>\$ 3,146,090</u> | <u>\$ 3,480,134</u> | <u>\$ 3,688,309</u> | <u>\$ 542,219</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 347,255</u> | <u>\$ 53,600</u> | <u>\$ 186,000</u> | <u>\$ 161,255</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ (186,000) | \$ (53,600) | \$ (186,000) | \$ 0 |
| Total Other Financing Sources | <u>\$ (186,000)</u> | <u>\$ (53,600)</u> | <u>\$ (186,000)</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 161,255 | \$ 0 | \$ 0 | \$ 161,255 |
| Fund Balance, July 1, 2018 | <u>396,906</u> | <u>605,700</u> | <u>605,700</u> | <u>(208,794)</u> |
| Fund Balance, June 30, 2019 | <u>\$ 558,161</u> | <u>\$ 605,700</u> | <u>\$ 605,700</u> | <u>\$ (47,539)</u> |

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

Exhibit D

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

| | <u>Agency Funds</u> |
|--|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,574,951 |
| Equity in Pooled Cash and Investments | 564,387 |
| Accounts Receivable | 60 |
| Due from Other Governments | 360,316 |
| Property Tax Receivable | 58,667 |
| Allowance for Uncollectible Property Taxes | <u>(2,762)</u> |
| Total Assets | <u>\$ 2,555,619</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 360,316 |
| Due to Litigants, Heirs, and Others | 1,674,950 |
| Other Current Liabilities | <u>520,353</u> |
| Total Liabilities | <u>\$ 2,555,619</u> |

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Claiborne 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 Claiborne County:

A. Reporting Entity

Claiborne County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Claiborne County (the primary government) and its component units. Although required by GAAP, the financial statements of the Claiborne County Economic and Community Development Board and the financial statements of the Claiborne County Emergency Communications District, component units 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 relationship 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 Claiborne County School Department operates the public school system in the county, and the voters of Claiborne County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Claiborne County Economic and Community Development Board (formerly known as the Industrial Development Board) is a non-profit corporation incorporated under the provisions of the State of Tennessee, and the Claiborne County Commission appoints its governing body. The board is funded primarily through the sale and lease of industrial park properties, property taxes, grants, and contributions. Before the issuance of most debt instruments, the board obtains the approval of the county commission. The function of the board is to attract and promote new industry in the county. The financial statements of the Claiborne County Economic and Community Development Board were not material to the component units' opinion unit and therefore have been omitted from this report.

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

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

Administrative Offices:

Claiborne County Economic and
Community Development Board
3222 Highway 25 East
Suite 1
Tazewell, TN 37879

Claiborne County Emergency Communications
District
P.O. Box 911
Tazewell, TN 37879

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 Claiborne 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 Claiborne County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Claiborne County issues most debt for the discretely presented Claiborne 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, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Separate financial statements are provided for governmental funds, the proprietary fund, 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 internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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

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

The proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, 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.

Claiborne County reports the following major governmental funds:

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

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

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

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

Additionally, Claiborne County reports the following fund types:

Capital Projects Fund – The Highway Capital Projects Fund is 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.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Claiborne County, assets held in a custodial capacity for the Claiborne County Economic and Community Development Board, and restricted revenues held for the benefit of the Office of the District Attorney General. 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 Claiborne County School Department reports the following major governmental fund:

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

Additionally, the Claiborne County School Department reports the following fund types:

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.

Internal Service Fund – The Employee Insurance Fund is used to account for transactions pertaining to the school department's self-insured group medical plan.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The school department has one proprietary fund, an internal service fund, used to account for the employees' health insurance. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges for services. Operating expenses for the internal service fund include administrative expenses and employee benefits.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows for the school department's internal service fund, cash consists of demand deposits.

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 Claiborne County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is assigned to the General, Solid Waste/Sanitation, General Debt Service, and the school department's General Purpose School and Central Cafeteria funds per percentages established in the budgetary process. Claiborne 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 the stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and

conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

All other investments are reported at fair value. No investments 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.

Property taxes and solid waste receivables are shown with an allowance for uncollectibles. Solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.5 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. The Other Current Liabilities account reflected in the discretely presented school department's General Purpose School Fund represents the remaining balance in the teachers' payroll clearing accounts for July and August payrolls.

3. Restricted Assets

Pursuant to terms of the transaction agreement governing the sale and lease of assets of the Claiborne County Hospital and Nursing Home, an escrow account was established to account for the net proceeds received by the county. The escrow account was established to limit access to the funds and to ensure that the funds are used for purposes specified in the agreement. The balance in that account at year end is reported as restricted assets in the Other Special Revenue Fund. See Note IV.D., for further discussion of the sale/lease and restrictions on the use of funds in the escrow account.

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Claiborne 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 Claiborne County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Claiborne 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 on 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|---------------|
| Buildings and Improvements | 40 |
| Other Capital Assets | 5 - 20 |
| Infrastructure: | |
| Roads (based on surface type) | 30, 40, or 50 |
| Bridges | 40 |

5. Deferred Outflows/Inflows of Resources

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

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, pension changes in investment earnings, pension other deferrals, other postemployment benefit changes in experience, and various

receivables for revenues, which do not meet the availability criteria for governmental funds.

6. Compensated Absences

Primary Government

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

Discretely Presented Claiborne County School Department

Vacation for employees of the school department does not vest or accumulate and must be used within the year. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial

statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and landfill closure/postclosure care costs 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 and the proprietary fund (internal service fund) in the fund financial statements, equity is classified as net position and displayed in three components:

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

The government-wide Statement of Net Position, Governmental Activities, reports \$4,706,356 of restricted net position, of which \$310,255 is restricted by enabling legislation.

On the government-wide Statement of Net Position (Exhibit A), the amount Restricted for Other Purposes for the primary government (\$967,967), represents proceeds from the sale and lease of assets of the Claiborne County Hospital and Nursing Home, which are restricted for specific uses set forth in the transaction agreement.

As of June 30, 2019, Claiborne County had \$25,914,789 in outstanding debt for capital purposes for the discretely presented Claiborne County School Department. This debt is a liability of Claiborne County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Claiborne County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

These classifications may consist of the following:

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the General Fund represents amounts appropriated for use in the 2019-20 fiscal year budget (\$882,941). Assigned fund balance in the General Purpose School Fund of the discretely presented school department consists primarily of amounts appropriated for use in the 2019-20 fiscal year budget (\$1,525,624) and an amount assigned for debt service (\$565,104).

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

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

Discretely Presented Claiborne 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 Claiborne 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 Claiborne County School Department

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

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

Primary Government

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

Discretely Presented Claiborne County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may

not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, 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. Criminal Charges Against Former Sheriff and Employees

As reported in the prior annual financial report, on August 22, 2018, former Claiborne County Sheriff David Ray was indicted by the Claiborne County Grand Jury and charged with seven counts of official misconduct, one count of use of inmates for personal gain, one count of forgery, and six counts of attempted sales tax evasion. Sheriff Ray left office on August 31, 2018. Those charges against the former sheriff are scheduled for trial on July 20, 2020.

Also as reported in the prior annual financial report, two employees of the Sheriff's Office were indicted by the Claiborne County Grand Jury on August 22, 2018. Those employees have since pleaded guilty to certain charges. Larry Martin pleaded guilty to one count of felon in possession of a handgun, resulting in two years judicial diversion and two years supervised probation. Larry Roberts pleaded guilty to one count of official misconduct, resulting in a sentence of two years unsupervised probation.

C. Investigation of Sheriff's Office Scrap Metal Sales

On February 8, 2019, the state Comptroller's Division of Investigations issued an investigative report on the Claiborne County Sheriff's Department. The report disclosed that inmates and sheriff's litter patrol officers received cash from sales of scrap metal during the period July 1, 2016, through June 30, 2018, totaling at least \$23,763.18. This report is available at <http://www.comptroller.tn.gov/ia/>.

D. County Clerk Investigation

An investigation by the Comptroller's Division of Investigations is ongoing in the County Clerk's Office. Findings, if any, resulting from the investigation will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of 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. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. 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.

Other than the school department's investment in the TCRS Stabilization Trust as discussed below, the county had no pooled or nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

Legal Provisions. The Claiborne 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 Claiborne 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 Claiborne 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 | \$ 15,369 |
| Developed Market International Equity | N/A | N/A | 6,941 |
| Emerging Market International Equity | N/A | N/A | 1,983 |
| U.S. Fixed Income | N/A | N/A | 9,915 |
| Real Estate | N/A | N/A | 4,958 |
| Short-term Securities | N/A | N/A | 496 |
| Investments at Amortized Cost using the NAV: | | | |
| Private Equity and Strategic Lending | N/A | N/A | 9,915 |
| Total | | | \$ 49,577 |

| Investment by Fair Value Level | Fair Value 6-30-19 | Fair Value Measurements Using | | | Amortized |
|---|-----------------------|--|---|--|-----------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Cost |
| | | | | | NAV |
| U.S. Equity | \$ 15,369 | \$ 15,369 | \$ 0 | \$ 0 | 0 |
| Developed Market | | | | | |
| International Equity | 6,941 | 6,941 | 0 | 0 | 0 |
| Emerging Market | | | | | |
| International Equity | 1,983 | 1,983 | 0 | 0 | 0 |
| U.S. Fixed Income | 9,915 | 0 | 9,915 | 0 | 0 |
| Real Estate | 4,958 | 0 | 0 | 4,958 | 0 |
| Short-term Securities | 496 | 0 | 496 | 0 | 0 |
| Private Equity and Strategic Lending | 9,915 | 0 | 0 | 0 | 9,915 |
| Total | \$ 49,577 | \$ 24,293 | \$ 10,411 | \$ 4,958 | 9,915 |

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 Claiborne 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 Claiborne 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. Claiborne 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 Claiborne 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 | Balance 6-30-19 |
|---|----------------------|-----------------------|----------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 1,054,592 | \$ 0 | \$ 1,054,592 |
| Total Capital Assets Not Depreciated | <u>\$ 1,054,592</u> | <u>\$ 0</u> | <u>\$ 1,054,592</u> |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | \$ 33,577,732 | \$ 12,901 | \$ 33,590,633 |
| Roads and Bridges | 29,189,986 | 0 | 29,189,986 |
| Other Capital Assets | 6,479,767 | 169,618 | 6,649,385 |
| Total Capital Assets Depreciated | <u>\$ 69,247,485</u> | <u>\$ 182,519</u> | <u>\$ 69,430,004</u> |
| Less Accumulated Depreciation For: | | | |
| Buildings and Improvements | \$ 15,884,581 | \$ 826,182 | \$ 16,710,763 |
| Roads and Bridges | 11,167,148 | 696,334 | 11,863,482 |
| Other Capital Assets | 4,172,179 | 421,858 | 4,594,037 |
| Total Accumulated Depreciation | <u>\$ 31,223,908</u> | <u>\$ 1,944,374</u> | <u>\$ 33,168,282</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 38,023,577</u> | <u>\$ (1,761,855)</u> | <u>\$ 36,261,722</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 39,078,169</u> | <u>\$ (1,761,855)</u> | <u>\$ 37,316,314</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 primary government as follows:

Governmental Activities:

| | |
|---------------------------|----------------|
| General Government | \$ 305,325 |
| Public Safety | 115,229 |
| Public Health and Welfare | 608,444 |
| Highways/Public Works | <u>915,376</u> |

| | |
|---|---------------------|
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,944,374</u> |
|---|---------------------|

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

| | Balance 7-1-18 | Increases | Balance 6-30-19 |
|--|----------------------|-----------------------|----------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 1,224,296 | \$ 0 | \$ 1,224,296 |
| Total Capital Assets Not Depreciated | <u>\$ 1,224,296</u> | <u>\$ 0</u> | <u>\$ 1,224,296</u> |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | \$ 52,744,268 | \$ 145,026 | \$ 52,889,294 |
| Other Capital Assets | 3,889,825 | 44,699 | 3,934,524 |
| Total Capital Assets Depreciated | <u>\$ 56,634,093</u> | <u>\$ 189,725</u> | <u>\$ 56,823,818</u> |
| Less Accumulated Depreciated For: | | | |
| Buildings and Improvements | \$ 22,168,869 | \$ 1,335,741 | \$ 23,504,610 |
| Other Capital Assets | 2,263,716 | 217,221 | 2,480,937 |
| Total Accumulated Depreciation | <u>\$ 24,432,585</u> | <u>\$ 1,552,962</u> | <u>\$ 25,985,547</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 32,201,508</u> | <u>\$ (1,363,237)</u> | <u>\$ 30,838,271</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 33,425,804</u> | <u>\$ (1,363,237)</u> | <u>\$ 32,062,567</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 discretely presented Claiborne County School Department as follows:

Governmental Activities:

| | |
|---|----------------------------|
| Instruction | \$ 1,297,340 |
| Support Services | <u>255,622</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 1,552,962</u></u> |

C. 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 | \$ 500 |
| " | Solid Waste / Sanitation | 2,619 |

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

Due to/from Primary Government and Component Units:

The amount reflected on the government-wide financial statements as Due to Primary Government from the discretely presented school department represents \$89,789 for debt issued by the primary government, which is being retired by the school department. Of that amount, \$59,970 is not expected to be received within one year.

Interfund Transfers:

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

Primary Government

| Transfers Out | Transfers In | |
|-----------------------------|------------------|---------------------------|
| | General Fund | General Debt Service Fund |
| Highway/Public Works Fund | \$ 53,600 | \$ 132,400 |
| Nonmajor governmental funds | 0 | 204,406 |
| Total | \$ 53,600 | \$ 336,806 |

Transfers to the General Debt Service Fund represent contributions toward retirement of long-term debt principal and interest.

Discretely Presented Claiborne County School Department

| Transfer Out | Transfer In |
|-----------------------------|-----------------------|
| | Internal Service Fund |
| General Purpose School Fund | \$ 400,000 |
| Total | \$ 400,000 |

Transfers to the internal service fund represent contributions in excess of premiums for the self-insured health program.

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.

D. Sale/Lease of Claiborne County Hospital and Nursing Home

On March 25, 2014, the county entered into a transaction agreement with Claiborne Medical Center (CMC) related to the assets, liabilities, and operation of Claiborne County Hospital and Nursing Home. The agreement provided for the purchase of certain hospital and nursing home assets and liabilities by CMC, and an operating lease agreement for the land and buildings associated with the hospital and nursing home. The combined sale and lease price was paid at the time of closing and no other payments of rent are due during the entire lease term, including renewal terms. A portion of the

proceeds from the sale/lease was used to defease outstanding county hospital and nursing home bonds as discussed in Note IV.F. Long-term Debt. Pursuant to the agreement, the sale/lease proceeds were placed in an escrow account in the name of the county (see Note I.D.3. Restricted Assets). Disbursements are made from the escrow account to Claiborne County, CMC, or their designees for certain agreed upon healthcare related costs provided for in the transaction agreement. When escrow funds are no longer sufficient to cover such agreed upon costs, amounts due to CMC, pursuant to the agreement, shall be payable from the general revenues of the county.

The lease agreement for the land and buildings was effective April 1, 2014, for an initial term of ten years with automatic extension for three additional five-year extension terms, unless CMC gives written notice of non-renewal no less than 18 months prior to the expiration of the lease term or the renewal term, as applicable. At the end of the 3rd, 4th, and 5th years during the lease term, 25 percent of the then-existing balance of the escrow funds, less the amount of the then-existing pending/future obligations, will be released to the county for deposit into a Healthcare Fund to be used exclusively for financial obligations of the county specified in the transaction agreement, and for the promotion and advancement of health-related needs of residents of Claiborne County. At the end of the ten-year term, any remaining balance in escrow will be released and deposited into the Healthcare Fund.

Terms of the transaction agreement included requirements for CMC to assume operations of the Claiborne County Ambulance Service with the county to provide, from the escrow account, \$165,000 per year, and one new ambulance per year in subsidy for the Ambulance Service operations. Upon exhaustion of the escrow funds and Healthcare Fund, the Ambulance Service subsidy shall be payable from general county revenues. CMC may elect to discontinue their operation of the Ambulance Service at any time during the lease term with 90 days' notice.

The aggregate amount of unpaid ambulance subsidy over the remaining lease term is considered a pending/future obligation. The estimate of the aggregate amount of unpaid ambulance subsidy for the remaining seven years of the lease term exceeds the escrow balance as of June 30, 2019. Therefore, 25 percent of the escrow was not released to the county.

The carrying value of the leased property was \$9,129,666 at June 30, 2019. The original cost was \$20,702,557 and accumulated depreciation was \$11,572,891. There are no future minimum lease payments associated with this agreement.

E. Capital Leases

On January 24, 2017, Claiborne County entered into a three-year lease-purchase agreement for a highway department excavator. The terms of the lease require total lease payments of \$142,803 plus interest of 2.5 percent.

Title to the equipment in this agreement transferred to Claiborne County when the lease was signed. The lease payments are made from the General Debt Service Fund.

The assets acquired through capital leases are as follows:

| <u>Asset</u> | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Machinery and Equipment | \$ 142,803 |
| Less: Accumulated Depreciation | <u>(23,800)</u> |
| Total Book Value | <u><u>\$ 119,003</u></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 | \$ 63,803 |
| Total Minimum Lease Payments | \$ 63,803 |
| Less: Amount Representing Interest | <u>(700)</u> |
| Present Value of Minimum Lease Payments | <u><u>\$ 63,103</u></u> |

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Claiborne 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 outstanding were issued for original terms of up to 20 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 - Claiborne 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. The county had no outstanding capital outlay notes at June 30, 2019. Other loans outstanding were issued for original terms of up to 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund

General obligation bonds, other loans, 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 | 1 to 5.3 | % | 6-1-25 | \$ 5,010,000 | \$ 2,580,000 |
| General Obligation Bonds - Refunding | 2 to 4.125 | | 4-1-30 | 39,425,000 | 27,415,000 |
| Direct Borrowing and Direct Placement: | | | | | |
| Other Loans Fixed Rate | 2.5 | | 4-30-22 | 335,732 | 89,789 |
| Capital Leases | 2.5 | | 1-24-20 | 142,803 | 63,103 |

Included in amounts outstanding are various general obligation debts Claiborne County has issued for the benefit of the Claiborne County School Department component unit. The Claiborne County School Department contributes funds annually to the county to apply toward retirement of debt based on budgetary appropriations. During the year, the school department contributed \$3,040,791 to the county's General Debt Service Fund for retirement of those general obligation debt issues.

The annual requirements to amortize all general obligation bonds 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 | \$ 2,340,000 | \$ 1,209,822 | \$ 3,549,822 |
| 2021 | 2,455,000 | 1,122,662 | 3,577,662 |
| 2022 | 2,455,000 | 1,029,587 | 3,484,587 |
| 2023 | 2,410,000 | 930,463 | 3,340,463 |
| 2024 | 2,515,000 | 829,337 | 3,344,337 |
| 2025-2029 | 14,640,000 | 2,423,775 | 17,063,775 |
| 2030 | 3,180,000 | 131,175 | 3,311,175 |
| Total | \$ 29,995,000 | \$ 7,676,821 | \$ 37,671,821 |

| Year Ending June 30 | Other Loans - Direct Placement | | |
|------------------------|--------------------------------|-----------------|------------------|
| | Principal | Interest | Total |
| 2020 | \$ 29,819 | \$ 1,857 | \$ 31,676 |
| 2021 | 30,564 | 1,084 | 31,648 |
| 2022 | 29,406 | 352 | 29,758 |
| Total | \$ 89,789 | \$ 3,293 | \$ 93,082 |

There is \$847,621 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$931, based on the 2010 federal census. Total debt per capita, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$950, based on the 2010 federal census.

In addition to the annual contributions made by the school department to the General Debt Service Fund, which are dependent upon budgetary appropriations discussed previously, the school department has committed to service certain other debt issued by the county. The school department is currently committed to contributing funds to service specific debt instruments 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 Indebtedness | Outstanding 6-30-19 |
|---|------------------------|
| <u>Other Loans Payable</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Ball field lighting projects at schools | \$ 89,789 |

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 | \$ 32,325,000 | \$ 132,838 | \$ 118,884 |
| Reductions | (2,330,000) | (132,838) | (29,095) |
| Balance, June 30, 2019 | <u>\$ 29,995,000</u> | <u>\$ 0</u> | <u>\$ 89,789</u> |
| Balance Due Within One Year | <u>\$ 2,340,000</u> | <u>\$ 0</u> | <u>\$ 29,819</u> |
| | <u>Capital Leases - Direct Placement</u> | | |
| Balance, July 1, 2018 | \$ 393,843 | | |
| Reductions | (330,740) | | |
| Balance, June 30, 2019 | <u>\$ 63,103</u> | | |
| Balance Due Within One Year | <u>\$ 63,103</u> | | |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

| | |
|--|----------------|
| Total Noncurrent Liabilities - Debt, June 30, 2019 | \$ 30,147,892 |
| Less: Balance Due Within One Year | (2,432,922) |
| Add: Unamortized Premium on Debt | <u>447,187</u> |

| | |
|---|----------------------|
| Noncurrent Liabilities - Due in More Than One Year -Debt - Exhibit A | <u>\$ 28,162,157</u> |
|---|----------------------|

Defeasance of Prior Debt

In prior years, Claiborne County defeased certain hospital refunding bonds by placing a portion of the proceeds received from the sale/lease of the Claiborne County Hospital and Nursing home into an irrevocable trust to provide for all future debt service payments on the debt. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased debt are not included in the county's financial statements. At June 30, 2019, the following outstanding bonds were considered defeased:

| | <u>Amount</u> | <u>Call Date</u> |
|-----------------------------------|---------------|----------------------|
| Refunding Series 2010A - Hospital | \$ 2,795,000 | 4-1-20 |
| Refunding Series 2010B - Hospital | 250,000 | 4-1-20 |

G. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

| | <u>Compensated Absences</u> | <u>Landfill Closure/ Postclosure Care Costs</u> |
|-----------------------------|---------------------------------|---|
| Balance, July 1, 2018 | \$ 271,324 | \$ 780,633 |
| Additions | 188,446 | 0 |
| Reductions | (172,598) | (61,904) |
| Balance, June 30, 2019 | <u>\$ 287,172</u> | <u>\$ 718,729</u> |
| Balance Due Within One Year | <u>\$ 186,662</u> | <u>\$ 65,404</u> |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Other Noncurrent Liabilities, June 30, 2019 | \$ 1,005,901 |
| Less: Balance Due Within One Year | <u>(252,066)</u> |
| Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 753,835</u> |

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

Discretely Presented Claiborne County School Department

Changes in Long-term Obligations

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

Governmental Activities:

| | <u>Other Postemployment Benefits</u> |
|-----------------------------|--|
| Balance, July 1, 2018 | \$ 20,769,050 |
| Additions | 6,280,137 |
| Reductions | <u>(899,073)</u> |
| Balance, June 30, 2019 | <u>\$ 26,150,114</u> |
| Balance Due Within One Year | <u>\$ 0</u> |

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

H. Pledges of Receivables and Future Revenues

In 2003, the Claiborne County Commission voted to levy a motor vehicle privilege tax. The county pledged the tax revenues for jail construction and ADA required renovations to the courthouse.

Proceeds of the tax are placed in the General Debt Service Fund and are currently being expended to retire principal and interest on debt associated with the construction of the judicial complex. During the year, revenues generated by the wheel tax totaled \$703,408, and principal and interest expenditures funded by the wheel tax totaled \$612,844. Since its inception, wheel tax revenues for jail debt totals \$10,405,368 and expenditures for jail debt totals \$10,153,808.

In 2017, the county commission voted to levy an additional motor vehicle privilege tax. The county pledged the tax revenues for paving roads and the purchase of highway equipment.

Proceeds of the additional vehicle privilege tax are placed in the Highway Capital Projects Fund and are currently being expended to fund highway paving projects and purchases of highway equipment. During the year, revenues generated by the wheel tax totaled \$703,258 and expenditures of the Highway Capital Projects Fund for paving roads and equipment purchases totaled \$676,773. Since its inception, wheel tax revenues for paving roads and the purchase of highway equipment totals \$2,454,380 and expenditures for paving roads and equipment purchases totals \$2,395,685.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, employee health and accident, and environmental. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Retirees are not permitted to remain on the county's health insurance program.

Discretely Presented Claiborne County School Department

The school department has chosen to establish the Employee Health Insurance Fund for risks associated with the employees' health insurance plan. The Employee Health Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. Certified employees are covered under one plan, while non-certified employees can choose between two plans. The school department has purchased excess risk insurance coverage for claims exceeding \$95,000 per claimant and \$6,633,435 for all claims in a single year. All three plans are covered by this excess risk plan. The stop loss policy has a maximum reimbursement of \$1,000,000 per claim year.

All full-time certified employees and certain other employees of the Claiborne County School Department are eligible to participate. A premium charge is allocated to each fund that accounts for covered employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$35,922 at June 30, 2019, and is reported as net position of the Employee Health Insurance Fund. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Health Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Estimates | Payments | Balance at Fiscal Year-end |
|-----------|---|--|----------------|----------------------------------|
| 2017-2018 | \$ 679,627 | \$ 4,142,523 | \$ (4,191,971) | \$ 630,179 |
| 2018-2019 | 630,179 | 4,587,316 | (4,559,327) | 658,168 |

Current year claims and estimates are presented net of stop/loss recoveries (\$499,195) and contracted prescription drug rebates (\$411,533) for the 2018-2019 year.

The school department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, and workers' compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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, Claiborne 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. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Change in Administration

On July 13, 2018, Frances Cardwell left the Office of Clerk and Master and was succeeded by Rita Jones.

On August 31, 2018, Jack Daniels left the Office of County Mayor and was succeeded by Joe Brooks; David Ray left the Office of Sheriff and was succeeded by Bob Brooks; and Evelyn Hill left the Office of County Clerk and was succeeded by Karen Hurst.

On November 19, 2018, Sam Owens left his position as finance director. Angelia Tucker, deputy finance director, immediately began serving as Finance Director, and was appointed finance director by the financial management committee on January 28, 2019.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Claiborne County closed its sanitary landfill in 1998. The \$718,729 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the 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 the board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Claiborne County made no contributions to the DTF for the year ended June 30, 2019, and does not have an equity interest in the joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

G. Jointly Governed Organization

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64, *Tennessee Code Annotated (TCA)*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a board of directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice chairman, secretary, and treasurer of the board of directors, along with the center's manager as an ex officio member, is in charge of the daily operation of the center.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Claiborne County and non-certified employees of the discretely presented Claiborne County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.91 percent, the non-certified employees of the discretely presented school department comprise 42.09 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.

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 | 428 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 871 |
| Active Employees | 524 |
| Total | <u>1,823</u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Claiborne 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 Claiborne County was \$633,122 based on a rate of 5.52 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Claiborne 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)

Claiborne County's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability 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 |

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 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 Claiborne 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 | \$ 47,895,757 | \$ 48,724,644 | \$ (828,887) |
| Changes for the Year: | | | |
| Service Cost | \$ 920,613 | \$ 0 | \$ 920,613 |
| Interest | 3,430,372 | 0 | 3,430,372 |
| Differences Between Expected and Actual Experience | (475,984) | 0 | (475,984) |
| Changes in Assumptions | 0 | 0 | 0 |
| Contributions-Employer | 0 | 613,930 | (613,930) |
| Contributions-Employees | 0 | 563,291 | (563,291) |
| Net Investment Income | 0 | 3,966,624 | (3,966,624) |
| Benefit Payments, Including Refunds of Employee Contributions | (3,001,799) | (3,001,799) | 0 |
| Administrative Expense | 0 | (50,217) | 50,217 |
| Other Changes | 0 | 0 | 0 |
| Net Changes | \$ 873,202 | \$ 2,091,829 | \$ (1,218,627) |
| Balance, June 30, 2018 | \$ 48,768,959 | \$ 50,816,473 | \$ (2,047,514) |

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

| | | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 57.91% | \$ 28,242,104 | \$ 29,427,820 | \$ (1,185,715) |
| School Department | 42.09% | 20,526,855 | 21,388,653 | (861,799) |
| Total | | \$ 48,768,959 | \$ 50,816,473 | \$ (2,047,514) |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Claiborne 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 percent) or one 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 | \$ 3,030,906 | \$ (2,047,514) | \$ (6,201,181) |

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

Pension Expense. For the year ended June 30, 2019, Claiborne County recognized (negative) pension expense of (\$27,902).

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 0 | \$ 802,375 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 142,173 |
| Changes in Assumptions | 809,298 | 0 |
| Contributions Subsequent to the Measurement Date of June 30, 2018 (1) | 633,122 | N/A |
| Total | <u>\$ 1,442,420</u> | <u>\$ 944,548</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 | \$ 834,681 | \$ 546,987 |
| School Department | 607,739 | 397,561 |
| Total | <u>\$ 1,442,420</u> | <u>\$ 944,548</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 | \$ 385,038 |
| 2021 | 141,669 |
| 2022 | (561,551) |
| 2023 | (100,410) |
| 2024 | 0 |
| Thereafter | 0 |

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

Discretely Presented Claiborne County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Claiborne County and non-certified employees of the discretely presented Claiborne County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.91 percent and the non-certified employees of the discretely presented school department comprise 42.09 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Claiborne 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 \$47,970, which is 1.94 percent of covered payroll. In addition, employer contributions of \$48,215 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, 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 (\$116,962) 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 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 .257894 percent. The proportion as of June 30, 2017, was .299465 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$41,264.

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 | \$ 6,624 | \$ 4,659 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 6,607 |
| Changes in Assumptions | 5,518 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 16,191 | 189 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 | 47,970 | N/A |
| Total | <u>\$ 76,303</u> | <u>\$ 11,455</u> |

The school department's employer contributions of \$47,970, 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 | \$ 465 |
| 2021 | 255 |
| 2022 | (687) |
| 2023 | 1,040 |
| 2024 | 1,920 |
| Thereafter | 13,887 |

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 percent) or one percentage point higher (8.25 percent) 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% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability \$ 18,082 \$ (116,962) \$ (216,458)

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 Claiborne 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 Claiborne County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$1,726,231, 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 (\$1,718,239) 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 .488287 percent. The proportion measured at June 30, 2017, was .489426 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$481,902).

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 | \$ 347,315 | \$ 2,318,041 |
| Changes in Assumptions | 1,014,800 | 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 373,960 |
| Changes in Proportion of Net Pension Liability (Asset) | 78,479 | 16,238 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 | <u>1,726,231</u> | N/A |
| Total | <u>\$ 3,166,825</u> | <u>\$ 2,708,239</u> |

The school department's employer contributions of \$1,726,231 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 | \$ 364,157 |
| 2021 | (538,771) |
| 2022 | (933,399) |
| 2023 | (159,631) |
| 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 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 | 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 | |
| | | | 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 percent) or one percentage point higher (8.25 percent) 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% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability \$ 13,245,269 \$ (1,718,239) \$ (14,098,458)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the school department contributed \$108,924 and teachers contributed \$92,680 to this deferred compensation pension plan.

I. Other Postemployment Benefits

Claiborne County primary government does not offer other postemployment benefits to its retirees.

Discretely Presented Claiborne County School Department

Plan Description. Claiborne County School Department provides self-insured postemployment benefits for health care and commercial postemployment benefits for life insurance for its retirees and their eligible dependents. This plan is administered by Shafer Insurance. For reporting purposes the plan is considered to be a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The Board of Education is a member of the Tennessee School Board Association (TSBA) OPEB Trust. The TSBA OPEB Trust was established to manage investment of funds contributed by member employers to fund their OPEB liability. As of June 30, 2019, the Claiborne County Board of Education has not placed any funds with TSBA OPEB Trust.

Benefits Provided. All retirees must be at least 55 years old and have 20 years of service to qualify for benefits. Non-certified employees are not eligible to continue the medical plan after retirement. Eligible non-certified employees may continue their life insurance by paying the full premium amount. For pre-65 certified retirees, the school department pays 100 percent of the premium for single coverage medical benefits for retirees with 30 or more years of service. The school department pays a pro-rated amount (based on years of service) of the cost of single medical coverage for retirees with 20 to 29 years of service until age 65. The retiree pays 100 percent of the difference between the premiums of single and family medical coverage. Surviving spouses pay 100 percent of premiums for medical coverage. The school department pays 100 percent of the premiums to provide \$30,000 of life insurance for eligible pre-65 retirees.

For post-65 retirees electing supplemental Medicare coverage, the retirees pay from \$150 per month to \$395 per month depending on coverage selected. Surviving spouses pay \$291 per month for the supplemental coverage. Post-65 retirees pay 100 percent of any life insurance coverage.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 205 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Employees | 373 |
| Total | 578 |

Total OPEB Liability

The plan's total OPEB liability of \$26,150,114 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the actuarial valuation 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 |
| Discount Rate | 3.50% |
| Healthcare Cost Trend Rates | 7.5% initially decreasing to 5% by 2024 |
| Salary Increases | 3% annually |
| Retirees share of Benefit-related Cost | See discussion under Benefits Provided |

The discount rate was based on the Bond Buyer's 20 Bond Index as of June 30, 2019.

The mortality assumption is based on RP-2014 White Collar Fully Generational Mortality Table with Projection Scale MP-2018.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|-----------------------------|
| Balance July 1, 2018 | \$ 20,769,050 |
| Changes for the Year: | |
| Service Cost | \$ 583,968 |
| Interest | 849,494 |
| Changes in Benefit Terms | 0 |
| Difference between Expected and Actual Experience | (236,157) |
| Changes in Assumption and Other Inputs | 4,846,675 |
| Benefit Payments | (662,916) |
| Net Changes | <u>\$ 5,381,064</u> |
| Balance June 30, 2019 | <u>\$ 26,150,114</u> |

The mortality assumption has been updated from RP-2014 Mortality Fully Generational using Projection Scale MP-2017 to RP-2014 White Collar Fully Generational Table with scale MP-2018. The discount rate changed from 3.05 percent as of the beginning of the measurement period to 3.5 percent as of the measurement date of June 30, 2019.

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 \$2,223,814. At June 30, 2019, the school department 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 | \$ 8,577 | \$ 195,788 |
| Changes of Assumptions/Inputs | 4,018,183 | 0 |
| Net Difference Between Projected and Actual Investments | <u>0</u> | <u>0</u> |
| Total | <u>\$ 4,026,760</u> | <u>\$ 195,788</u> |

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

| Year Ending June 30 | Amount |
|------------------------|------------|
| 2020 | \$ 790,352 |
| 2021 | 790,352 |
| 2022 | 790,352 |
| 2023 | 790,013 |
| 2024 | 669,903 |
| Thereafter | 0 |

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 school department 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 2.50% | Current Discount Rate 3.50% | 1% Increase 4.50% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | \$ 31,479,683 | \$ 26,150,114 | \$ 22,074,170 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the school department 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 7% Decreasing to 4% | Current Trend Rate 8% Decreasing to 5% | 1% Increase 9% Decreasing to 6% |
|--|---|---|---|
|--|---|---|---|

| | | | |
|----------------------|---------------|---------------|---------------|
| Total OPEB Liability | \$ 22,682,666 | \$ 26,150,114 | \$ 30,686,177 |
|----------------------|---------------|---------------|---------------|

J. Office of Central Accounting, Budgeting, and Purchasing

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

K. Purchasing Laws

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Claiborne County. All purchase orders are issued by the finance department. Purchases exceeding \$10,000 are required to be competitively bid.

L. Subsequent Events

On July 1, 2019 Dr. Joseph Miller left the Office of Director of Schools and was succeeded by Dr. Linda Keck.

On July 1, 2019, the county executed a three-year lease purchase agreement for two tractors with two long arm mowers for the highway department in the amount of \$280,665 with an interest rate of 4.29 percent.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Claiborne 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 | \$ 1,439,339 | \$ 714,275 | \$ 744,708 | \$ 875,275 | \$ 920,613 |
| Interest | 3,355,422 | 3,275,640 | 3,336,404 | 3,375,465 | 3,430,372 |
| Changes in Benefit Terms | 0 | 0 | 0 | 0 | 0 |
| Differences Between Actual and Expected Experience | (1,736,936) | (154,148) | (652,386) | (564,586) | (475,984) |
| Changes in Assumptions | 0 | 0 | 0 | 1,618,598 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,678,157) | (3,114,892) | (2,997,136) | (3,079,830) | (3,001,799) |
| Net Change in Total Pension Liability | \$ (620,332) | \$ 720,875 | \$ 431,590 | \$ 2,224,922 | \$ 873,202 |
| Total Pension Liability, Beginning | 45,138,702 | 44,518,370 | 45,239,245 | 45,670,835 | 47,895,757 |
| Total Pension Liability, Ending (a) | \$ 44,518,370 | \$ 45,239,245 | \$ 45,670,835 | \$ 47,895,757 | \$ 48,768,959 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | \$ 913,895 | \$ 507,315 | \$ 577,354 | \$ 621,480 | \$ 613,930 |
| Contributions - Employee | 857,440 | 457,428 | 541,088 | 564,884 | 563,291 |
| Net Investment Income | 6,829,354 | 1,416,525 | 1,203,284 | 5,058,415 | 3,966,624 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,678,157) | (3,114,892) | (2,997,136) | (3,079,830) | (3,001,799) |
| Administrative Expense | (25,669) | (23,931) | (40,988) | (45,829) | (50,217) |
| Other | 0 | 0 | 7,695 | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | \$ 4,896,863 | \$ (757,555) | \$ (708,703) | \$ 3,119,120 | \$ 2,091,829 |
| Plan Fiduciary Net Position, Beginning | 42,174,919 | 47,071,782 | 46,314,227 | 45,605,524 | 48,724,644 |
| Plan Fiduciary Net Position, Ending (b) | \$ 47,071,782 | \$ 46,314,227 | \$ 45,605,524 | \$ 48,724,644 | \$ 50,816,473 |
| Net Pension Liability (Asset), Ending (a - b) | \$ (2,553,412) | \$ (1,074,982) | \$ 65,311 | \$ (828,887) | \$ (2,047,514) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 105.74% | 102.38% | 99.86% | 101.73% | 104.20% |
| Covered Payroll | \$ 16,892,704 | \$ 9,190,482 | \$ 10,459,286 | \$ 11,264,351 | \$ 11,121,892 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | (15.12)% | (11.7)% | 0.62% | (7.36)% | (18.41)% |

Notes:

Note 1: Ten-year information will be presented when available.

Note 2: The agent plan is a single plan that is participated in by the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Claiborne 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 | \$ 913,895 | \$ 507,315 | \$ 577,354 | \$ 621,480 | \$ 613,930 | \$ 633,122 |
| Less Contributions in Relation to the Actuarially Determined Contribution | (913,895) | (507,315) | (577,354) | (621,480) | (613,930) | (633,122) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 16,829,704 | \$ 9,190,482 | \$ 10,459,286 | \$ 11,264,351 | \$ 11,121,892 | \$ 11,469,601 |
| Contributions as a Percentage of Covered Payroll | 5.41% | 5.52% | 5.52% | 5.52% | 5.52% | 5.52% |

Notes:

Note 1: Ten-year information will be presented when available.

Note 2: The agent plan is a single plan that is participated in by the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

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

| | 2015 | 2016 | 2017 | 2018 | 2019* |
|---|-------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution | \$ 29,816 | \$ 63,261 | \$ 78,620 | \$ 90,147 | \$ 47,970 |
| Less Contributions in Relation to the Contractually Required Contribution | (29,816) | (63,261) | (78,620) | (90,147) | (47,970) |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Payroll | \$ 745,396 | \$ 1,581,516 | \$ 1,965,490 | \$ 2,253,684 | \$ 2,472,676 |
| 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 rate (1.94%) of covered payroll into the pension plan and placed \$48,215 into the Pension Stabilization Trust.

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

Exhibit E-4

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 1,645,756 | \$ 1,596,791 | \$ 1,588,945 | \$ 1,564,008 | \$ 1,552,517 | \$ 1,726,231 |
| Less Contributions in Relation to the Contractually Required Contribution | (1,645,756) | (1,596,791) | (1,588,945) | (1,564,008) | (1,552,517) | (1,726,231) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 18,533,289 | \$ 17,663,641 | \$ 17,576,842 | \$ 17,300,987 | \$ 17,098,198 | \$ 16,503,164 |
| 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.

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

| | 2015 | 2016 | 2017 | 2018 |
|---|------------|-------------|-------------|-------------|
| School Department's Proportion of the Net Pension Asset | 0.358755% | 0.359434% | 0.299465% | 0.257894% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | (\$14,433) | (\$37,418) | (\$79,007) | (\$116,962) |
| Covered Payroll | \$745,396 | \$1,581,516 | \$1,965,490 | \$2,253,684 |
| 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

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------------|---------------|---------------|---------------|-------------|
| School Department's Proportion of the Net Pension Liability/Asset | 0.472187% | 0.471847% | 0.486920% | 0.489426% | 0.488287% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (76,728) \$ | 193,285 \$ | 3,042,979 \$ | (160,133) \$ | (1,718,239) |
| Covered Payroll | \$ 18,533,289 \$ | 17,663,641 \$ | 17,576,842 \$ | 17,300,987 \$ | 17,098,198 |
| 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

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

| | 2018 | 2019 |
|--|---------------|---------------|
| Total OPEB Liability | | |
| Service Cost | \$ 442,055 | \$ 583,968 |
| Interest | 627,742 | 849,494 |
| Changes in Benefit Terms | 0 | 0 |
| Differences Between Actual and Expected Experience | (13,035) | (236,157) |
| Changes in Assumptions or Other Inputs | 0 | 4,846,675 |
| Benefit Payments | (854,730) | (662,916) |
| Net Change in Total OPEB Liability | \$ 202,032 | \$ 5,381,064 |
| Total OPEB Liability, Beginning | 20,567,018 | 20,769,050 |
| | | |
| Total OPEB Liability, Ending | \$ 20,769,050 | \$ 26,150,114 |
| | | |
| Covered Employee Payroll | \$ 19,047,813 | \$ 17,143,623 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 109.04% | 152.54% |

Notes:

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Note 3: 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:

2018 - 3.05%

2019 - 3.50%

CLAIBORNE 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, |
| 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: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the 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 specific purposes other than debt service or capital projects.

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 – This special revenue fund accounts for the proceeds from the sale and lease of assets of the Claiborne County Hospital and Nursing Home.

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 Fund

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.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for major paving projects and the purchase of some equipment for the Highway Department.

Exhibit F-1

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

| | Special Revenue Funds | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-----------------------|-----------------------------|---|---------------------|--------------------------------|--|
| | Drug Control | Other Special Revenue | Constitu- tional Officers - Fees | Total | Highway Capital Projects | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 178,736 | \$ 178,736 | \$ 0 | \$ 178,736 |
| Equity in Pooled Cash and Investments | 68,117 | 0 | 0 | 68,117 | 222,626 | 290,743 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 117,186 | 117,186 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | 0 | (5,457) | (5,457) |
| Restricted Assets | 0 | 967,967 | 0 | 967,967 | 0 | 967,967 |
| Total Assets | <u>\$ 68,117</u> | <u>\$ 967,967</u> | <u>\$ 178,736</u> | <u>\$ 1,214,820</u> | <u>\$ 334,355</u> | <u>\$ 1,549,175</u> |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 2,219 | \$ 0 | \$ 0 | \$ 2,219 | \$ 38,663 | \$ 40,882 |
| Due to Other Funds | 0 | 0 | 500 | 500 | 0 | 500 |
| Total Liabilities | <u>\$ 2,219</u> | <u>\$ 0</u> | <u>\$ 500</u> | <u>\$ 2,719</u> | <u>\$ 38,663</u> | <u>\$ 41,382</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 108,601 | \$ 108,601 |
| Deferred Delinquent Property Taxes | 0 | 0 | 0 | 0 | 2,896 | 2,896 |
| Total Deferred Inflows of Resources | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 111,497</u> | <u>\$ 111,497</u> |
| <u>FUND BALANCES</u> | | | | | | |
| Restricted: | | | | | | |
| Restricted for Finance | \$ 0 | \$ 0 | \$ 178,236 | \$ 178,236 | \$ 0 | \$ 178,236 |

(Continued)

Exhibit F-1

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

| | Special Revenue Funds | | | Total | Capital | Total |
|--|-----------------------|-----------------------|--|---------------------|-------------------|---------------------|
| | Drug Control | Other Special Revenue | Constitu - tional Officers - Fees | | Projects Fund | |
| <u>FUND BALANCES (Cont.)</u> | | | | | | |
| Restricted (Cont.): | | | | | | |
| Restricted for Public Safety | \$ 65,898 | \$ 0 | \$ 0 | \$ 65,898 | \$ 0 | \$ 65,898 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 184,195 | 184,195 |
| Restricted for Other Purposes | 0 | 967,967 | 0 | 967,967 | 0 | 967,967 |
| Total Fund Balances | <u>\$ 65,898</u> | <u>\$ 967,967</u> | <u>\$ 178,236</u> | <u>\$ 1,212,101</u> | <u>\$ 184,195</u> | <u>\$ 1,396,296</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 68,117</u> | <u>\$ 967,967</u> | <u>\$ 178,736</u> | <u>\$ 1,214,820</u> | <u>\$ 334,355</u> | <u>\$ 1,549,175</u> |

Exhibit F-2

Claiborne 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 | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-----------------------|-----------------------------|--|-------------------|--------------------------------|--|
| | Drug Control | Other Special Revenue | Constitu - tional Officers - Fees | Total | Highway Capital Projects | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 814,771 | \$ 814,771 |
| Fines, Forfeitures, and Penalties | 26,521 | 0 | 0 | 26,521 | 0 | 26,521 |
| Charges for Current Services | 0 | 0 | 487,763 | 487,763 | 0 | 487,763 |
| Other Local Revenues | 11,601 | 825 | 0 | 12,426 | 0 | 12,426 |
| Total Revenues | \$ 38,122 | \$ 825 | \$ 487,763 | \$ 526,710 | \$ 814,771 | \$ 1,341,481 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Finance | \$ 0 | \$ 0 | \$ 411,537 | \$ 411,537 | \$ 0 | \$ 411,537 |
| Administration of Justice | 0 | 0 | 44,137 | 44,137 | 0 | 44,137 |
| Public Safety | 61,482 | 0 | 0 | 61,482 | 0 | 61,482 |
| Public Health and Welfare | 0 | 279,647 | 0 | 279,647 | 0 | 279,647 |
| Other Operations | 0 | 750 | 0 | 750 | 0 | 750 |
| Capital Projects | 0 | 0 | 0 | 0 | 567,496 | 567,496 |
| Total Expenditures | \$ 61,482 | \$ 280,397 | \$ 455,674 | \$ 797,553 | \$ 567,496 | \$ 1,365,049 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (23,360) | \$ (279,572) | \$ 32,089 | \$ (270,843) | \$ 247,275 | \$ (23,568) |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers Out | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (204,406) | \$ (204,406) |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (204,406) | \$ (204,406) |

(Continued)

Exhibit F-2

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

| | Special Revenue Funds | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|-----------------------------|-----------------------|-----------------------------|--|--------------|--------------------------------|--|
| | Drug Control | Other Special Revenue | Constitu - tional Officers - Fees | Total | Highway Capital Projects | |
| Net Change in Fund Balances | \$ (23,360) | \$ (279,572) | \$ 32,089 | \$ (270,843) | \$ 42,869 | \$ (227,974) |
| Fund Balance, July 1, 2018 | 89,258 | 1,247,539 | 146,147 | 1,482,944 | 141,326 | 1,624,270 |
| Fund Balance, June 30, 2019 | \$ 65,898 | \$ 967,967 | \$ 178,236 | \$ 1,212,101 | \$ 184,195 | \$ 1,396,296 |

Exhibit F-3

Claiborne 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 | \$ 26,521 | \$ 46,000 | \$ 46,000 | \$ (19,479) |
| Other Local Revenues | 11,601 | 0 | 11,595 | 6 |
| Total Revenues | <u>\$ 38,122</u> | <u>\$ 46,000</u> | <u>\$ 57,595</u> | <u>\$ (19,473)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 61,482 | \$ 80,000 | \$ 91,595 | \$ 30,113 |
| Total Expenditures | <u>\$ 61,482</u> | <u>\$ 80,000</u> | <u>\$ 91,595</u> | <u>\$ 30,113</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (23,360)</u> | <u>\$ (34,000)</u> | <u>\$ (34,000)</u> | <u>\$ 10,640</u> |
| Net Change in Fund Balance | \$ (23,360) | \$ (34,000) | \$ (34,000) | \$ 10,640 |
| Fund Balance, July 1, 2018 | <u>89,258</u> | <u>100,033</u> | <u>100,033</u> | <u>(10,775)</u> |
| Fund Balance, June 30, 2019 | <u>\$ 65,898</u> | <u>\$ 66,033</u> | <u>\$ 66,033</u> | <u>\$ (135)</u> |

Exhibit F-4

Claiborne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2019

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 814,771 | \$ 830,200 | \$ 830,200 | \$ (15,429) |
| Total Revenues | \$ 814,771 | \$ 830,200 | \$ 830,200 | \$ (15,429) |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| Highway and Street Capital Projects | \$ 567,496 | \$ 830,200 | \$ 625,794 | \$ 58,298 |
| Total Expenditures | \$ 567,496 | \$ 830,200 | \$ 625,794 | \$ 58,298 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 247,275 | \$ 0 | \$ 204,406 | \$ 42,869 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ (204,406) | \$ 0 | \$ (204,406) | \$ 0 |
| Total Other Financing Sources | \$ (204,406) | \$ 0 | \$ (204,406) | \$ 0 |
| Net Change in Fund Balance | \$ 42,869 | \$ 0 | \$ 0 | \$ 42,869 |
| Fund Balance, July 1, 2018 | 141,326 | 90,000 | 90,000 | 51,326 |
| Fund Balance, June 30, 2019 | \$ 184,195 | \$ 90,000 | \$ 90,000 | \$ 94,195 |

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

Claiborne 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 | \$ 875,334 | \$ 868,600 | \$ 868,600 | \$ 6,734 |
| Other Local Revenues | 3,046,875 | 3,012,704 | 3,044,791 | 2,084 |
| Total Revenues | <u>\$ 3,922,209</u> | <u>\$ 3,881,304</u> | <u>\$ 3,913,391</u> | <u>\$ 8,818</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 455,000 | \$ 587,889 | \$ 455,000 | \$ 0 |
| Highways and Streets | 463,578 | 79,700 | 466,858 | 3,280 |
| Education | 1,904,095 | 1,875,000 | 1,904,095 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 157,842 | 161,471 | 157,844 | 2 |
| Highways and Streets | 9,395 | 6,436 | 9,873 | 478 |
| Education | 1,136,296 | 1,133,704 | 1,136,296 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 7,537 | 123,237 | 123,637 | 116,100 |
| Total Expenditures | <u>\$ 4,133,743</u> | <u>\$ 3,967,437</u> | <u>\$ 4,253,603</u> | <u>\$ 119,860</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (211,534)</u> | <u>\$ (86,133)</u> | <u>\$ (340,212)</u> | <u>\$ 128,678</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 336,806 | \$ 86,133 | \$ 340,212 | \$ (3,406) |
| Total Other Financing Sources | <u>\$ 336,806</u> | <u>\$ 86,133</u> | <u>\$ 340,212</u> | <u>\$ (3,406)</u> |
| Net Change in Fund Balance | \$ 125,272 | \$ 0 | \$ 0 | \$ 125,272 |
| Fund Balance, July 1, 2018 | <u>722,349</u> | <u>662,623</u> | <u>662,623</u> | <u>59,726</u> |
| Fund Balance, June 30, 2019 | <u>\$ 847,621</u> | <u>\$ 662,623</u> | <u>\$ 662,623</u> | <u>\$ 184,998</u> |

Fiduciary Funds

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

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

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.

Other Agency Fund – The Other Agency Fund is used to account for transactions of the discretely presented Claiborne County Economic and Community Development Board that are channeled through the county Trustee's Office.

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

Exhibit H-1

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

| | Agency Funds | | | | |
|--|--------------------------|---|-------------------|---------------------------------|---------------------|
| | Cities - Sales Tax | Constitu- tional Officers - Agency | Other Agency | District Attorney General | Total |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 1,574,951 | \$ 0 | \$ 0 | \$ 1,574,951 |
| Equity in Pooled Cash and Investments | 0 | 0 | 464,448 | 99,939 | 564,387 |
| Accounts Receivable | 0 | 60 | 0 | 0 | 60 |
| Due from Other Governments | 360,316 | 0 | 0 | 0 | 360,316 |
| Property Taxes Receivable | 0 | 0 | 58,667 | 0 | 58,667 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | (2,762) | 0 | (2,762) |
| Total Assets | <u>\$ 360,316</u> | <u>\$ 1,575,011</u> | <u>\$ 520,353</u> | <u>\$ 99,939</u> | <u>\$ 2,555,619</u> |
| <u>LIABILITIES</u> | | | | | |
| Due to Other Taxing Units | \$ 360,316 | \$ 0 | \$ 0 | \$ 0 | \$ 360,316 |
| Due to Litigants, Heirs, and Others | 0 | 1,575,011 | 0 | 99,939 | 1,674,950 |
| Other Current Liabilities | 0 | 0 | 520,353 | 0 | 520,353 |
| Total Liabilities | <u>\$ 360,316</u> | <u>\$ 1,575,011</u> | <u>\$ 520,353</u> | <u>\$ 99,939</u> | <u>\$ 2,555,619</u> |

Claiborne 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 | \$ 1,967,700 | \$ 1,967,700 | \$ 0 |
| Due from Other Governments | 341,201 | 360,316 | 341,201 | 360,316 |
| Total Assets | \$ 341,201 | \$ 2,328,016 | \$ 2,308,901 | \$ 360,316 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 341,201 | \$ 2,328,016 | \$ 2,308,901 | \$ 360,316 |
| Total Liabilities | \$ 341,201 | \$ 2,328,016 | \$ 2,308,901 | \$ 360,316 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,738,350 | \$ 10,813,887 | \$ 10,977,286 | \$ 1,574,951 |
| Accounts Receivable | 46 | 60 | 46 | 60 |
| Total Assets | \$ 1,738,396 | \$ 10,813,947 | \$ 10,977,332 | \$ 1,575,011 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,738,396 | \$ 10,813,947 | \$ 10,977,332 | \$ 1,575,011 |
| Total Liabilities | \$ 1,738,396 | \$ 10,813,947 | \$ 10,977,332 | \$ 1,575,011 |
| <u>Other Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 462,962 | \$ 94,205 | \$ 92,719 | \$ 464,448 |
| Property Taxes Receivable | 57,599 | 58,667 | 57,599 | 58,667 |
| Allowance for Uncollectible Property Taxes | (2,467) | (2,762) | (2,467) | (2,762) |
| Total Assets | \$ 518,094 | \$ 150,110 | \$ 147,851 | \$ 520,353 |
| <u>Liabilities</u> | | | | |
| Other Current Liabilities | \$ 518,094 | \$ 150,110 | \$ 147,851 | \$ 520,353 |
| Total Liabilities | \$ 518,094 | \$ 150,110 | \$ 147,851 | \$ 520,353 |

(Continued)

Exhibit H-2

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

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------|---------------|-------------------|
| <u>District Attorney General</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 89,273 | \$ 35,967 | \$ 25,301 | \$ 99,939 |
| Total Assets | \$ 89,273 | \$ 35,967 | \$ 25,301 | \$ 99,939 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs and Others | \$ 89,273 | \$ 35,967 | \$ 25,301 | \$ 99,939 |
| Total Liabilities | \$ 89,273 | \$ 35,967 | \$ 25,301 | \$ 99,939 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,738,350 | \$ 10,813,887 | \$ 10,977,286 | \$ 1,574,951 |
| Equity in Pooled Cash and Investments | 552,235 | 2,097,872 | 2,085,720 | 564,387 |
| Accounts Receivable | 46 | 60 | 46 | 60 |
| Due from Other Governments | 341,201 | 360,316 | 341,201 | 360,316 |
| Property Taxes Receivable | 57,599 | 58,667 | 57,599 | 58,667 |
| Allowance for Uncollectible Property Taxes | (2,467) | (2,762) | (2,467) | (2,762) |
| Total Assets | \$ 2,686,964 | \$ 13,328,040 | \$ 13,459,385 | \$ 2,555,619 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 341,201 | \$ 2,328,016 | \$ 2,308,901 | \$ 360,316 |
| Due to Litigants, Heirs, and Others | 1,827,669 | 10,849,914 | 11,002,633 | 1,674,950 |
| Other Current Liabilities | 518,094 | 150,110 | 147,851 | 520,353 |
| Total Liabilities | \$ 2,686,964 | \$ 13,328,040 | \$ 13,459,385 | \$ 2,555,619 |

Claiborne County School Department

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

Employee Insurance Fund – The Employee Insurance Fund is used to account for transactions pertaining to the school department's self-insured group medical plan.

Exhibit I-1

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

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) |
|---|----------------------|----------------------------|---|--|
| | | Charges for Services | Operating Grants and Contributions | Revenue and Changes in Net Position Total Governmental Activities |
| Governmental Activities: | | | | |
| Instruction | \$ 23,997,966 | \$ 132,184 | \$ 2,340,954 | \$ (21,524,828) |
| Support Services | 16,057,528 | 0 | 0 | (16,057,528) |
| Operation of Non-instructional Services | 3,819,123 | 416,862 | 3,973,068 | 570,807 |
| Total Governmental Activities | \$ 43,874,617 | \$ 549,046 | \$ 6,314,022 | \$ (37,011,549) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 6,587,174 |
| Local Option Sales Taxes | | | | 2,914,717 |
| Coal Severance Tax | | | | 111,195 |
| Other Taxes | | | | 7,335 |
| Grants and Contributions Not Restricted for Specific Programs | | | | 26,902,261 |
| Unrestricted Investment Income | | | | 31,672 |
| Gain on Investments | | | | 2,503 |
| Miscellaneous | | | | 414,054 |
| Total General Revenues | | | | \$ 36,970,911 |
| Change in Net Position | | | | \$ (40,638) |
| Net Position, July 1, 2018 | | | | 19,584,131 |
| Net Position, June 30, 2019 | | | | \$ 19,543,493 |

Exhibit I-2

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

| | <u>Major Fund</u> | <u>Nonmajor Funds</u> | |
|---|-------------------|---------------------------|---------------------|
| | <u>General</u> | <u>Other</u> | |
| | <u>Purpose</u> | <u>Govern-</u> | <u>Total</u> |
| | <u>School</u> | <u>mental</u> | <u>Governmental</u> |
| | | <u>Funds</u> | <u>Funds</u> |
| <u>ASSETS</u> | | | |
| Cash | \$ 2,995,018 | \$ 47 | \$ 2,995,065 |
| Equity in Pooled Cash and Investments | 3,544,853 | 1,636,747 | 5,181,600 |
| Accounts Receivable | 16,864 | 11,098 | 27,962 |
| Due from Other Governments | 989,543 | 41,775 | 1,031,318 |
| Property Taxes Receivable | 7,142,559 | 0 | 7,142,559 |
| Allowance for Uncollectible Property Taxes | (330,166) | 0 | (330,166) |
| Restricted Assets | 49,577 | 0 | 49,577 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 14,408,248 | \$ 1,689,667 | \$ 16,097,915 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 46,713 | \$ 8,168 | \$ 54,881 |
| Other Current Liabilities | 2,995,018 | 0 | 2,995,018 |
| Total Liabilities | \$ 3,041,731 | \$ 8,168 | \$ 3,049,899 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 6,624,692 | \$ 0 | \$ 6,624,692 |
| Deferred Delinquent Property Taxes | 173,786 | 0 | 173,786 |
| Other Deferred/Unavailable Revenue | 263,895 | 0 | 263,895 |
| Total Deferred Inflows of Resources | \$ 7,062,373 | \$ 0 | \$ 7,062,373 |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 0 | \$ 1,331,499 | \$ 1,331,499 |
| Restricted for Capital Outlay | 15,904 | 0 | 15,904 |
| Restricted for Hybrid Retirement Stabilization Funds | 49,577 | 0 | 49,577 |
| Committed: | | | |
| Committed for Education | 0 | 350,000 | 350,000 |
| Assigned: | | | |
| Assigned for Education | 1,530,665 | 0 | 1,530,665 |
| Assigned for Debt Service | 565,104 | 0 | 565,104 |
| Unassigned | 2,142,894 | 0 | 2,142,894 |
| Total Fund Balances | \$ 4,304,144 | \$ 1,681,499 | \$ 5,985,643 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 14,408,248 | \$ 1,689,667 | \$ 16,097,915 |

Exhibit I-3

Claiborne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Claiborne 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) | | \$ | 5,985,643 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 1,224,296 | |
| Add: buildings and improvements net of accumulated depreciation | | 29,384,684 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,453,587</u> | 32,062,567 |
| (2) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | | 35,922 |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: contributions due to the primary government for other loans payable | \$ | (89,789) | |
| Less: other postemployment benefits liability | | <u>(26,150,114)</u> | (26,239,903) |
| (4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years: | | | |
| Add: deferred outflows of resources related to pensions | \$ | 3,850,866 | |
| Less: deferred inflows of resources related to pensions | | (3,117,255) | |
| Add: deferred outflows of resources related to OPEB | | 4,026,760 | |
| Less: deferred inflows of resources related to OPEB | | <u>(195,788)</u> | 4,564,583 |
| (5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds: | | | |
| Add: net pension assets - agent plan | \$ | 861,799 | |
| Add: net pension assets - teacher legacy plan | | 1,718,239 | |
| Add: net pension assets - teacher retirement plan | | <u>116,962</u> | 2,697,000 |
| (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>437,681</u> |
| Net position of governmental activities (Exhibit A) | | \$ | <u><u>19,543,493</u></u> |

Exhibit I-4

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

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | |
|--|----------------------|---------------------------------|----------------------|
| | General | Other | Total |
| | Purpose | Govern- | Governmental |
| | School | mental | Funds |
| | | Funds | |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 10,218,278 | \$ 0 | \$ 10,218,278 |
| Licenses and Permits | 2,130 | 0 | 2,130 |
| Charges for Current Services | 131,630 | 416,212 | 547,842 |
| Other Local Revenues | 440,122 | 8,306 | 448,428 |
| State of Tennessee | 26,746,001 | 24,956 | 26,770,957 |
| Federal Government | 52,770 | 5,800,498 | 5,853,268 |
| Total Revenues | <u>\$ 37,590,931</u> | <u>\$ 6,249,972</u> | <u>\$ 43,840,903</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 19,840,241 | \$ 2,627,533 | \$ 22,467,774 |
| Support Services | 12,572,530 | 538,199 | 13,110,729 |
| Operation of Non-Instructional Services | 1,248,424 | 2,727,655 | 3,976,079 |
| Capital Outlay | 104,019 | 0 | 104,019 |
| Debt Service: | | | |
| Other Debt Service | 3,040,791 | 0 | 3,040,791 |
| Total Expenditures | <u>\$ 36,806,005</u> | <u>\$ 5,893,387</u> | <u>\$ 42,699,392</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 784,926</u> | <u>\$ 356,585</u> | <u>\$ 1,141,511</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 39,093 | \$ 0 | \$ 39,093 |
| Transfers Out | (400,000) | 0 | (400,000) |
| Total Other Financing Sources (Uses) | <u>\$ (360,907)</u> | <u>\$ 0</u> | <u>\$ (360,907)</u> |
| Net Change in Fund Balances | \$ 424,019 | \$ 356,585 | \$ 780,604 |
| Fund Balance, July 1, 2018 | 3,880,125 | 1,324,914 | 5,205,039 |
| Fund Balance, June 30, 2019 | <u>\$ 4,304,144</u> | <u>\$ 1,681,499</u> | <u>\$ 5,985,643</u> |

Exhibit I-5

Claiborne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Claiborne 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) | | \$ | 780,604 |
| (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 | \$ | 189,725 | |
| Less: current-year depreciation expense | | <u>(1,552,962)</u> | (1,363,237) |
| (2) 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 | \$ | 437,681 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2018 | | <u>(445,610)</u> | (7,929) |
| (3) The contributions of long-term debt (e.g., notes, bonds, leases) 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. | | | |
| Add: principal contributions on other loans to the primary government | | | 29,095 |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | | |
| Change in OPEB liability | \$ | (5,381,064) | |
| Change in net pension asset/liability | | 2,086,602 | |
| Change in deferred outflows related to pensions | | (205,846) | |
| Change in deferred inflows related to pensions | | 571,833 | |
| Change in deferred outflows related to OPEB | | 4,026,760 | |
| Change in deferred inflows related to OPEB | | <u>(182,753)</u> | 915,532 |
| (5) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities. | | | |
| | | | <u>(394,703)</u> |
| Change in net position of governmental activities (Exhibit B) | | \$ | <u><u>(40,638)</u></u> |

Exhibit I-6

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

| | <u>Special Revenue Funds</u> | | |
|---------------------------------------|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | Total Nonmajor Governmental Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 47 | \$ 47 |
| Equity in Pooled Cash and Investments | 311,200 | 1,325,547 | 1,636,747 |
| Accounts Receivable | 0 | 11,098 | 11,098 |
| Due from Other Governments | 41,775 | 0 | 41,775 |
| | | | |
| Total Assets | <u>\$ 352,975</u> | <u>\$ 1,336,692</u> | <u>\$ 1,689,667</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 2,496 | \$ 5,672 | \$ 8,168 |
| Total Liabilities | <u>\$ 2,496</u> | <u>\$ 5,672</u> | <u>\$ 8,168</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 479 | \$ 1,331,020 | \$ 1,331,499 |
| Committed: | | | |
| Committed for Education | 350,000 | 0 | 350,000 |
| Total Fund Balances | <u>\$ 350,479</u> | <u>\$ 1,331,020</u> | <u>\$ 1,681,499</u> |
| | | | |
| Total Liabilities and Fund Balances | <u>\$ 352,975</u> | <u>\$ 1,336,692</u> | <u>\$ 1,689,667</u> |

Exhibit I-7

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

| | <u>Special Revenue Funds</u> | | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 0 | \$ 416,212 | \$ 416,212 |
| Other Local Revenues | 2,220 | 6,086 | 8,306 |
| State of Tennessee | 0 | 24,956 | 24,956 |
| Federal Government | 3,318,847 | 2,481,651 | 5,800,498 |
| Total Revenues | <u>\$ 3,321,067</u> | <u>\$ 2,928,905</u> | <u>\$ 6,249,972</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 2,627,533 | \$ 0 | \$ 2,627,533 |
| Support Services | 538,199 | 0 | 538,199 |
| Operation of Non-Instructional Services | 155,522 | 2,572,133 | 2,727,655 |
| Total Expenditures | <u>\$ 3,321,254</u> | <u>\$ 2,572,133</u> | <u>\$ 5,893,387</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (187)</u> | <u>\$ 356,772</u> | <u>\$ 356,585</u> |
| Net Change in Fund Balances | \$ (187) | \$ 356,772 | \$ 356,585 |
| Fund Balance, July 1, 2018 | 350,666 | 974,248 | 1,324,914 |
| Fund Balance, June 30, 2019 | <u>\$ 350,479</u> | <u>\$ 1,331,020</u> | <u>\$ 1,681,499</u> |

Exhibit I-8

Claiborne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Claiborne 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 | \$ 10,218,278 | \$ 10,261,140 | \$ 10,261,140 | \$ (42,862) |
| Licenses and Permits | 2,130 | 2,200 | 2,200 | (70) |
| Charges for Current Services | 131,630 | 211,000 | 211,000 | (79,370) |
| Other Local Revenues | 440,122 | 278,000 | 412,234 | 27,888 |
| State of Tennessee | 26,746,001 | 26,221,720 | 26,950,523 | (204,522) |
| Federal Government | 52,770 | 0 | 52,770 | 0 |
| Total Revenues | \$ 37,590,931 | \$ 36,974,060 | \$ 37,889,867 | \$ (298,936) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 15,710,418 | \$ 16,359,128 | \$ 15,978,949 | \$ 268,531 |
| Special Education Program | 2,950,236 | 3,031,468 | 3,084,238 | 134,002 |
| Career and Technical Education Program | 1,179,587 | 1,199,918 | 1,199,918 | 20,331 |
| <u>Support Services</u> | | | | |
| Attendance | 161,842 | 166,025 | 166,025 | 4,183 |
| Health Services | 353,442 | 384,707 | 384,707 | 31,265 |
| Other Student Support | 667,670 | 637,941 | 678,941 | 11,271 |
| Regular Instruction Program | 1,084,155 | 1,006,951 | 1,195,059 | 110,904 |
| Special Education Program | 622,038 | 645,272 | 645,272 | 23,234 |
| Career and Technical Education Program | 88,660 | 91,479 | 91,479 | 2,819 |
| Technology | 346,004 | 356,815 | 381,158 | 35,154 |
| Board of Education | 1,756,054 | 1,643,489 | 1,796,515 | 40,461 |
| Director of Schools | 343,848 | 406,730 | 386,730 | 42,882 |
| Office of the Principal | 1,566,631 | 1,582,088 | 1,582,088 | 15,457 |
| Fiscal Services | 270,034 | 0 | 270,034 | 0 |
| Operation of Plant | 2,041,089 | 2,105,114 | 2,110,114 | 69,025 |
| Maintenance of Plant | 1,940,784 | 2,023,696 | 1,994,202 | 53,418 |
| Transportation | 1,236,652 | 1,458,287 | 1,478,375 | 241,723 |
| Central and Other | 93,627 | 114,476 | 114,476 | 20,849 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Community Services | 643,763 | 290,612 | 770,235 | 126,472 |
| Early Childhood Education | 604,661 | 600,840 | 604,690 | 29 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 104,019 | 188,100 | 198,100 | 94,081 |
| <u>Principal on Debt</u> | | | | |
| Education | 0 | 1,905,000 | 0 | 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 0 | 1,086,304 | 0 | 0 |
| <u>Other Debt Service</u> | | | | |
| Education | 3,040,791 | 2,500 | 3,041,095 | 304 |
| Total Expenditures | \$ 36,806,005 | \$ 37,286,940 | \$ 38,152,400 | \$ 1,346,395 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 784,926 | \$ (312,880) | \$ (262,533) | \$ 1,047,459 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 39,093 | \$ 0 | \$ 35,594 | \$ 3,499 |

(Continued)

Exhibit I-8

Claiborne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Claiborne 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 | \$ 0 | \$ 11,855 | \$ 3,110 | \$ (3,110) |
| Transfers Out | (400,000) | (295,461) | (416,682) | 16,682 |
| Total Other Financing Sources | <u>\$ (360,907)</u> | <u>\$ (283,606)</u> | <u>\$ (377,978)</u> | <u>\$ 17,071</u> |
| Net Change in Fund Balance | \$ 424,019 | \$ (596,486) | \$ (640,511) | \$ 1,064,530 |
| Fund Balance, July 1, 2018 | 3,880,125 | 3,902,473 | 3,902,473 | (22,348) |
| Fund Balance, June 30, 2019 | <u><u>\$ 4,304,144</u></u> | <u><u>\$ 3,305,987</u></u> | <u><u>\$ 3,261,962</u></u> | <u><u>\$ 1,042,182</u></u> |

Exhibit I-9

Claiborne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Claiborne 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 | \$ 2,220 | \$ 0 | \$ 2,500 | \$ (280) |
| Federal Government | 3,318,847 | 3,264,175 | 3,774,571 | (455,724) |
| Total Revenues | \$ 3,321,067 | \$ 3,264,175 | \$ 3,777,071 | \$ (456,004) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 1,366,764 | \$ 1,338,246 | \$ 1,458,615 | \$ 91,851 |
| Special Education Program | 1,202,799 | 1,158,169 | 1,298,309 | 95,510 |
| Career and Technical Education Program | 57,970 | 57,971 | 57,970 | 0 |
| <u>Support Services</u> | | | | |
| Other Student Support | 122,471 | 90,668 | 318,589 | 196,118 |
| Regular Instruction Program | 288,145 | 308,795 | 329,753 | 41,608 |
| Special Education Program | 120,764 | 147,053 | 148,061 | 27,297 |
| Career and Technical Education Program | 6,819 | 6,819 | 6,819 | 0 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Community Services | 155,522 | 153,344 | 156,511 | 989 |
| Total Expenditures | \$ 3,321,254 | \$ 3,261,065 | \$ 3,774,627 | \$ 453,373 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (187) | \$ 3,110 | \$ 2,444 | \$ (2,631) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ 0 | \$ (3,110) | \$ (3,110) | \$ 3,110 |
| Total Other Financing Sources | \$ 0 | \$ (3,110) | \$ (3,110) | \$ 3,110 |
| Net Change in Fund Balance | \$ (187) | \$ 0 | \$ (666) | \$ 479 |
| Fund Balance, July 1, 2018 | 350,666 | 350,000 | 350,666 | 0 |
| Fund Balance, June 30, 2019 | \$ 350,479 | \$ 350,000 | \$ 350,000 | \$ 479 |

Exhibit I-10

Claiborne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Claiborne 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 | \$ 416,212 | \$ 318,735 | \$ 318,735 | \$ 97,477 |
| Other Local Revenues | 6,086 | 2,100 | 2,100 | 3,986 |
| State of Tennessee | 24,956 | 27,000 | 27,000 | (2,044) |
| Federal Government | 2,481,651 | 2,441,521 | 2,463,671 | 17,980 |
| Total Revenues | <u>\$ 2,928,905</u> | <u>\$ 2,789,356</u> | <u>\$ 2,811,506</u> | <u>\$ 117,399</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 2,572,133 | \$ 2,789,356 | \$ 2,811,506 | \$ 239,373 |
| Total Expenditures | <u>\$ 2,572,133</u> | <u>\$ 2,789,356</u> | <u>\$ 2,811,506</u> | <u>\$ 239,373</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 356,772</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 356,772</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 0 | \$ 8,745 | \$ 0 | \$ 0 |
| Transfers Out | 0 | (8,745) | 0 | 0 |
| Total Other Financing Sources | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 356,772 | \$ 0 | \$ 0 | \$ 356,772 |
| Fund Balance, July 1, 2018 | <u>974,248</u> | <u>935,810</u> | <u>935,810</u> | <u>38,438</u> |
| Fund Balance, June 30, 2019 | <u>\$ 1,331,020</u> | <u>\$ 935,810</u> | <u>\$ 935,810</u> | <u>\$ 395,210</u> |

Exhibit I-11

Claiborne County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Claiborne County School Department
June 30, 2019

| | Governmental Activities - Internal Service Fund |
|----------------------|--|
| | Employee Insurance - Health Fund |
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 694,090 |
| Total Assets | <u>\$ 694,090</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Accounts Payable | \$ 658,168 |
| Total Liabilities | <u>\$ 658,168</u> |
| <u>NET POSITION</u> | |
| Unrestricted | <u>\$ 35,922</u> |
| Total Net Position | <u><u>\$ 35,922</u></u> |

Exhibit I-12

Claiborne County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Discretely Presented Claiborne County School Department
Proprietary Fund
For the Year Ended June 30, 2019

| | Governmental Activities - Internal Service Fund Employee Insurance - Health |
|---|---|
| <u>Operating Revenues</u> | |
| <u>Charges for Current Services</u> | |
| Self-Insurance Premiums/Contributions | \$ 4,690,556 |
| Total Operating Revenues | <u>\$ 4,690,556</u> |
| <u>Operating Expenses</u> | |
| Handling Charges and Administrative Costs | \$ 250,722 |
| Excess Risk Insurance | 648,226 |
| Medical Claims | 4,587,316 |
| Total Operating Expenses | <u>\$ 5,486,264</u> |
| Operating Income (Loss) | <u>\$ (795,708)</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment Income | \$ 1,005 |
| Total Nonoperating Revenues (Expenses) | <u>\$ 1,005</u> |
| Income (Loss) Before Operating Transfers | \$ (794,703) |
| Transfers In | <u>400,000</u> |
| Changes in Net Position | \$ (394,703) |
| Net Position, July 1, 2018 | <u>430,625</u> |
| Net Position, June 30, 2019 | <u><u>\$ 35,922</u></u> |

Exhibit I-13

Claiborne County, Tennessee
Statement of Cash Flows
Discretely Presented Claiborne County School Department
Proprietary Fund
For the Year Ended June 30, 2019

| | Governmental Activities - Internal Service Fund Employee Insurance - Health |
|---|---|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts for Self-Insurance Premiums | \$ 4,690,556 |
| Receipts for Stop Loss Reimbursement | 499,195 |
| Receipts for Prescription Rebates | 411,533 |
| Payments for Excess Risk Insurance | (648,226) |
| Payments for Medical Claims | (5,470,055) |
| Payments for Administrative Costs | (250,722) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (767,719)</u> |
| <u>Cash Flows from Investment Activities</u> | |
| Interest on Investments | \$ 1,005 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 1,005</u> |
| <u>Cash Flow from Noncapital Financing Activities:</u> | |
| Transfers from other funds | \$ 400,000 |
| Net cash provided by (used in) noncapital financing activities | <u>\$ 400,000</u> |
| Net Increase (Decrease) in Cash | \$ (366,714) |
| Cash, July 1, 2018 | <u>1,060,804</u> |
| Cash, June 30, 2019 | <u><u>\$ 694,090</u></u> |
| <u>Reconciliation of Operating Income to Net Cash Provided By (Used In)</u> | |
| <u>Operating Activities</u> | |
| Operating Income (Loss) | \$ (795,708) |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Increase (Decrease) in Accounts Payable | <u>27,989</u> |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ (767,719)</u></u> |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Claiborne County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
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>NOTES PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Capital Outlay - Highway Equipment | \$ 128,013 | 2.63 | % | 10-2-13 | 10-2-18 | \$ 9,075 | \$ 9,075 | \$ 0 |
| Capital Outlay - Highway Projects 2014 | 585,000 | 2.85 | | 10-2-13 | 10-2-18 | 123,763 | 123,763 | 0 |
| Total Notes Payable | | | | | | <u>\$ 132,838</u> | <u>\$ 132,838</u> | <u>\$ 0</u> |
| <u>OTHER LOANS PAYABLE</u> | | | | | | | | |
| <u>Payable by Contributions from the School Department through the General Purpose School Fund to the General Debt Service Fund</u> | | | | | | | | |
| Powell Valley Electric Cooperative: | | | | | | | | |
| Ball Field Lighting Project at Schools | 147,722 | 2.5 | | 5-1-07 | 4-30-22 | \$ 52,309 | \$ 12,802 | \$ 39,507 |
| Ball Field Lighting Project at Schools | 188,010 | 2.5 | | 5-1-07 | 4-30-22 | 66,575 | 16,293 | 50,282 |
| Total Other Loans Payable | | | | | | <u>\$ 118,884</u> | <u>\$ 29,095</u> | <u>\$ 89,789</u> |
| <u>CAPITAL LEASES PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Highway Equipment - Grader | 243,563 | 2.5 | | 10-22-15 | 12-10-18 | \$ 148,340 | \$ 148,340 | \$ 0 |
| Highway Equipment - Grader | 231,560 | 2.5 | | 1-24-16 | 1-24-19 | 149,924 | 149,924 | 0 |
| Highway Equipment - Excavator | 142,803 | 2.5 | | 1-24-17 | 1-24-20 | 95,579 | 32,476 | 63,103 |
| Total Capital Leases Payable | | | | | | <u>\$ 393,843</u> | <u>\$ 330,740</u> | <u>\$ 63,103</u> |
| <u>BONDS PAYABLE</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| School Bonds, Series 2010 | 5,010,000 | 1 to 5.3 | | 5-12-10 | 6-1-25 | \$ 2,905,000 | \$ 325,000 | \$ 2,580,000 |
| Refunding Judicial and Series 1998, Series 2010A | 3,370,000 | 2.5 to 4.125 | | 3-30-10 | 4-1-30 | 3,230,000 | 0 | 3,230,000 |
| Refunding Schools, Series 2010A | 27,900,000 | 2.5 to 4.125 | | 3-30-10 | 4-1-30 | 20,575,000 | 400,000 | 20,175,000 |
| Refunding Series 2012 - Judicial Complex | 3,935,000 | 2 | | 7-26-12 | 6-30-22 | 1,395,000 | 455,000 | 940,000 |
| General Refunding Bonds, Series 2017 | 4,220,000 | 4 | | 5-22-17 | 5-1-21 | 4,220,000 | 1,150,000 | 3,070,000 |
| Total Bonds Payable | | | | | | <u>\$ 32,325,000</u> | <u>\$ 2,330,000</u> | <u>\$ 29,995,000</u> |

Exhibit J-2

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

| Year Ending June 30 | Other Loans | | Total |
|---------------------------|-------------|----------|-----------|
| | Principal | Interest | |
| 2020 | \$ 29,819 | \$ 1,857 | \$ 31,676 |
| 2021 | 30,564 | 1,084 | 31,648 |
| 2022 | 29,406 | 352 | 29,758 |
| Total | \$ 89,789 | \$ 3,293 | \$ 93,082 |

| Year Ending June 30 | Capital Leases | | Total |
|---------------------------|----------------|----------|-----------|
| | Principal | Interest | |
| 2020 | \$ 63,103 | \$ 700 | \$ 63,803 |
| Total | \$ 63,103 | \$ 700 | \$ 63,803 |

| Year Ending June 30 | Bonds | | Total |
|---------------------------|---------------|--------------|---------------|
| | Principal | Interest | |
| 2020 | \$ 2,340,000 | \$ 1,209,822 | \$ 3,549,822 |
| 2021 | 2,455,000 | 1,122,662 | 3,577,662 |
| 2022 | 2,455,000 | 1,029,587 | 3,484,587 |
| 2023 | 2,410,000 | 930,463 | 3,340,463 |
| 2024 | 2,515,000 | 829,337 | 3,344,337 |
| 2025 | 3,110,000 | 723,275 | 3,833,275 |
| 2026 | 2,715,000 | 592,375 | 3,307,375 |
| 2027 | 2,820,000 | 483,775 | 3,303,775 |
| 2028 | 2,940,000 | 370,975 | 3,310,975 |
| 2029 | 3,055,000 | 253,375 | 3,308,375 |
| 2030 | 3,180,000 | 131,175 | 3,311,175 |
| Total | \$ 29,995,000 | \$ 7,676,821 | \$ 37,671,821 |

Exhibit J-3

Claiborne County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Claiborne 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> | | | |
| Highway/Public Works | General | Bookkeeper's salary | \$ 53,600 |
| " | General Debt Service | Debt retirement | 132,400 |
| Highway Capital Projects | " | Debt retirement | <u>204,406</u> |
| Total Transfers Primary Government | | | <u>\$ 390,406</u> |
| <u>DISCRETELY PRESENTED CLAIBORNE COUNTY SCHOOL DEPARTMENT</u> | | | |
| General Purpose School | Employee Insurance - Health | Contribution in excess of premiums | <u>\$ 400,000</u> |
| Total Transfers Discretely Presented Claiborne County School Department | | | <u>\$ 400,000</u> |

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

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|--|--|---------------------------|-----------|---|
| County Mayor: | | | | |
| Jack Daniels (7-1-18 through 8-31-18) | Section 8-24-102, TCA | \$ 16,475 | \$ (5) | |
| Joe Brooks (9-1-18 through 6-30-19) | Section 8-24-102, TCA | 82,375 | (5) | |
| Road Superintendent | Section 8-24-102, TCA | 83,676 | (5) | |
| Director of Schools | State Board of Education and Claiborne County Board of Education | 102,460 (1) | (5) | |
| Trustee | Section 8-24-102, TCA | 76,069 | 1,405,666 | Western Surety Company |
| Assessor of Property | Section 8-24-102, TCA | 76,069 | (5) | |
| County Clerk: | | | | |
| Evelyn Hill (7-1-18 through 8-31-18) | Section 8-24-102, TCA | 12,678 | (5) | |
| Karen Hurst (9-1-18 through 6-30-19) | Section 8-24-102, TCA | 63,391 | (5) | |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, TCA | 76,069 | (5) | |
| Clerk and Master: | | | | |
| Frances Cardwell (7-1-18 through 7-13-18) | Section 8-24-102, TCA | 3,170 | (5) | |
| Rita Jones (7-14-18 through 6-30-19) | Section 8-24-102, TCA and Chancery Court Judge | 72,899 (2) | (5) | |
| Register of Deeds | Section 8-24-102, TCA | 76,069 | (5) | |
| Sheriff: | | | | |
| David Ray (7-1-18 through 8-31-18) | Section 8-24-102, TCA, and County Commission | 15,613 (3) | (5) | |
| Bob Brooks (9-1-18 through 6-30-19) | Section 8-24-102, TCA, and County Commission | 78,063 (4) | (5) | |
| Director of Finance: | | | | |
| Sam Owens (7-1-18 through 11-19-18) | Board of County Commissioners | 30,320 | (5) | |
| Angelia Tucker (11-20-18 through 6-30-19) | Board of County Commissioners | 41,520 | (5) | |
| Blanket Bonds: | | | | |
| Public Employee Dishonesty - County Departments | | | 400,000 | Local Government Property and Casualty Fund |
| Public Employee Dishonesty - School Departments | | | 400,000 | Tennessee Risk Management Trust |

- (1) Includes a chief executive officer training supplement of \$1,000 and \$1,500 for serving as secretary to the board.
- (2) Does not include special commissioner fees of \$21,620.
- (3) Includes a supplement of \$1,667 for serving as workhouse superintendent.
- (4) Includes a supplement of \$8,333 for serving as workhouse superintendent.
- (5) Officials were covered by the \$400,000 blanket bond.

Exhibit J-5

Claiborne 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 | Highway / Public Works |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 5,763,486 | \$ 1,168,684 | \$ 0 | \$ 0 | \$ 0 | \$ 51,800 |
| Trustee's Collections - Prior Year | 179,630 | 36,106 | 0 | 0 | 0 | 1,675 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 266,477 | 56,944 | 0 | 0 | 0 | 2,560 |
| Interest and Penalty | 35,110 | 6,905 | 0 | 0 | 0 | 316 |
| Payments in-Lieu-of Taxes - Other | 86,925 | 17,286 | 0 | 0 | 0 | 770 |
| <u>County Local Option Taxes</u> | | | | | | |
| Hotel/Motel Tax | 44,636 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 158,670 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 5 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 30,808 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 217,906 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 7,064 | 0 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 36,884 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 118,846 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 66,415 | 0 | 0 | 0 | 0 | 0 |
| Beer Privilege Tax | 998 | 0 | 0 | 0 | 0 | 0 |
| Coal Severance Tax | 0 | 0 | 0 | 0 | 0 | 111,195 |
| Other Statutory Local Taxes | 0 | 0 | 0 | 0 | 0 | 22,958 |
| Total Local Taxes | \$ 6,976,976 | \$ 1,285,925 | \$ 0 | \$ 0 | \$ 0 | \$ 228,158 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Building Permits | \$ 9,660 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Licenses and Permits | \$ 9,660 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit J-5

Claiborne 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 | Highway / Public Works |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 20,507 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 53,209 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 8,288 | 0 | 0 | 0 |
| Jail Fees | 15,384 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 6,386 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 1,122 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 1,541 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Game and Fish Fines | 148 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 1,978 | 0 | 0 | 0 |
| DUI Treatment Fines | 570 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 11,592 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 4,231 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 6,446 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 720 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 2,562 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 6,150 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 58 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 16,255 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 130,626 | \$ 0 | \$ 26,521 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit J-5

Claiborne 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 | Highway / Public Works |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Tipping Fees | \$ 0 | \$ 496,862 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fees</u> | | | | | | |
| Copy Fees | 769 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 79,742 | 0 | 0 | 0 | 0 | 0 |
| Vending Machine Collections | 1,058 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 466,143 | 0 |
| Special Commissioner Fees/Special Master Fees | 0 | 0 | 0 | 0 | 21,620 | 0 |
| Data Processing Fee - Register | 8,262 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 3,719 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 4,650 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 98,200 | \$ 496,862 | \$ 0 | \$ 0 | \$ 487,763 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 237,367 | \$ 14,299 | \$ 0 | \$ 825 | \$ 0 | \$ 0 |
| Commissary Sales | 120,163 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 2,402 | 22,350 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 12,144 | 0 | 6 | 0 | 0 | 3,901 |
| <u>Nonrecurring Items</u> | | | | | | |
| Contributions and Gifts | 270,534 | 0 | 11,595 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 642,610 | \$ 36,649 | \$ 11,601 | \$ 825 | \$ 0 | \$ 3,901 |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Excess Fees</u> | | | | | | |
| County Clerk | \$ 154,746 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit J-5

Claiborne 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 | Highway / Public Works |
| <u>Fees Received From County Officials (Cont.)</u> | | | | | | |
| <u>Excess Fees (Cont.)</u> | | | | | | |
| Juvenile Court Clerk | \$ 17,549 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Trustee | 272,000 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| Circuit Court Clerk | 67,214 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 197,030 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 163,158 | 0 | 0 | 0 | 0 | 0 |
| Juvenile Court Clerk | 5,058 | 0 | 0 | 0 | 0 | 0 |
| Register | 108,686 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 13,848 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received From County Officials | \$ 999,289 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Other General Government Grants | \$ 0 | \$ 14,826 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 39,000 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Other Health and Welfare Grants | 124,829 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 | 240,294 |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 318,274 |
| Litter Program | 25,601 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 31,183 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 17,959 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-5

Claiborne 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 | Highway / Public Works |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | |
| Alcoholic Beverage Tax | \$ 76,076 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| State Revenue Sharing - T.V.A. | 514,607 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - Telecommunications | 63,143 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 1,025,583 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 2,364,520 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 23,243 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 |
| State Shared Sales Tax - Cities | 5,076 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 12,200 | 0 | 0 | 0 | 0 | 31,427 |
| Other State Revenues | 338 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 1,950,759 | \$ 14,826 | \$ 0 | \$ 0 | \$ 0 | \$ 2,977,758 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| USDA - Other | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 194,860 |
| Community Development | 309,843 | 0 | 0 | 0 | 0 | 0 |
| Disaster Relief | 0 | 0 | 0 | 0 | 0 | 88,668 |
| Homeland Security Grants | 35,843 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Other Direct Federal Revenue | 13,000 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 358,686 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 283,528 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contracted Services | \$ 102 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Governments and Citizens Groups | \$ 102 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total | \$ 11,166,908 | \$ 1,834,262 | \$ 38,122 | \$ 825 | \$ 487,763 | \$ 3,493,345 |

(Continued)

Exhibit J-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------------|--|----------------------|
| | General Debt Service | Highway Capital Projects | |
| <u>Local Taxes</u> | | | |
| <u>County Property Taxes</u> | | | |
| Current Property Tax | \$ 155,718 | \$ 101,001 | \$ 7,240,689 |
| Trustee's Collections - Prior Year | 5,024 | 3,266 | 225,701 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 7,858 | 5,090 | 338,929 |
| Interest and Penalty | 951 | 619 | 43,901 |
| Payments in-Lieu-of Taxes - Other | 2,375 | 1,537 | 108,893 |
| <u>County Local Option Taxes</u> | | | |
| Hotel/Motel Tax | 0 | 0 | 44,636 |
| Wheel Tax | 703,408 | 703,258 | 1,406,666 |
| Litigation Tax - General | 0 | 0 | 158,670 |
| Litigation Tax - Special Purpose | 0 | 0 | 5 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 30,808 |
| Business Tax | 0 | 0 | 217,906 |
| Mixed Drink Tax | 0 | 0 | 7,064 |
| Mineral Severance Tax | 0 | 0 | 36,884 |
| <u>Statutory Local Taxes</u> | | | |
| Bank Excise Tax | 0 | 0 | 118,846 |
| Wholesale Beer Tax | 0 | 0 | 66,415 |
| Beer Privilege Tax | 0 | 0 | 998 |
| Coal Severance Tax | 0 | 0 | 111,195 |
| Other Statutory Local Taxes | 0 | 0 | 22,958 |
| Total Local Taxes | <u>\$ 875,334</u> | <u>\$ 814,771</u> | <u>\$ 10,181,164</u> |
| <u>Licenses and Permits</u> | | | |
| <u>Permits</u> | | | |
| Building Permits | \$ 0 | \$ 0 | \$ 9,660 |
| Total Licenses and Permits | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 9,660</u> |

(Continued)

Exhibit J-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------------|--|-------------------|
| | General Debt Service | Highway Capital Projects | |
| <u>Fines, Forfeitures, and Penalties</u> | | | |
| <u>Circuit Court</u> | | | |
| Fines | \$ 0 | \$ 0 | \$ 20,507 |
| Officers Costs | 0 | 0 | 53,209 |
| Drug Control Fines | 0 | 0 | 8,288 |
| Jail Fees | 0 | 0 | 15,384 |
| DUI Treatment Fines | 0 | 0 | 6,386 |
| Data Entry Fee - Circuit Court | 0 | 0 | 1,122 |
| Courtroom Security Fee | 0 | 0 | 1,541 |
| <u>General Sessions Court</u> | | | |
| Game and Fish Fines | 0 | 0 | 148 |
| Drug Control Fines | 0 | 0 | 1,978 |
| DUI Treatment Fines | 0 | 0 | 570 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 11,592 |
| <u>Juvenile Court</u> | | | |
| Fines | 0 | 0 | 4,231 |
| Officers Costs | 0 | 0 | 6,446 |
| Data Entry Fee - Juvenile Court | 0 | 0 | 720 |
| <u>Chancery Court</u> | | | |
| Officers Costs | 0 | 0 | 2,562 |
| Data Entry Fee - Chancery Court | 0 | 0 | 6,150 |
| Courtroom Security Fee | 0 | 0 | 58 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | |
| Proceeds from Confiscated Property | 0 | 0 | 16,255 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 157,147 |

(Continued)

Exhibit J-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|---|------------------------------------|--|---------------------|
| | General Debt Service | Highway Capital Projects | |
| <u>Charges for Current Services</u> | | | |
| <u>General Service Charges</u> | | | |
| Tipping Fees | \$ 0 | \$ 0 | \$ 496,862 |
| <u>Fees</u> | | | |
| Copy Fees | 0 | 0 | 769 |
| Telephone Commissions | 0 | 0 | 79,742 |
| Vending Machine Collections | 0 | 0 | 1,058 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 466,143 |
| Special Commissioner Fees/Special Master Fees | 0 | 0 | 21,620 |
| Data Processing Fee - Register | 0 | 0 | 8,262 |
| Data Processing Fee - Sheriff | 0 | 0 | 3,719 |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 4,650 |
| Total Charges for Current Services | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,082,825</u> |
| <u>Other Local Revenues</u> | | | |
| <u>Recurring Items</u> | | | |
| Investment Income | \$ 6,084 | \$ 0 | \$ 258,575 |
| Commissary Sales | 0 | 0 | 120,163 |
| Sale of Recycled Materials | 0 | 0 | 24,752 |
| Miscellaneous Refunds | 0 | 0 | 16,051 |
| <u>Nonrecurring Items</u> | | | |
| Contributions and Gifts | 3,040,791 | 0 | 3,322,920 |
| Total Other Local Revenues | <u>\$ 3,046,875</u> | <u>\$ 0</u> | <u>\$ 3,742,461</u> |
| <u>Fees Received From County Officials</u> | | | |
| <u>Excess Fees</u> | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 154,746 |

(Continued)

Exhibit J-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------------|--|-------------------|
| | General Debt Service | Highway Capital Projects | |
| <u>Fees Received From County Officials (Cont.)</u> | | | |
| <u>Excess Fees (Cont.)</u> | | | |
| Juvenile Court Clerk | \$ 0 | \$ 0 | \$ 17,549 |
| Trustee | 0 | 0 | 272,000 |
| <u>Fees In-Lieu-of Salary</u> | | | |
| Circuit Court Clerk | 0 | 0 | 67,214 |
| General Sessions Court Clerk | 0 | 0 | 197,030 |
| Clerk and Master | 0 | 0 | 163,158 |
| Juvenile Court Clerk | 0 | 0 | 5,058 |
| Register | 0 | 0 | 108,686 |
| Sheriff | 0 | 0 | 13,848 |
| Total Fees Received From County Officials | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 999,289</u> |
| <u>State of Tennessee</u> | | | |
| <u>General Government Grants</u> | | | |
| Other General Government Grants | \$ 0 | \$ 0 | \$ 14,826 |
| <u>Public Safety Grants</u> | | | |
| Law Enforcement Training Programs | 0 | 0 | 39,000 |
| <u>Health and Welfare Grants</u> | | | |
| Other Health and Welfare Grants | 0 | 0 | 124,829 |
| <u>Public Works Grants</u> | | | |
| Bridge Program | 0 | 0 | 240,294 |
| State Aid Program | 0 | 0 | 318,274 |
| Litter Program | 0 | 0 | 25,601 |
| <u>Other State Revenues</u> | | | |
| Income Tax | 0 | 0 | 31,183 |
| Beer Tax | 0 | 0 | 17,959 |

(Continued)

Exhibit J-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------------|--|----------------------|
| | General Debt Service | Highway Capital Projects | |
| <u>State of Tennessee (Cont.)</u> | | | |
| <u>Other State Revenues (Cont.)</u> | | | |
| Alcoholic Beverage Tax | \$ 0 | \$ 0 | \$ 76,076 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 514,607 |
| State Revenue Sharing - Telecommunications | 0 | 0 | 63,143 |
| Contracted Prisoner Boarding | 0 | 0 | 1,025,583 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 2,364,520 |
| Petroleum Special Tax | 0 | 0 | 23,243 |
| Registrar's Salary Supplement | 0 | 0 | 15,164 |
| State Shared Sales Tax - Cities | 0 | 0 | 5,076 |
| Other State Grants | 0 | 0 | 43,627 |
| Other State Revenues | 0 | 0 | 338 |
| Total State of Tennessee | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 4,943,343</u> |
| <u>Federal Government</u> | | | |
| <u>Federal Through State</u> | | | |
| USDA - Other | \$ 0 | \$ 0 | \$ 194,860 |
| Community Development | 0 | 0 | 309,843 |
| Disaster Relief | 0 | 0 | 88,668 |
| Homeland Security Grants | 0 | 0 | 35,843 |
| <u>Direct Federal Revenue</u> | | | |
| Other Direct Federal Revenue | 0 | 0 | 13,000 |
| Total Federal Government | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 642,214</u> |
| <u>Other Governments and Citizens Groups</u> | | | |
| <u>Other Governments</u> | | | |
| Contracted Services | \$ 0 | \$ 0 | \$ 102 |
| Total Other Governments and Citizens Groups | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 102</u> |
| Total | <u>\$ 3,922,209</u> | <u>\$ 814,771</u> | <u>\$ 21,758,205</u> |

Exhibit J-6

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

| | <u>Special Revenue Funds</u> | | | |
|--|------------------------------|-------------------------------|----------------------|----------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 6,059,056 | \$ 0 | \$ 0 | \$ 6,059,056 |
| Trustee's Collections - Prior Year | 204,315 | 0 | 0 | 204,315 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 313,262 | 0 | 0 | 313,262 |
| Interest and Penalty | 38,281 | 0 | 0 | 38,281 |
| Payments in-Lieu-of Taxes - T.V.A. | 492,528 | 0 | 0 | 492,528 |
| Payments in-Lieu-of Taxes - Other | 97,400 | 0 | 0 | 97,400 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 2,894,906 | 0 | 0 | 2,894,906 |
| <u>Statutory Local Taxes</u> | | | | |
| Coal Severance Tax | 111,195 | 0 | 0 | 111,195 |
| Other Statutory Local Taxes | 7,335 | 0 | 0 | 7,335 |
| Total Local Taxes | <u>\$ 10,218,278</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 10,218,278</u> |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 2,130 | \$ 0 | \$ 0 | \$ 2,130 |
| Total Licenses and Permits | <u>\$ 2,130</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,130</u> |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Other | \$ 130,980 | \$ 0 | \$ 0 | \$ 130,980 |
| Lunch Payments - Adults | 0 | 0 | 58,135 | 58,135 |
| A la Carte Sales | 0 | 0 | 58,455 | 58,455 |
| Other Charges for Services | 650 | 0 | 299,622 | 300,272 |
| Total Charges for Current Services | <u>\$ 131,630</u> | <u>\$ 0</u> | <u>\$ 416,212</u> | <u>\$ 547,842</u> |

(Continued)

Exhibit J-6

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

| | <u>Special Revenue Funds</u> | | | |
|------------------------------|------------------------------|-------------------------------|----------------------|----------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 29,883 | \$ 0 | \$ 3,287 | \$ 33,170 |
| Sale of Recycled Materials | 1,204 | 0 | 0 | 1,204 |
| Retirees' Insurance Payments | 273,245 | 0 | 0 | 273,245 |
| Miscellaneous Refunds | 72,936 | 0 | 2,799 | 75,735 |
| <u>Nonrecurring Items</u> | | | | |
| Contributions and Gifts | 62,600 | 2,220 | 0 | 64,820 |
| <u>Other Local Revenues</u> | | | | |
| Other Local Revenues | 254 | 0 | 0 | 254 |
| Total Other Local Revenues | <u>\$ 440,122</u> | <u>\$ 2,220</u> | <u>\$ 6,086</u> | <u>\$ 448,428</u> |
| <u>State of Tennessee</u> | | | | |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | \$ 24,800,185 | \$ 0 | \$ 0 | \$ 24,800,185 |
| Early Childhood Education | 604,661 | 0 | 0 | 604,661 |
| School Food Service | 0 | 0 | 24,956 | 24,956 |
| Other State Education Funds | 1,206,306 | 0 | 0 | 1,206,306 |
| Career Ladder Program | 95,122 | 0 | 0 | 95,122 |
| <u>Other State Revenues</u> | | | | |
| Other State Grants | 39,727 | 0 | 0 | 39,727 |
| Total State of Tennessee | <u>\$ 26,746,001</u> | <u>\$ 0</u> | <u>\$ 24,956</u> | <u>\$ 26,770,957</u> |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,593,754 | \$ 1,593,754 |

(Continued)

Exhibit J-6

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

| | <u>Special Revenue Funds</u> | | | |
|--|------------------------------|-------------------------------|----------------------|----------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>Federal Government (Cont.)</u> | | | | |
| <u>Federal Through State (Cont.)</u> | | | | |
| USDA - Commodities | \$ 0 | \$ 0 | \$ 215,748 | \$ 215,748 |
| Breakfast | 0 | 0 | 649,251 | 649,251 |
| USDA - Other | 0 | 0 | 22,898 | 22,898 |
| Vocational Education - Basic Grants to States | 0 | 86,387 | 0 | 86,387 |
| Title I Grants to Local Education Agencies | 0 | 1,510,018 | 0 | 1,510,018 |
| Special Education - Grants to States | 52,770 | 1,294,368 | 0 | 1,347,138 |
| Special Education Preschool Grants | 0 | 29,197 | 0 | 29,197 |
| Rural Education | 0 | 76,150 | 0 | 76,150 |
| Eisenhower Professional Development State Grants | 0 | 169,614 | 0 | 169,614 |
| Other Federal through State | 0 | 153,113 | 0 | 153,113 |
| Total Federal Government | <u>\$ 52,770</u> | <u>\$ 3,318,847</u> | <u>\$ 2,481,651</u> | <u>\$ 5,853,268</u> |
| Total | <u>\$ 37,590,931</u> | <u>\$ 3,321,067</u> | <u>\$ 2,928,905</u> | <u>\$ 43,840,903</u> |

Exhibit J-7

Claiborne 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 | \$ | 92,575 | |
| Social Security | | 5,703 | |
| Pensions | | 3,294 | |
| Medical Insurance | | 26,783 | |
| Unemployment Compensation | | 55 | |
| Employer Medicare | | 1,334 | |
| Audit Services | | 12,241 | |
| Dues and Memberships | | 1,700 | |
| Workers' Compensation Insurance | | 2,516 | |
| Total County Commission | | | \$ 146,201 |

Board of Equalization

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 6,875 | |
| Travel | | 107 | |
| Total Board of Equalization | | | 6,982 |

Beer Board

| | | | |
|----------------------------------|----|-----|-----|
| Board and Committee Members Fees | \$ | 450 | |
| Total Beer Board | | | 450 |

Budget and Finance Committee

| | | | |
|------------------------------------|----|--------|--------|
| Board and Committee Members Fees | \$ | 23,100 | |
| Social Security | | 1,432 | |
| Pensions | | 744 | |
| Unemployment Compensation | | 18 | |
| Employer Medicare | | 335 | |
| Total Budget and Finance Committee | | | 25,629 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 98,850 | |
| Secretary(ies) | | 28,555 | |
| Social Security | | 6,972 | |
| Pensions | | 7,033 | |
| Medical Insurance | | 10,164 | |
| Unemployment Compensation | | 159 | |
| Employer Medicare | | 1,630 | |
| Communication | | 5,889 | |
| Dues and Memberships | | 3,618 | |
| Operating Lease Payments | | 1,599 | |
| Travel | | 3,434 | |
| Office Supplies | | 1,013 | |
| Total County Mayor/Executive | | | 168,916 |

County Attorney

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 40,770 | |
| Clerical Personnel | | 5,250 | |
| Social Security | | 2,459 | |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

| | | | |
|---------------------------|----|-------|-----------|
| Pensions | \$ | 2,251 | |
| Medical Insurance | | 5,214 | |
| Unemployment Compensation | | 70 | |
| Employer Medicare | | 575 | |
| Dues and Memberships | | 686 | |
| Total County Attorney | | | \$ 57,275 |

Election Commission

| | | | |
|---|----|--------|---------|
| County Official/Administrative Officer | \$ | 68,462 | |
| Clerical Personnel | | 31,728 | |
| Other Salaries and Wages | | 3,475 | |
| Election Commission | | 10,500 | |
| Election Workers | | 72,538 | |
| In-service Training | | 7,516 | |
| Social Security | | 9,504 | |
| Pensions | | 5,617 | |
| Medical Insurance | | 5,298 | |
| Unemployment Compensation | | 155 | |
| Employer Medicare | | 2,223 | |
| Communication | | 7,955 | |
| Operating Lease Payments | | 1,744 | |
| Maintenance and Repair Services - Buildings | | 4,100 | |
| Rentals | | 900 | |
| Other Contracted Services | | 26,091 | |
| Office Supplies | | 4,675 | |
| Total Election Commission | | | 262,481 |

Register of Deeds

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 76,069 | |
| Clerical Personnel | | 48,141 | |
| Social Security | | 7,529 | |
| Pensions | | 5,950 | |
| Medical Insurance | | 10,428 | |
| Unemployment Compensation | | 147 | |
| Employer Medicare | | 1,761 | |
| Communication | | 3,236 | |
| Dues and Memberships | | 772 | |
| Operating Lease Payments | | 2,023 | |
| Maintenance and Repair Services - Office Equipment | | 7,522 | |
| Office Supplies | | 4,008 | |
| Total Register of Deeds | | | 167,586 |

Development

| | | | |
|--------------------------------------|----|-------|-------|
| Contracts with Other Public Agencies | \$ | 4,577 | |
| Total Development | | | 4,577 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning

| | | | |
|----------------------------------|----|--------|-----------|
| Board and Committee Members Fees | \$ | 6,125 | |
| Social Security | | 380 | |
| Employer Medicare | | 89 | |
| Other Contracted Services | | 13,475 | |
| Total Planning | | | \$ 20,069 |

County Buildings

| | | | |
|---|----|--------|---------|
| Custodial Personnel | \$ | 29,258 | |
| Maintenance Personnel | | 23,883 | |
| Social Security | | 3,197 | |
| Pensions | | 2,621 | |
| Medical Insurance | | 7,428 | |
| Unemployment Compensation | | 113 | |
| Employer Medicare | | 748 | |
| Communication | | 9,414 | |
| Maintenance and Repair Services - Buildings | | 27,240 | |
| Maintenance and Repair Services - Vehicles | | 648 | |
| Postal Charges | | 27,936 | |
| Internet Connectivity | | 1,224 | |
| Rentals | | 1,200 | |
| Custodial Supplies | | 4,830 | |
| Electricity | | 56,564 | |
| Gasoline | | 1,576 | |
| Office Supplies | | 5,458 | |
| Utilities | | 3,449 | |
| Water and Sewer | | 5,926 | |
| Other Supplies and Materials | | 396 | |
| Other Equipment | | 10,110 | |
| Total County Buildings | | | 223,219 |

Preservation of Records

| | | | |
|-------------------------------|----|--------|--------|
| Clerical Personnel | \$ | 11,804 | |
| Social Security | | 694 | |
| Pensions | | 652 | |
| Employer Medicare | | 162 | |
| Communication | | 1,442 | |
| Operating Lease Payments | | 444 | |
| Travel | | 696 | |
| Other Contracted Services | | 1,905 | |
| Office Supplies | | 1,789 | |
| Total Preservation of Records | | | 19,588 |

Finance

Accounting and Budgeting

| | | | |
|-------------------------|----|---------|--|
| Supervisor/Director | \$ | 71,840 | |
| Accountants/Bookkeepers | | 237,262 | |
| Social Security | | 16,987 | |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Pensions | \$ | 20,547 | |
| Life Insurance | | 720 | |
| Medical Insurance | | 24,816 | |
| Unemployment Compensation | | 344 | |
| Employer Medicare | | 4,216 | |
| Communication | | 6,831 | |
| Maintenance Agreements | | 4,894 | |
| Other Contracted Services | | 19,047 | |
| Office Supplies | | 3,805 | |
| Other Supplies and Materials | | 2,007 | |
| Workers' Compensation Insurance | | 15,693 | |
| Other Charges | | 756 | |
| Office Equipment | | 60 | |
| Total Accounting and Budgeting | | | \$ 429,825 |

Property Assessor's Office

| | | | |
|---|----|--------|---------|
| County Official/Administrative Officer | \$ | 76,069 | |
| Clerical Personnel | | 75,209 | |
| Social Security | | 9,100 | |
| Pensions | | 8,353 | |
| Medical Insurance | | 20,855 | |
| Unemployment Compensation | | 166 | |
| Employer Medicare | | 2,119 | |
| Audit Services | | 13,300 | |
| Communication | | 3,635 | |
| Data Processing Services | | 7,688 | |
| Dues and Memberships | | 1,700 | |
| Legal Notices, Recording, and Court Costs | | 1,656 | |
| Maintenance Agreements | | 3,942 | |
| Travel | | 707 | |
| Office Supplies | | 1,603 | |
| Other Supplies and Materials | | 400 | |
| Office Equipment | | 479 | |
| Total Property Assessor's Office | | | 226,981 |

Reappraisal Program

| | | | |
|---------------------------|----|--------|--------|
| Laborers | \$ | 55,791 | |
| Social Security | | 3,390 | |
| Pensions | | 3,080 | |
| Medical Insurance | | 5,298 | |
| Unemployment Compensation | | 100 | |
| Employer Medicare | | 793 | |
| Communication | | 611 | |
| Data Processing Services | | 5,200 | |
| Operating Lease Payments | | 803 | |
| Travel | | 381 | |
| Office Supplies | | 1,526 | |
| Office Equipment | | 964 | |
| Total Reappraisal Program | | | 77,937 |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

| | | | |
|---|----|--------|-----------|
| Social Security | \$ | 10,745 | |
| Pensions | | 9,789 | |
| Medical Insurance | | 17,014 | |
| Unemployment Compensation | | 257 | |
| Employer Medicare | | 2,513 | |
| Communication | | 4,249 | |
| Data Processing Services | | 10,942 | |
| Dues and Memberships | | 747 | |
| Operating Lease Payments | | 1,892 | |
| Legal Notices, Recording, and Court Costs | | 206 | |
| Maintenance Agreements | | 17,026 | |
| Travel | | 987 | |
| Office Supplies | | 2,935 | |
| Premiums on Corporate Surety Bonds | | 7,278 | |
| Office Equipment | | 679 | |
| Total County Trustee's Office | | | \$ 87,259 |

County Clerk's Office

| | | | |
|-----------------------------|----|--------|---------|
| Social Security | \$ | 14,115 | |
| Pensions | | 13,100 | |
| Medical Insurance | | 36,661 | |
| Unemployment Compensation | | 547 | |
| Employer Medicare | | 3,301 | |
| Communication | | 9,284 | |
| Dues and Memberships | | 612 | |
| Operating Lease Payments | | 1,704 | |
| Maintenance Agreements | | 18,188 | |
| Office Supplies | | 5,933 | |
| Total County Clerk's Office | | | 103,445 |

Administration of Justice

Circuit Court

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 76,069 | |
| Clerical Personnel | | 178,442 | |
| Jury and Witness Expense | | 18,005 | |
| Social Security | | 15,270 | |
| Pensions | | 13,592 | |
| Medical Insurance | | 26,321 | |
| Unemployment Compensation | | 502 | |
| Employer Medicare | | 3,571 | |
| Communication | | 4,628 | |
| Dues and Memberships | | 612 | |
| Operating Lease Payments | | 13,016 | |
| Maintenance Agreements | | 19,354 | |
| Postal Charges | | 2,404 | |
| Office Supplies | | 18,853 | |
| Workers' Compensation Insurance | | 10,381 | |
| Total Circuit Court | | | 401,020 |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

| | | | |
|------------------------------|----|---------|------------|
| Judge(s) | \$ | 157,136 | |
| Secretary(ies) | | 31,728 | |
| Social Security | | 9,959 | |
| Pensions | | 10,425 | |
| Medical Insurance | | 10,428 | |
| Unemployment Compensation | | 30 | |
| Employer Medicare | | 2,706 | |
| Communication | | 2,487 | |
| Travel | | 494 | |
| Other Contracted Services | | 250 | |
| Office Supplies | | 914 | |
| Periodicals | | 897 | |
| Office Equipment | | 167 | |
| Total General Sessions Court | | | \$ 227,621 |

Chancery Court

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 76,069 | |
| Clerical Personnel | | 105,083 | |
| Social Security | | 10,893 | |
| Pensions | | 9,971 | |
| Medical Insurance | | 13,756 | |
| Unemployment Compensation | | 354 | |
| Employer Medicare | | 2,547 | |
| Communication | | 6,785 | |
| Dues and Memberships | | 722 | |
| Operating Lease Payments | | 2,354 | |
| Maintenance Agreements | | 13,939 | |
| Office Supplies | | 2,446 | |
| Office Equipment | | 1,540 | |
| Total Chancery Court | | | 246,459 |

District Attorney General

| | | | |
|---------------------------------|----|--------|--------|
| Secretary(ies) | \$ | 29,076 | |
| Social Security | | 1,803 | |
| Pensions | | 1,605 | |
| Medical Insurance | | 84 | |
| Unemployment Compensation | | 30 | |
| Employer Medicare | | 422 | |
| Total District Attorney General | | | 33,020 |

Office of Public Defender

| | | | |
|---------------------------------|----|--------|--------|
| Contributions | \$ | 28,782 | |
| Total Office of Public Defender | | | 28,782 |

Public Safety

Sheriff's Department

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 83,676 | |
|--|----|--------|--|

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | | |
|---|----|---------|--------------|
| Assistant(s) | \$ | 43,256 | |
| Deputy(ies) | | 828,762 | |
| Investigator(s) | | 167,947 | |
| Lieutenant(s) | | 93,983 | |
| Salary Supplements | | 21,000 | |
| Secretary(ies) | | 66,001 | |
| School Resource Officer | | 228,331 | |
| Overtime Pay | | 596 | |
| Social Security | | 90,883 | |
| Pensions | | 82,916 | |
| Medical Insurance | | 177,046 | |
| Unemployment Compensation | | 2,928 | |
| Employer Medicare | | 21,255 | |
| Communication | | 43,720 | |
| Dues and Memberships | | 2,756 | |
| Operating Lease Payments | | 9,027 | |
| Maintenance and Repair Services - Buildings | | 17,598 | |
| Maintenance and Repair Services - Equipment | | 210 | |
| Maintenance and Repair Services - Vehicles | | 72,472 | |
| Travel | | 3,711 | |
| Tuition | | 6,416 | |
| Other Contracted Services | | 5,472 | |
| Gasoline | | 155,524 | |
| Law Enforcement Supplies | | 5,316 | |
| Office Supplies | | 13,507 | |
| Tires and Tubes | | 20,274 | |
| Uniforms | | 11,669 | |
| Other Supplies and Materials | | 4,804 | |
| Workers' Compensation Insurance | | 63,327 | |
| Communication Equipment | | 285 | |
| Law Enforcement Equipment | | 40,639 | |
| Total Sheriff's Department | | | \$ 2,385,307 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|-----|-----|
| Other Contracted Services | \$ | 750 | |
| Total Administration of the Sexual Offender Registry | | | 750 |

Workhouse

| | | | |
|--|----|-----------|--|
| County Official/Administrative Officer | \$ | 10,000 | |
| Supervisor/Director | | 81,290 | |
| Medical Personnel | | 11,871 | |
| Guards | | 1,198,451 | |
| Secretary(ies) | | 22,680 | |
| Maintenance Personnel | | 82,096 | |
| Other Salaries and Wages | | 118,840 | |
| Social Security | | 92,234 | |
| Pensions | | 82,177 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

| | | | |
|---|----|---------|--------------|
| Medical Insurance | \$ | 145,187 | |
| Unemployment Compensation | | 3,058 | |
| Employer Medicare | | 21,571 | |
| Communication | | 21,727 | |
| Operating Lease Payments | | 3,969 | |
| Maintenance and Repair Services - Buildings | | 35,255 | |
| Medical and Dental Services | | 439,175 | |
| Travel | | 3,707 | |
| Tuition | | 1,140 | |
| Other Contracted Services | | 41,349 | |
| Custodial Supplies | | 67,044 | |
| Drugs and Medical Supplies | | 41,452 | |
| Electricity | | 100,946 | |
| Food Supplies | | 553,560 | |
| Natural Gas | | 21,078 | |
| Office Supplies | | 6,785 | |
| Prisoners Clothing | | 6,174 | |
| Uniforms | | 8,075 | |
| Water and Sewer | | 58,136 | |
| Other Supplies and Materials | | 54,669 | |
| Other Charges | | 33,244 | |
| Food Service Equipment | | 859 | |
| Total Workhouse | | | \$ 3,367,799 |

Juvenile Services

| | | | |
|---------------------------|----|--------|--------|
| Social Workers | \$ | 37,874 | |
| Social Security | | 2,245 | |
| Pensions | | 2,091 | |
| Medical Insurance | | 5,214 | |
| Unemployment Compensation | | 30 | |
| Employer Medicare | | 525 | |
| Communication | | 1,788 | |
| Other Contracted Services | | 11,047 | |
| Office Supplies | | 279 | |
| Total Juvenile Services | | | 61,093 |

Fire Prevention and Control

| | | | |
|-----------------------------------|----|---------|---------|
| Contributions | \$ | 156,038 | |
| Total Fire Prevention and Control | | | 156,038 |

Civil Defense

| | | | |
|---------------------------|----|--------|--|
| Supervisor/Director | \$ | 41,375 | |
| Part-time Personnel | | 11,804 | |
| Social Security | | 3,190 | |
| Pensions | | 2,935 | |
| Medical Insurance | | 10,428 | |
| Unemployment Compensation | | 65 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

| | | | |
|--|----|-------|-----------|
| Employer Medicare | \$ | 746 | |
| Communication | | 5,300 | |
| Dues and Memberships | | 98 | |
| Maintenance and Repair Services - Vehicles | | 494 | |
| Travel | | 186 | |
| Other Contracted Services | | 101 | |
| Gasoline | | 1,177 | |
| Office Supplies | | 611 | |
| Other Equipment | | 500 | |
| Total Civil Defense | | | \$ 79,010 |

Rescue Squad

| | | | |
|--------------------|----|--------|--------|
| Contributions | \$ | 22,000 | |
| Total Rescue Squad | | | 22,000 |

Other Emergency Management

| | | | |
|----------------------------------|----|--------|--------|
| Contributions | \$ | 15,377 | |
| Other Contracted Services | | 36,000 | |
| Total Other Emergency Management | | | 51,377 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|--------|
| Other Per Diem and Fees | \$ | 41,859 | |
| Other Contracted Services | | 24,000 | |
| Total County Coroner/Medical Examiner | | | 65,859 |

Public Health and Welfare

Local Health Center

| | | | |
|---|----|--------|---------|
| Clerical Personnel | \$ | 22,105 | |
| Custodial Personnel | | 14,400 | |
| Social Security | | 1,275 | |
| Pensions | | 1,220 | |
| Medical Insurance | | 5,214 | |
| Unemployment Compensation | | 69 | |
| Employer Medicare | | 298 | |
| Communication | | 9,276 | |
| Contracts with Government Agencies | | 35,250 | |
| Contracts with Private Agencies | | 3,310 | |
| Maintenance and Repair Services - Buildings | | 9,763 | |
| Postal Charges | | 2,839 | |
| Travel | | 248 | |
| Other Contracted Services | | 1,102 | |
| Custodial Supplies | | 1,565 | |
| Instructional Supplies and Materials | | 9,015 | |
| Office Supplies | | 3,139 | |
| Utilities | | 14,503 | |
| Workers' Compensation Insurance | | 931 | |
| Office Equipment | | 2,500 | |
| Total Local Health Center | | | 138,022 |

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

| | | |
|---------------------------------|-----------|-----------|
| Contributions | \$ 20,000 | |
| Total Rabies and Animal Control | | \$ 20,000 |

Other Local Health Services

| | | |
|-----------------------------------|-----------|---------|
| Medical Personnel | \$ 79,150 | |
| Social Security | 4,672 | |
| Pensions | 4,369 | |
| Medical Insurance | 11,082 | |
| Unemployment Compensation | 261 | |
| Employer Medicare | 1,093 | |
| Travel | 6,240 | |
| Other Charges | 29 | |
| Total Other Local Health Services | | 106,896 |

Sanitation Education/Information

| | | |
|--|-----------|--------|
| Laborers | \$ 25,851 | |
| Clerical Personnel | 4,800 | |
| Social Security | 1,890 | |
| Pensions | 1,692 | |
| Medical Insurance | 84 | |
| Unemployment Compensation | 81 | |
| Employer Medicare | 442 | |
| Gasoline | 4,099 | |
| Instructional Supplies and Materials | 12,300 | |
| Total Sanitation Education/Information | | 51,239 |

Social, Cultural, and Recreational Services

Adult Activities

| | | |
|------------------------|----------|-------|
| Contributions | \$ 7,500 | |
| Total Adult Activities | | 7,500 |

Senior Citizens Assistance

| | | |
|---|-----------|--------|
| Laborers | \$ 11,400 | |
| Communication | 6,322 | |
| Contracts with Other Public Agencies | 7,000 | |
| Contributions | 10,000 | |
| Maintenance and Repair Services - Buildings | 8,039 | |
| Electricity | 9,604 | |
| Gasoline | 3,040 | |
| Water and Sewer | 1,671 | |
| Total Senior Citizens Assistance | | 57,076 |

Libraries

| | | |
|---------------------|-----------|--|
| Librarians | \$ 31,677 | |
| Attendants | 23,170 | |
| Part-time Personnel | 19,584 | |
| Social Security | 4,414 | |

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

| | | | |
|---|----|--------|------------|
| Pensions | \$ | 3,984 | |
| Medical Insurance | | 10,512 | |
| Unemployment Compensation | | 182 | |
| Employer Medicare | | 1,032 | |
| Communication | | 1,909 | |
| Maintenance Agreements | | 2,949 | |
| Maintenance and Repair Services - Buildings | | 590 | |
| Travel | | 483 | |
| Other Contracted Services | | 94 | |
| Office Supplies | | 4,631 | |
| Periodicals | | 8,326 | |
| Total Libraries | | | \$ 113,537 |

Agriculture and Natural Resources

Agricultural Extension Service

| | | | |
|--------------------------------------|----|--------|--------|
| Communication | \$ | 3,291 | |
| Contracts with Other Public Agencies | | 85,950 | |
| Dues and Memberships | | 690 | |
| Other Charges | | 1,145 | |
| Office Equipment | | 960 | |
| Total Agricultural Extension Service | | | 92,036 |

Forest Service

| | | | |
|----------------------|----|-------|-------|
| Contributions | \$ | 2,000 | |
| Total Forest Service | | | 2,000 |

Soil Conservation

| | | | |
|---------------------------|----|--------|--------|
| Secretary(ies) | \$ | 22,279 | |
| Social Security | | 1,270 | |
| Pensions | | 1,230 | |
| Medical Insurance | | 5,214 | |
| Unemployment Compensation | | 69 | |
| Employer Medicare | | 297 | |
| Contributions | | 17,000 | |
| Total Soil Conservation | | | 47,359 |

Other Operations

Industrial Development

| | | | |
|--------------------------------------|----|--------|--------|
| Contracts with Other Public Agencies | \$ | 20,000 | |
| Contributions | | 46,010 | |
| Total Industrial Development | | | 66,010 |

Housing and Urban Development

| | | | |
|-------------------------------------|----|---------|---------|
| Other Construction | \$ | 507,880 | |
| Total Housing and Urban Development | | | 507,880 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

| | | | |
|--|----|--------|-----------|
| Assistant(s) | \$ | 28,949 | |
| Social Security | | 1,795 | |
| Pensions | | 1,598 | |
| Unemployment Compensation | | 40 | |
| Employer Medicare | | 420 | |
| Communication | | 1,510 | |
| Other Charges | | 145 | |
| Total Other Economic and Community Development | | | \$ 34,457 |

Veterans' Services

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 15,964 | |
| Social Security | | 990 | |
| Unemployment Compensation | | 62 | |
| Employer Medicare | | 231 | |
| Communication | | 939 | |
| Travel | | 127 | |
| Office Supplies | | 1,160 | |
| Total Veterans' Services | | | 19,473 |

Other Charges

| | | | |
|---|----|---------|---------|
| Contributions | \$ | 122,481 | |
| Legal Notices, Recording, and Court Costs | | 724 | |
| Trustee's Commission | | 142,614 | |
| Vehicle and Equipment Insurance | | 172,325 | |
| Other Charges | | 19,277 | |
| Total Other Charges | | | 457,421 |

Employee Benefits

| | | | |
|-------------------------|----|-------|-------|
| Medical Insurance | \$ | 1,680 | |
| Total Employee Benefits | | | 1,680 |

Miscellaneous

| | | | |
|---------------------|----|--------|--------|
| Tax Relief Program | \$ | 38,370 | |
| Total Miscellaneous | | | 38,370 |

Capital Projects

Public Safety Projects

| | | | |
|------------------------------|----|---------|---------|
| Furniture and Fixtures | \$ | 9,900 | |
| Motor Vehicles | | 156,506 | |
| Total Public Safety Projects | | | 166,406 |

Total General Fund \$ 11,081,917

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

| | | | |
|---------|----|--------|--|
| Foremen | \$ | 61,453 | |
|---------|----|--------|--|

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

| | | | |
|--|----|----------------|---------------------|
| Equipment Operators | \$ | 251,891 | |
| Secretary(ies) | | 31,728 | |
| Attendants | | 224,284 | |
| Board and Committee Members Fees | | 9,450 | |
| Social Security | | 34,864 | |
| Pensions | | 29,564 | |
| Medical Insurance | | 71,005 | |
| Unemployment Compensation | | 1,438 | |
| Employer Medicare | | 8,154 | |
| Communication | | 8,964 | |
| Contracts with Private Agencies | | 567,297 | |
| Engineering Services | | 25,271 | |
| Evaluation and Testing | | 10,717 | |
| Operating Lease Payments | | 2,400 | |
| Maintenance and Repair Services - Vehicles | | 99,515 | |
| Postal Charges | | 500 | |
| Travel | | 300 | |
| Permits | | 5,873 | |
| Other Contracted Services | | 21,567 | |
| Crushed Stone | | 8,485 | |
| Diesel Fuel | | 59,001 | |
| Electricity | | 14,514 | |
| Fertilizer, Lime, and Seed | | 958 | |
| Gasoline | | 5,457 | |
| Lubricants | | 8,841 | |
| Office Supplies | | 1,820 | |
| Tires and Tubes | | 19,516 | |
| Water and Sewer | | 1,694 | |
| Other Supplies and Materials | | 3,039 | |
| Trustee's Commission | | 30,142 | |
| Vehicle and Equipment Insurance | | 10,794 | |
| Workers' Compensation Insurance | | 18,717 | |
| Site Development | | 118,306 | |
| Total Waste Pickup | | <u>118,306</u> | <u>\$ 1,767,519</u> |

Total Solid Waste/Sanitation Fund \$ 1,767,519

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|--|----|--------|
| Confidential Drug Enforcement Payments | \$ | 23,000 |
| Travel | | 2,947 |
| Tuition | | 1,000 |
| Animal Food and Supplies | | 2,918 |
| Law Enforcement Supplies | | 2,665 |
| Other Supplies and Materials | | 213 |
| Trustee's Commission | | 165 |

(Continued)

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

| | | | |
|---|----|-------------------|-------------------------|
| <u>Drug Control Fund (Cont.)</u> | | | |
| <u>Public Safety (Cont.)</u> | | | |
| <u>Drug Enforcement (Cont.)</u> | | | |
| Other Charges | \$ | 8,500 | |
| Law Enforcement Equipment | | 6,219 | |
| Motor Vehicles | | 13,855 | |
| Total Drug Enforcement | | <u> </u> | \$ 61,482 |
| Total Drug Control Fund | | | \$ 61,482 |
| <u>Other Special Revenue Fund</u> | | | |
| <u>Public Health and Welfare</u> | | | |
| <u>Ambulance/Emergency Medical Services</u> | | | |
| Contributions | \$ | 279,647 | |
| Total Ambulance/Emergency Medical Services | | <u> </u> | \$ 279,647 |
| <u>Other Operations</u> | | | |
| <u>Miscellaneous</u> | | | |
| Bank Charges | \$ | 750 | |
| Total Miscellaneous | | <u> </u> | <u> 750</u> |
| Total Other Special Revenue Fund | | | 280,397 |
| <u>Constitutional Officers - Fees Fund</u> | | | |
| <u>Finance</u> | | | |
| <u>County Trustee's Office</u> | | | |
| Constitutional Officers' Operating Expenses | \$ | 177,333 | |
| Total County Trustee's Office | | <u> </u> | \$ 177,333 |
| <u>County Clerk's Office</u> | | | |
| Constitutional Officers' Operating Expenses | \$ | 234,204 | |
| Total County Clerk's Office | | <u> </u> | 234,204 |
| <u>Administration of Justice</u> | | | |
| <u>Chancery Court</u> | | | |
| Special Commissioner Fees/Special Master Fees | \$ | 21,620 | |
| Constitutional Officers' Operating Expenses | | 22,517 | |
| Total Chancery Court | | <u> </u> | <u> 44,137</u> |
| Total Constitutional Officers - Fees Fund | | | 455,674 |
| <u>Highway/Public Works Fund</u> | | | |
| <u>Highways</u> | | | |
| <u>Administration</u> | | | |
| County Official/Administrative Officer | \$ | 83,676 | |
| Secretary(ies) | | 28,392 | |
| Other Salaries and Wages | | 852 | |
| Social Security | | 7,012 | |
| Pensions | | 6,363 | |
| Medical Insurance | | 10,398 | |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

| | | | |
|---|----|-------|------------|
| Disability Insurance | \$ | 277 | |
| Unemployment Compensation | | 210 | |
| Employer Medicare | | 1,640 | |
| Dues and Memberships | | 3,355 | |
| Legal Services | | 374 | |
| Legal Notices, Recording, and Court Costs | | 455 | |
| Postal Charges | | 63 | |
| Office Supplies | | 3,185 | |
| Total Administration | | | \$ 146,252 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|-----------|
| Laborers | \$ | 731,503 | |
| Other Salaries and Wages | | 22,045 | |
| Social Security | | 45,306 | |
| Pensions | | 37,987 | |
| Life Insurance | | 231 | |
| Medical Insurance | | 93,118 | |
| Disability Insurance | | 4,155 | |
| Unemployment Compensation | | 6,589 | |
| Employer Medicare | | 10,596 | |
| Other Contracted Services | | 270,622 | |
| Asphalt - Hot Mix | | 518,633 | |
| Crushed Stone | | 314,317 | |
| Pipe - Metal | | 24,992 | |
| Road Signs | | 9,470 | |
| Wood Products | | 9,834 | |
| Other Supplies and Materials | | 60,626 | |
| Total Highway and Bridge Maintenance | | | 2,160,024 |

Operation and Maintenance of Equipment

| | | | |
|--|----|--------|---------|
| Mechanic(s) | \$ | 32,096 | |
| Other Salaries and Wages | | 852 | |
| Social Security | | 1,963 | |
| Pensions | | 1,795 | |
| Medical Insurance | | 5,214 | |
| Disability Insurance | | 277 | |
| Unemployment Compensation | | 210 | |
| Employer Medicare | | 459 | |
| Rentals | | 22,447 | |
| Diesel Fuel | | 99,492 | |
| Equipment and Machinery Parts | | 97,834 | |
| Garage Supplies | | 2,908 | |
| Gasoline | | 39,207 | |
| Lubricants | | 7,037 | |
| Tires and Tubes | | 24,356 | |
| Other Supplies and Materials | | 3,711 | |
| Total Operation and Maintenance of Equipment | | | 339,858 |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

| | | | |
|---------------------------------|----|--------|-----------|
| Communication | \$ | 3,585 | |
| Electricity | | 7,461 | |
| Water and Sewer | | 1,418 | |
| Building and Contents Insurance | | 1,900 | |
| Liability Insurance | | 3,000 | |
| Trustee's Commission | | 26,462 | |
| Vehicle and Equipment Insurance | | 28,149 | |
| Total Other Charges | | | \$ 71,975 |

Employee Benefits

| | | | |
|---------------------------------|----|--------|--------|
| Workers' Compensation Insurance | \$ | 33,868 | |
| Total Employee Benefits | | | 33,868 |

Capital Outlay

| | | | |
|----------------------|----|---------|---------|
| Bridge Construction | \$ | 68,606 | |
| Highway Equipment | | 38,368 | |
| State Aid Projects | | 287,139 | |
| Total Capital Outlay | | | 394,113 |

Total Highway/Public Works Fund \$ 3,146,090

General Debt Service Fund

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|------------|
| Principal on Bonds | \$ | 455,000 | |
| Total General Government | | | \$ 455,000 |

Highways and Streets

| | | | |
|-----------------------------|----|---------|---------|
| Principal on Notes | \$ | 132,838 | |
| Principal on Capital Leases | | 330,740 | |
| Total Highways and Streets | | | 463,578 |

Education

| | | | |
|--------------------------|----|-----------|-----------|
| Principal on Bonds | \$ | 1,875,000 | |
| Principal on Other Loans | | 29,095 | |
| Total Education | | | 1,904,095 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Interest on Bonds | \$ | 157,842 | |
| Total General Government | | | 157,842 |

Highways and Streets

| | | | |
|----------------------------|----|-------|-------|
| Interest on Notes | \$ | 3,628 | |
| Interest on Capital Leases | | 5,767 | |
| Total Highways and Streets | | | 9,395 |

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

| | | |
|-------------------------|------------------|--------------|
| Interest on Bonds | \$ 1,133,704 | |
| Interest on Other Loans | 2,592 | |
| Total Education | <u>1,136,296</u> | \$ 1,136,296 |

Other Debt Service

General Government

| | | |
|--------------------------|--------------|--|
| Trustee's Commission | \$ 3,388 | |
| Other Debt Service | 4,149 | |
| Total General Government | <u>7,537</u> | |

Total General Debt Service Fund \$ 4,133,743

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

| | | |
|---|----------------|------------|
| Asphalt - Hot Mix | \$ 241,119 | |
| Asphalt - Liquid | 239,816 | |
| Crushed Stone | 78,460 | |
| Trustee's Commission | 2,101 | |
| Highway Equipment | 6,000 | |
| Total Highway and Street Capital Projects | <u>567,496</u> | \$ 567,496 |

Total Highway Capital Projects Fund 567,496

Total Governmental Funds - Primary Government \$ 21,494,318

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|---------------|---------------|
| Teachers | \$ 10,798,886 | |
| Career Ladder Program | 37,249 | |
| Educational Assistants | 775,401 | |
| Certified Substitute Teachers | 139,532 | |
| Social Security | 682,263 | |
| Pensions | 1,078,538 | |
| Life Insurance | 54,749 | |
| Medical Insurance | 1,404,622 | |
| Unemployment Compensation | 5,850 | |
| Employer Medicare | 161,011 | |
| Tuition | 10,998 | |
| Instructional Supplies and Materials | 119,572 | |
| Textbooks - Electronic | 86,210 | |
| Textbooks - Bound | 346,337 | |
| Other Supplies and Materials | 6,700 | |
| Other Charges | 2,500 | |
| Total Regular Instruction Program | | \$ 15,710,418 |

Special Education Program

| | | |
|---|--------------|-----------|
| Teachers | \$ 1,846,419 | |
| Career Ladder Program | 5,700 | |
| Educational Assistants | 154,769 | |
| Speech Pathologist | 175,449 | |
| Certified Substitute Teachers | 20,309 | |
| Social Security | 128,623 | |
| Pensions | 186,360 | |
| Life Insurance | 10,161 | |
| Medical Insurance | 324,063 | |
| Unemployment Compensation | 1,441 | |
| Employer Medicare | 30,464 | |
| Retirement - Hybrid Stabilization | 4,819 | |
| Maintenance and Repair Services - Equipment | 4,001 | |
| Instructional Supplies and Materials | 6,074 | |
| Other Supplies and Materials | 13,860 | |
| Special Education Equipment | 37,724 | |
| Total Special Education Program | | 2,950,236 |

Career and Technical Education Program

| | |
|-------------------------------|------------|
| Teachers | \$ 853,413 |
| Career Ladder Program | 2,500 |
| Certified Substitute Teachers | 15,098 |
| Social Security | 49,141 |
| Pensions | 80,161 |
| Life Insurance | 4,300 |
| Medical Insurance | 138,099 |
| Unemployment Compensation | 476 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

| | | | |
|--|----|--------|--------------|
| Employer Medicare | \$ | 11,872 | |
| Retirement - Hybrid Stabilization | | 4,947 | |
| Instructional Supplies and Materials | | 14,310 | |
| Other Supplies and Materials | | 2,417 | |
| Other Charges | | 2,401 | |
| Vocational Instruction Equipment | | 452 | |
| Total Career and Technical Education Program | | | \$ 1,179,587 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 72,472 | |
| Career Ladder Program | | 1,600 | |
| Clerical Personnel | | 26,920 | |
| Other Salaries and Wages | | 33,651 | |
| Social Security | | 5,810 | |
| Pensions | | 9,171 | |
| Life Insurance | | 240 | |
| Medical Insurance | | 7,740 | |
| Unemployment Compensation | | 68 | |
| Employer Medicare | | 1,793 | |
| Travel | | 1,978 | |
| Other Supplies and Materials | | 399 | |
| Total Attendance | | | 161,842 |

Health Services

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 55,834 | |
| Medical Personnel | | 209,518 | |
| Other Salaries and Wages | | 17,472 | |
| Social Security | | 17,020 | |
| Pensions | | 18,896 | |
| Life Insurance | | 480 | |
| Medical Insurance | | 11,472 | |
| Unemployment Compensation | | 288 | |
| Employer Medicare | | 3,980 | |
| Retirement - Hybrid Stabilization | | 6,261 | |
| Travel | | 8,427 | |
| Drugs and Medical Supplies | | 2,959 | |
| Other Supplies and Materials | | 835 | |
| Total Health Services | | | 353,442 |

Other Student Support

| | | | |
|-----------------------|----|---------|--|
| Career Ladder Program | \$ | 3,000 | |
| Guidance Personnel | | 448,448 | |
| Social Security | | 25,770 | |
| Pensions | | 47,221 | |
| Life Insurance | | 2,160 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Medical Insurance | \$ | 63,833 | |
| Unemployment Compensation | | 203 | |
| Employer Medicare | | 6,027 | |
| Evaluation and Testing | | 10,878 | |
| Travel | | 5,758 | |
| Other Contracted Services | | 37,500 | |
| Other Supplies and Materials | | 4,447 | |
| Other Charges | | 12,425 | |
| Total Other Student Support | | | \$ 667,670 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 144,449 | |
| Career Ladder Program | | 5,050 | |
| Librarians | | 311,738 | |
| Educational Assistants | | 24,769 | |
| Other Salaries and Wages | | 145,610 | |
| Social Security | | 35,987 | |
| Pensions | | 63,685 | |
| Life Insurance | | 2,372 | |
| Medical Insurance | | 67,790 | |
| Unemployment Compensation | | 292 | |
| Employer Medicare | | 8,574 | |
| Travel | | 763 | |
| Other Contracted Services | | 10,163 | |
| Library Books/Media | | 60,000 | |
| Other Supplies and Materials | | 2,556 | |
| In Service/Staff Development | | 41,052 | |
| Other Charges | | 31,852 | |
| Other Equipment | | 127,453 | |
| Total Regular Instruction Program | | | 1,084,155 |

Special Education Program

| | | | |
|---|----|---------|--|
| Supervisor/Director | \$ | 72,472 | |
| Career Ladder Program | | 583 | |
| Psychological Personnel | | 82,920 | |
| Secretary(ies) | | 21,681 | |
| Other Salaries and Wages | | 271,912 | |
| Social Security | | 25,069 | |
| Pensions | | 42,346 | |
| Life Insurance | | 1,820 | |
| Medical Insurance | | 47,506 | |
| Unemployment Compensation | | 212 | |
| Employer Medicare | | 6,281 | |
| Communication | | 6,503 | |
| Consultants | | 3,101 | |
| Maintenance and Repair Services - Equipment | | 826 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Travel | \$ | 20,208 | |
| Other Contracted Services | | 7,742 | |
| Other Supplies and Materials | | 1,213 | |
| In Service/Staff Development | | 8,201 | |
| Other Charges | | 1,442 | |
| Total Special Education Program | | | \$ 622,038 |

Career and Technical Education Program

| | | | |
|--|----|--------|--------|
| Supervisor/Director | \$ | 69,198 | |
| Social Security | | 3,946 | |
| Pensions | | 7,238 | |
| Life Insurance | | 217 | |
| Medical Insurance | | 7,011 | |
| Unemployment Compensation | | 21 | |
| Employer Medicare | | 923 | |
| Other Supplies and Materials | | 106 | |
| Total Career and Technical Education Program | | | 88,660 |

Technology

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 69,198 | |
| Career Ladder Program | | 1,000 | |
| Other Salaries and Wages | | 42,444 | |
| Social Security | | 6,673 | |
| Pensions | | 10,055 | |
| Life Insurance | | 480 | |
| Medical Insurance | | 13,476 | |
| Unemployment Compensation | | 45 | |
| Employer Medicare | | 1,561 | |
| Maintenance and Repair Services - Equipment | | 19,797 | |
| Internet Connectivity | | 50,373 | |
| Travel | | 3,982 | |
| Other Contracted Services | | 11 | |
| Software | | 36,975 | |
| Other Supplies and Materials | | 6,323 | |
| Other Equipment | | 83,611 | |
| Total Technology | | | 346,004 |

Board of Education

| | | | |
|----------------------------------|----|--------|--|
| Secretary to Board | \$ | 1,500 | |
| Board and Committee Members Fees | | 10,125 | |
| Social Security | | 518 | |
| Pensions | | 615 | |
| Life Insurance | | 1,440 | |
| Medical Insurance | | 28,680 | |
| Unemployment Compensation | | 29 | |
| Employer Medicare | | 143 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

| | | |
|---------------------------------|--------------|--------------|
| Other Fringe Benefits | \$ 1,001,239 | |
| Audit Services | 15,700 | |
| Contributions | 44,026 | |
| Dues and Memberships | 14,790 | |
| Legal Services | 42,950 | |
| Travel | 6,337 | |
| Other Contracted Services | 6,272 | |
| Liability Insurance | 201,323 | |
| Trustee's Commission | 227,161 | |
| Workers' Compensation Insurance | 152,006 | |
| Other Charges | 1,200 | |
| Total Board of Education | | \$ 1,756,054 |

Director of Schools

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 99,960 | |
| Career Ladder Program | 2,000 | |
| Secretary(ies) | 56,154 | |
| Other Salaries and Wages | 79,091 | |
| Social Security | 14,215 | |
| Pensions | 22,528 | |
| Life Insurance | 503 | |
| Medical Insurance | 14,205 | |
| Unemployment Compensation | 95 | |
| Employer Medicare | 3,324 | |
| Communication | 37,549 | |
| Dues and Memberships | 2,750 | |
| Postal Charges | 441 | |
| Travel | 1,682 | |
| Other Contracted Services | 1,706 | |
| Office Supplies | 6,999 | |
| In Service/Staff Development | 101 | |
| Other Charges | 381 | |
| Administration Equipment | 164 | |
| Total Director of Schools | | 343,848 |

Office of the Principal

| | | |
|-------------------------------|------------|-----------|
| Principals | \$ 929,763 | |
| Career Ladder Program | 10,000 | |
| Assistant Principals | 289,355 | |
| Social Security | 68,525 | |
| Pensions | 128,566 | |
| Life Insurance | 4,080 | |
| Medical Insurance | 119,079 | |
| Unemployment Compensation | 428 | |
| Employer Medicare | 16,835 | |
| Total Office of the Principal | | 1,566,631 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

| | | |
|-----------------------|------------|------------|
| Contributions | \$ 270,034 | |
| Total Fiscal Services | | \$ 270,034 |

Operation of Plant

| | | |
|---------------------------|------------|-----------|
| Custodial Personnel | \$ 493,379 | |
| Social Security | 29,377 | |
| Pensions | 25,504 | |
| Unemployment Compensation | 813 | |
| Employer Medicare | 6,870 | |
| Disposal Fees | 68,288 | |
| Other Contracted Services | 38,153 | |
| Custodial Supplies | 119,524 | |
| Electricity | 1,047,334 | |
| Fuel Oil | 6,781 | |
| Natural Gas | 56,750 | |
| Water and Sewer | 148,316 | |
| Total Operation of Plant | | 2,041,089 |

Maintenance of Plant

| | | |
|---|------------|-----------|
| Maintenance Personnel | \$ 478,875 | |
| Social Security | 28,874 | |
| Pensions | 26,434 | |
| Life Insurance | 69,713 | |
| Medical Insurance | 1,049,341 | |
| Unemployment Compensation | 426 | |
| Employer Medicare | 6,753 | |
| Maintenance and Repair Services - Buildings | 1,074 | |
| Maintenance and Repair Services - Equipment | 277,668 | |
| Uniforms | 1,626 | |
| Total Maintenance of Plant | | 1,940,784 |

Transportation

| | | |
|--|-----------|--|
| Supervisor/Director | \$ 62,978 | |
| Mechanic(s) | 43,884 | |
| Bus Drivers | 559,035 | |
| Other Salaries and Wages | 51,622 | |
| Social Security | 41,442 | |
| Pensions | 43,135 | |
| Life Insurance | 480 | |
| Medical Insurance | 11,472 | |
| Unemployment Compensation | 830 | |
| Employer Medicare | 10,307 | |
| Other Fringe Benefits | 5,730 | |
| Contracts with Parents | 9,765 | |
| Contracts with Vehicle Owners | 116,676 | |
| Maintenance and Repair Services - Vehicles | 3,254 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|---------------------------|----|---------|--------------|
| Other Contracted Services | \$ | 56,397 | |
| Garage Supplies | | 4,006 | |
| Gasoline | | 121,121 | |
| Tires and Tubes | | 21,048 | |
| Uniforms | | 2,849 | |
| Vehicle Parts | | 60,631 | |
| Other Charges | | 9,990 | |
| Total Transportation | | | \$ 1,236,652 |

Central and Other

| | | | |
|---------------------------|----|--------|--------|
| Communication | \$ | 20,133 | |
| Other Contracted Services | | 43,913 | |
| Data Processing Supplies | | 29,581 | |
| Total Central and Other | | | 93,627 |

Operation of Non-Instructional Services

Community Services

| | | | |
|--------------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 10,644 | |
| Teachers | | 139,608 | |
| Educational Assistants | | 85,069 | |
| Part-time Personnel | | 1,605 | |
| Other Salaries and Wages | | 208,468 | |
| Social Security | | 27,209 | |
| Pensions | | 43,524 | |
| Life Insurance | | 178 | |
| Medical Insurance | | 4,920 | |
| Unemployment Compensation | | 984 | |
| Employer Medicare | | 6,363 | |
| Travel | | 865 | |
| Other Contracted Services | | 1,760 | |
| Instructional Supplies and Materials | | 10,576 | |
| Other Supplies and Materials | | 54,985 | |
| In Service/Staff Development | | 1,879 | |
| Other Charges | | 45,126 | |
| Total Community Services | | | 643,763 |

Early Childhood Education

| | | | |
|---------------------------|----|---------|--|
| Teachers | \$ | 349,850 | |
| Clerical Personnel | | 19,179 | |
| Educational Assistants | | 68,442 | |
| Other Salaries and Wages | | 20,396 | |
| Social Security | | 26,866 | |
| Pensions | | 34,589 | |
| Life Insurance | | 1,873 | |
| Medical Insurance | | 50,097 | |
| Unemployment Compensation | | 1,109 | |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Employer Medicare | \$ | 6,283 | |
| Retirement - Hybrid Stabilization | | 1,351 | |
| Communication | | 5,434 | |
| Travel | | 1,260 | |
| Instructional Supplies and Materials | | 12,732 | |
| Other Supplies and Materials | | 5,200 | |
| Total Early Childhood Education | | | \$ 604,661 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|--------|---------|
| Building Improvements | \$ | 83,767 | |
| Other Capital Outlay | | 20,252 | |
| Total Regular Capital Outlay | | | 104,019 |

Other Debt Service

Education

| | | | |
|---|----|-----------|-----------|
| Debt Service Contribution to Primary Government | \$ | 3,040,791 | |
| Total Education | | | 3,040,791 |

Total General Purpose School Fund \$ 36,806,005

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|--------------|
| Teachers | \$ | 673,237 | |
| Educational Assistants | | 380,556 | |
| Certified Substitute Teachers | | 14,602 | |
| Social Security | | 62,600 | |
| Pensions | | 91,215 | |
| Life Insurance | | 3,360 | |
| Medical Insurance | | 92,161 | |
| Unemployment Compensation | | 2,924 | |
| Employer Medicare | | 14,643 | |
| Instructional Supplies and Materials | | 31,466 | |
| Total Regular Instruction Program | | | \$ 1,366,764 |

Special Education Program

| | | | |
|-------------------------------|----|---------|--|
| Teachers | \$ | 136,126 | |
| Educational Assistants | | 788,505 | |
| Speech Pathologist | | 2,500 | |
| Other Salaries and Wages | | 31,975 | |
| Certified Substitute Teachers | | 25,932 | |
| Social Security | | 58,264 | |
| Pensions | | 59,279 | |
| Life Insurance | | 720 | |
| Medical Insurance | | 17,876 | |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|--------------|
| Unemployment Compensation | \$ | 4,575 | |
| Employer Medicare | | 13,632 | |
| Contracts with Private Agencies | | 4,198 | |
| Instructional Supplies and Materials | | 22,718 | |
| Other Supplies and Materials | | 35,150 | |
| Special Education Equipment | | 1,349 | |
| Total Special Education Program | | | \$ 1,202,799 |

Career and Technical Education Program

| | | | |
|--|----|--------|--------|
| Other Salaries and Wages | \$ | 1,500 | |
| Social Security | | 46 | |
| Pensions | | 78 | |
| Employer Medicare | | 22 | |
| Other Contracted Services | | 5,316 | |
| Instructional Supplies and Materials | | 5,181 | |
| Vocational Instruction Equipment | | 45,827 | |
| Total Career and Technical Education Program | | | 57,970 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|--------|---------|
| Social Workers | \$ | 63,090 | |
| Social Security | | 3,554 | |
| Pensions | | 5,651 | |
| Life Insurance | | 460 | |
| Medical Insurance | | 12,998 | |
| Unemployment Compensation | | 202 | |
| Employer Medicare | | 831 | |
| Travel | | 18,204 | |
| In Service/Staff Development | | 9,327 | |
| Other Charges | | 8,154 | |
| Total Other Student Support | | | 122,471 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 75,251 | |
| Secretary(ies) | | 12,523 | |
| Other Salaries and Wages | | 124,362 | |
| Social Security | | 11,689 | |
| Pensions | | 18,257 | |
| Life Insurance | | 840 | |
| Medical Insurance | | 24,084 | |
| Unemployment Compensation | | 306 | |
| Employer Medicare | | 2,915 | |
| Other Supplies and Materials | | 2,279 | |
| In Service/Staff Development | | 15,220 | |
| Other Equipment | | 419 | |
| Total Regular Instruction Program | | | 288,145 |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

| | | | |
|---------------------------------|----|--------|------------|
| Psychological Personnel | \$ | 57,753 | |
| Social Security | | 3,189 | |
| Pensions | | 4,008 | |
| Life Insurance | | 240 | |
| Medical Insurance | | 7,740 | |
| Unemployment Compensation | | 67 | |
| Employer Medicare | | 746 | |
| Communication | | 2,238 | |
| Travel | | 1,912 | |
| Other Contracted Services | | 21,000 | |
| Other Supplies and Materials | | 3,927 | |
| In Service/Staff Development | | 17,944 | |
| Total Special Education Program | | | \$ 120,764 |

Career and Technical Education Program

| | | | |
|--|----|-------|-------|
| Travel | \$ | 629 | |
| In Service/Staff Development | | 2,196 | |
| Other Equipment | | 3,994 | |
| Total Career and Technical Education Program | | | 6,819 |

Operation of Non-Instructional Services

Community Services

| | | | |
|------------------------------|----|--------|---------|
| Other Salaries and Wages | \$ | 79,899 | |
| Social Security | | 4,927 | |
| Pensions | | 8,074 | |
| Life Insurance | | 240 | |
| Medical Insurance | | 5,736 | |
| Unemployment Compensation | | 85 | |
| Employer Medicare | | 1,152 | |
| Travel | | 16,826 | |
| Other Contracted Services | | 17,470 | |
| Food Supplies | | 1,744 | |
| Other Supplies and Materials | | 19,369 | |
| Total Community Services | | | 155,522 |

Total School Federal Projects Fund \$ 3,321,254

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|-------------------------|----|---------|--|
| Supervisor/Director | \$ | 74,394 | |
| Accountants/Bookkeepers | | 16,500 | |
| Clerical Personnel | | 27,779 | |
| Cafeteria Personnel | | 773,072 | |
| Social Security | | 52,390 | |
| Pensions | | 48,432 | |

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|---|----|-----------|---------------------|
| Life Insurance | \$ | 240 | |
| Medical Insurance | | 8,945 | |
| Unemployment Compensation | | 4,333 | |
| Employer Medicare | | 12,252 | |
| Communication | | 12,208 | |
| Maintenance and Repair Services - Equipment | | 17,200 | |
| Travel | | 2,071 | |
| Other Contracted Services | | 21,184 | |
| Food Preparation Supplies | | 105,203 | |
| Food Supplies | | 1,060,249 | |
| Office Supplies | | 1,204 | |
| USDA - Commodities | | 215,748 | |
| Other Supplies and Materials | | 4,769 | |
| In Service/Staff Development | | 303 | |
| Other Charges | | 10,556 | |
| Food Service Equipment | | 103,101 | |
| Total Food Service | | | <u>\$ 2,572,133</u> |

Total Central Cafeteria Fund \$ 2,572,133

Total Governmental Funds - Claiborne County School Department \$ 42,699,392

Exhibit J-9

Claiborne 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 | \$ 1,967,700 |
| Total Cash Receipts | <u>\$ 1,967,700</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 1,948,023 |
| Trustee's Commission | 19,677 |
| Total Cash Disbursements | <u>\$ 1,967,700</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

Claiborne County Mayor and
Board of County Commissioners
Claiborne 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 Claiborne County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Claiborne County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 3, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Claiborne 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 Claiborne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Claiborne 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2019-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Claiborne County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2019-001, 2019-002, 2019-003, and 2019-004.

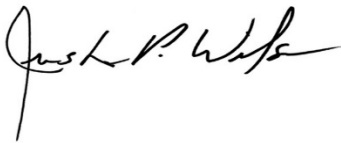
Claiborne County's Responses to the Findings

Claiborne County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Claiborne County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

February 3, 2020

JPW/tg



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Claiborne 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 Claiborne County's major federal programs for the year ended June 30, 2019. Claiborne 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 Claiborne 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 Claiborne 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 Claiborne County's compliance.

Opinion on Each Major Federal Program

In our opinion, Claiborne 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 Claiborne 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 Claiborne 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 Claiborne 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.

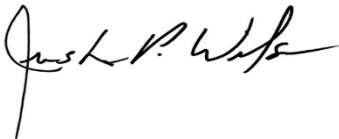
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Claiborne County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Claiborne County's basic financial statements. We issued our report thereon dated February 3, 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

February 3, 2020

JPW/tg

Claiborne County, Tennessee, and the Claiborne 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: | | | |
| Emergency Watershed Protection Program | 10.923 | N/A | \$ 194,860 |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: (4) | | | |
| School Breakfast Program | 10.553 | N/A | 649,251 |
| National School Lunch Program | 10.555 | N/A | 1,593,754 (5) |
| Fresh Fruit and Vegetable Program | 10.582 | N/A | 22,898 |
| Passed-through State Department of Agriculture: | | | |
| Child Nutrition Cluster: (4) | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 215,748 (5) |
| Passed-through State Department of Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | GG-1959170 | 13,981 |
| Total U.S. Department of Agriculture | | | <u>\$ 2,690,492</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grants/State's Program | 14.228 | 33004-92218 | \$ 2,225 |
| Total U.S. Department of Housing and Urban Development | | | <u>\$ 2,225</u> |
| Appalachian Regional Commission: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Appalachian Area Development | 23.002 | 33004-53977 | \$ 307,618 |
| Total Appalachian Regional Commission | | | <u>\$ 307,618</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title 1 Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,510,018 |
| Special Education Cluster: (4) | | | |
| Special Education - Grants to States | 84.027 | N/A | 1,347,138 |
| Special Education - Preschool Grants | 84.173 | N/A | 29,197 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 86,387 |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | N/A | 155,520 |
| Rural Education | 84.358 | N/A | 76,150 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 169,614 |
| Total U.S. Department of Education | | | <u>\$ 3,374,024</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Family Planning Services | 93.217 | GG-1959170 | \$ 5,706 |
| National State Based Tobacco Control Programs | 93.305 | GG-1959170 | 1,447 |
| Medicaid Cluster: (4) | | | |
| Medical Assistance Program | 93.778 | GG-1959170 | 12,000 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | GG-1959170 | 9,160 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 28,313</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Disaster Grants - Public Assistance | 97.036 | (3) | \$ 88,668 |
| Emergency Management Performance Grants | 97.042 | 34101-00919 | 27,000 |
| Homeland Security Grant Program | 97.067 | 34101-09219 | 8,843 |
| Total U.S. Department of Homeland Security | | | <u>\$ 124,511</u> |
| Total Expenditures of Federal Grants | | | <u>\$ 6,527,183</u> |

(Continued)

Claiborne County, Tennessee, and the Claiborne 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 |
|---|---------------------------|--------------------|---------------------|
| State Grants | | | |
| Three Star Program - State Department of Economic and Community Development | N/A | (3) | \$ 10,000 |
| Lottery for Education: Preschool - State Department of Education | N/A | (3) | 604,661 |
| Lottery for Education: After School Programs - State Department of Education | N/A | (3) | 393,345 |
| Family Resource Centers - State Department of Education | N/A | (3) | 29,612 |
| Safe Schools Act - State Department of Education | N/A | (3) | 127,509 |
| Coordinated School Health Program | N/A | (3) | 94,965 |
| Health Department Grants - State Department of Health Services | N/A | (3) | 49,342 |
| Read to Be Ready Coaching Network Grant - State Department of Education | N/A | (3) | 9,727 |
| Litter Program - State Department of Transportation | N/A | (3) | 25,601 |
| Disaster Grants - Public Assistance - State Department of Military | N/A | (3) | 31,427 |
| Tech Grant TSLA - Tennessee Secretary of State | N/A | (3) | 2,200 |
| Work-Based Learning Grant - State Department of Economic and Community Development | N/A | (3) | <u>23,529</u> |
| Total State Grants | | | <u>\$ 1,401,918</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) Claiborne 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 \$2,458,753; Special Education Cluster total \$1,376,335; Medicaid Cluster total \$12,000.

(5) Total for CFDA No. 10.555 is \$1,809,502.

Claiborne 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 Claiborne 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 |
|-------------|-------------|----------------|------------------|-------------|----------------|
|-------------|-------------|----------------|------------------|-------------|----------------|

OFFICES OF SHERIFF AND FINANCE DIRECTOR

| | | | | | |
|------|-----|----------|--|-----|-----------|
| 2018 | 186 | 2018-001 | The Sheriff Entered into an Agreement to Provide Healthcare to Jail Inmates Without Approval from the Finance Director | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

OFFICE OF SHERIFF

| | | | | | |
|------|-----|----------|---|-----|---|
| 2018 | 187 | 2018-002 | Accrued Leave Balances Exceeded the Maximum Balance Provided by the County's Personnel Policy | N/A | Not Corrected - See Explanation on Corrective Action Plan |
| 2018 | 188 | 2018-003 | The Former Sheriff and Two Employees of the Sheriff's Department were Indicted by the Claiborne County Grand Jury | N/A | Corrected |

OFFICES OF COUNTY CLERK, REGISTER OF DEEDS, AND SHERIFF

| | | | | | |
|------|-----|----------|---------------------------------------|-----|---|
| 2018 | 188 | 2018-004 | Duties were not Segregated Adequately | N/A | Corrected - Office of Sheriff. Not Corrected by the County Clerk or Register of Deeds - See Explanation on Corrective Action Plan |
|------|-----|----------|---------------------------------------|-----|---|

Prior-year Federal Award Findings

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

CLAIBORNE 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 Claiborne County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

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

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

OFFICE OF COUNTY CLERK

FINDING 2019-001 **DISCREPANCIES IN THE OPERATIONS OF THE CLAIBORNE COUNTY CLERK'S OFFICE ARE CURRENTLY BEING INVESTIGATED**
(Noncompliance Under Government Auditing Standards)

An investigation by the Comptroller's Division of Investigations, is ongoing in the County Clerk's Office. Findings, if any, resulting from the investigation will be included in a subsequent report.

OFFICE OF SHERIFF

FINDING 2019-002 **AN INVESTIGATION OF THE SHERIFF'S DEPARTMENT REVEALED THAT INMATES AND SHERIFF'S LITTER PATROL OFFICERS SOLD SCRAP METAL FOR PERSONAL GAIN TOTALING AT LEAST \$23,763.18**
(Noncompliance Under *Government Auditing Standards*)

On February 8, 2019, the Comptroller's Division of Investigations issued an investigative report on the Claiborne County Sheriff's Department. The report disclosed that inmates and sheriff's litter patrol officers received cash from sales of scrap metal during the period July 1, 2016, through June 30, 2018, totaling at least \$23,763.18. This report is available at <http://www.comptroller.tn.gov/ia/>.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding, although we feel that it should be noted in the auditor's report that the activity that created this finding occurred during the previous administration and prior to me taking office September 1, 2018. Since taking office, I have implemented internal controls that work to ensure that this type of activity will not occur.

FINDING 2019-003

THE WORK RELEASE PROGRAM WAS NOT OPERATING IN COMPLIANCE WITH STATE STATUTES
(Noncompliance Under Government Auditing Standards)

In February 2019, the Claiborne County Sheriff began allowing inmates to participate in the “Fresh Start” program operated by a local non-profit. This program allowed qualifying prisoners to participate in a work release project, working full time at a local factory and earning wages. It should be noted that the inmate’s wages are collected by the local non-profit and accounted for by the non-profit. These wages were not subjected to the audit procedures performed by representatives of the Comptroller’s Office.

The county had previously declared the jail as a workhouse and placed the program under the administrative control of the sheriff, as provided for in Section 41-2-104 (B), *Tennessee Code Annotated (TCA.)* However, Section 41-2-148 (b),(1), *TCA* prohibits inmates housed in the county jail or workhouse from performing any labor for gain, profit or benefit of a private citizen or for profit corporation partnership or other business unless the labor is part of a court-approved work release program or unless the work release program operates under a commission established pursuant to Section 41-2-134, *TCA*. On October 21, 2019, Claiborne County established a workhouse commission as provided for by Section 4-2-104(a), *TCA* instead of placing the workhouse under the administrative control of the sheriff. The workhouse commission has not met since being established and has not established any guidelines or procedures. A work release commission required by Section 41-2-134, *TCA* has not been established. It should be noted that a resolution to create the work release commission is on the agenda for the January 27, 2020, meeting of the county commission.

This deficiency exists because management was unaware of the statutory guidelines for work release programs when the “Fresh Start” program was established.

RECOMMENDATION

The county commission should take steps to establish the work release program in compliance with state statutes. The county commission should clarify who is to have administrative control of the workhouse, the workhouse commission or the sheriff. Once that determination is made, guidelines for the workhouse and any work release programs should be established to ensure that they are operated in compliance with state statutes.

MANAGEMENT’S RESPONSE – SHERIFF

We concur with this finding and have begun the process to rectify this issue. I feel that these types of work programs are important as we work to reduce recidivism. These work programs give inmates opportunities that were not offered in the past in Claiborne County. As noted in the corrective action plan, we have a resolution to create a work release commission that is required by *TCA* 41-2-134 on the agenda for the January 27, 2020, meeting of the Claiborne County Commission. Once the resolution is passed, the members of the work release commission will meet and work to establish guidelines and procedures for the work release program.

**OFFICES OF SHERIFF, CIRCUIT AND GENERAL SESSIONS COURTS CLERK,
AND GENERAL SESSIONS JUDGE**

FINDING 2019-004

**ACCRUED LEAVE BALANCES EXCEEDED THE
MAXIMUM BALANCE PROVIDED BY THE COUNTY'S
PERSONNEL POLICY**

(Noncompliance Under *Government Auditing Standards*)

Several employees in the Offices of Sheriff, Circuit and General Sessions Courts Clerk, and General Sessions Judge had accrued compensatory and vacation leave balances exceeding the maximum balance provided by the county's personnel policy. The county's personnel policy for compensatory leave provides, "The maximum hours that an employee may accrue is 100 hours at the discretion of the county official or department head. Any employee reaching this maximum shall not work any additional overtime until the employee's compensatory time falls below the maximum." The county's personnel policy for vacation leave provides, "Vacation time may be accumulated and carried forward to the next year in an amount not to exceed five days. Any days exceeding the five-day limit will be lost if not used prior to the end of the current employment year." These deficiencies can be attributed to the failure of management to adequately monitor employees' leave balances, management's failure to correct the deficiencies reported in prior-year audit reports, and the failure to implement their corrective action plan. Allowing employees to accrue excess leave balances may result in excess employee compensation.

RECOMMENDATION

Officials should monitor employees' leave balances to ensure compliance with the county's personnel policy.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding and have taken steps to rectify this issue. It should also be noted that I took office in September of 2018 and was tasked with addressing an issue that had been growing over many years. As noted in the report, this was a finding in previous years that was never addressed by the previous administration. Since taking office, I have taken measures to greatly reduce the accrued leave balances for Sheriff's Office employees. This process will take a little time to get us in compliance with the county policy. One measure taken was allowing school resource officers that are available when school is not in session to work for patrol officers that have accrued time that is not in compliance with the county policy. This practice will continue along with better monitoring of accrued time by administration to ensure that we comply with the county policy.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur. Two employees' compensatory time and vacation time occurred during my administration. One other deputy clerk's compensatory and vacation time was accrued in the prior administration. A corrective action plan is in place to reduce these amounts.

MANAGEMENT'S RESPONSE – GENERAL SESSIONS JUDGE

The employee is the only Youth Services Officer/Juvenile Court Administrator in Claiborne County. Her job requires her to respond to any request from law enforcement, Department of Children's Service, District Attorney General's Office, school or parent that has a juvenile acting unruly; committing delinquent acts, or is in a dependent and neglectful situation of a home or environment. She has always been conscientious about trying to keep her extra hours at a minimum. Many people in Claiborne County depend on her to assist with juveniles as she does such a good job. I do not believe it would be cost effective for the county to hire an assistant to the Youth Services Officer. Therefore, the only remedy is for her to take off more time during working hours. Certainly, she would still need to be available for officers, schools, and parents whenever the need arises. Furthermore, I believe the policy of Claiborne County needs to be amended to allow officials to appear before the commission to request a waiver from the policy. The arbitrary policy of 100 hours can result in the hampering of administration of justice, court proceeding, or county business in general. Hopefully, the county commission recognizes that a procedure to obtain a waiver from the strict enforcement of this policy is merited.

OFFICES OF COUNTY CLERK AND REGISTER OF DEEDS

FINDING 2019-005

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the officials and employees in the Offices of County Clerk and Register of Deeds. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Management should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY CLERK

We concur with the finding. However, due to the lack of additional funding, management is somewhat restrained in this area.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

I concur with the finding. I will comply and implement internal controls to segregate duties of the Office of Register of Deeds to the extent possible using available resources. I will use the checklist on the Division of Local Government Audit's website as a guide.

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.

Claiborne 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 |
|----------------|------------------|------------------------------------|
|----------------|------------------|------------------------------------|

OFFICE OF SHERIFF

| | | |
|----------|--|-----|
| 2019-002 | An Investigation of the Sheriff's Department Revealed that Inmates and Sheriff's Litter Patrol Officers sold Scrap Metal for Personal Gain Totaling at Least \$23,763.18 | 189 |
| 2019-003 | The Work Release Program was not Operating in Compliance with State Statutes | 190 |
| 2019-004 | Accrued Leave Balances Exceeded the Maximum Balance Provided by the County's Personnel Policy | 191 |

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

| | | |
|----------|---|-----|
| 2019-004 | Accrued Leave Balances Exceeded the Maximum Balance Provided by the County's Personnel Policy | 192 |
|----------|---|-----|

OFFICE OF GENERAL SESSIONS JUDGE

| | | |
|----------|---|-----|
| 2019-004 | Accrued Leave Balances Exceeded the Maximum Balance Provided by the County's Personnel Policy | 194 |
|----------|---|-----|

OFFICE OF COUNTY CLERK

| | | |
|----------|---------------------------------------|-----|
| 2019-005 | Duties were not Segregated Adequately | 195 |
|----------|---------------------------------------|-----|

OFFICE OF REGISTER OF DEEDS

| | | |
|----------|---------------------------------------|-----|
| 2019-005 | Duties were not Segregated Adequately | 196 |
|----------|---------------------------------------|-----|



Bob Brooks Sheriff

5 Straight Creek Rd. Tazewell, TN 37879

Corrective Action Plan

FINDING: AN INVESTIGATION OF THE SHERIFF'S DEPARTMENT REVEALED THAT INMATES AND SHERIFF'S LITTER PATROL OFFICERS SOLD SCRAP METAL FOR PERSONAL GAIN TOTALING AT LEAST \$23,763.18

Response and Corrective Action Plan Prepared by:
Ron Hayes, Chief Deputy

Person Responsible for Implementing the Corrective Action:
Ron Hayes, Chief Deputy

Anticipated Completion Date of Corrective Action:
Corrective action has been taken and completed.

Repeat Finding:
No

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

Planned Corrective Action:
Internal controls were implemented after Sheriff Brooks took office on September 1, 2018, to oversee any money taken in by Sheriff's Office employees. The internal controls require that multiple Sheriff's Office employees be responsible for monitoring and documenting all moneys taken in by Sheriff's Office employees.

FINDING: THE WORK RELEASE PROGRAM WAS NOT OPERATING IN COMPLIANCE WITH STATE STATUTES

Response and Corrective Action Plan Prepared by:
Ron Hayes, Chief Deputy

Person Responsible for Implementing the Corrective Action:
Ron Hayes, Chief Deputy

Anticipated Completion Date of Corrective Action:
05/30/2020

Repeat Finding:
No

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

Planned Corrective Action:

A resolution to create a work release commission that is required by TCA 41-2-134 is on the agenda for the January 27, 2020 meeting of the Claiborne County Commission. Once the resolution is passed, the members of the work release commission will meet and work to establish guidelines and procedures to which the work release programs will operate under.

**FINDING: ACCRUED LEAVE BALANCES EXCEEDED THE
MAXIMUM BALANCE PROVIDED BY THE COUNTY'S
PERSONNEL POLICY**

Response and Corrective Action Plan Prepared by:
Ron Hayes, Chief Deputy

Person Responsible for Implementing the Corrective Action:
Ron Hayes, Chief Deputy

Anticipated Completion Date of Corrective Action:
12/31/2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The prior years finding would have been under the previous administration prior to Sheriff Brooks taking office September 1, 2018.

Planned Corrective Action:
Since taking office on September 1, 2018, Sheriff Brooks has taken measures to greatly reduce the accrued leave balances for Sheriff's Office employees. One measure taken was allowing school resource officers that are available when school is not in session to work for patrol officers that have accrued time that is not in compliance with Claiborne County policy. This practice will continue along with better monitoring of accrued time by administration to ensure that we are in compliance with Claiborne County policy.

Signature: Bob Brooks

JACKIE V. ROSENBALM
CIRCUIT COURT CLERK
CLAIBORNE COUNTY
(423) 626-3334
(423) 526-2703

Corrective Action Plan

**FINDING: ACCRUED LEAVE BALANCES EXCEED THE
MAXIMUM BALANCE PROVIDED BY THE COUNTY'S
PERSONNEL POLICY**

Response and Corrective Action Plan Prepared by:
Jackie V. Rosenbalm, Circuit Court Clerk

Person Responsible for Implementing the Corrective Action:
Jackie V. Rosenbalm, Circuit Court Clerk

Anticipated Completion Date of Corrective Action:
June 30, 2020

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
Was never addressed to me of being a problem

Planned Corrective Action:

I have two separate offices. One at the Justice Center and one at the Claiborne Court Courthouse. I have one employee at the Courthouse and the comp time that she has is from the previous administration. She would stay late at month end and help the previous Clerk with reporting. It is a staffing problem that I have. She is the only Deputy Clerk that does Circuit Civil and it was never addressed by the previous administration. There has been no comp time for her, since 2014, when I was elected Clerk.

In September of 2017, we had to start swearing all warrants that came into the office. It was a problem because of the different shifts that were run by the County and the Cities. We therefore started have a 5:30 A.M. shift at the Justice Center. That problem has been resolved.

I have three Deputy Clerks at the Justice Center that go into Court with our Judges. They cannot just leave when 4:30 comes and there will always be Court. I have only one Deputy Clerk that is over comp and vacations and that Court is

four or five days a week. It will be addressed.

I do accept the finding for my administration, but not for anything prior to September of 2014, but it has never been addressed or a problem.

I would like to add that the handbook saying that it is at the discretion of the office holder, as to comp time. I have ask for a payout for the three that are over comp and vacation time for any time over the first 100 hours. We have also talked about a policy change for the county. Also, all the employees will start their vacation time, effective 7-1, of each year.

Signature:

A handwritten signature in blue ink, appearing to read "Julie Goodal", written over a horizontal line.

CLAIBORNE COUNTY GENERAL SESSIONS COURT

Criminal, Civil, Probate and Juvenile Divisions

Honorable Robert M. Estep

415 Straight Creek Road, Suite 6

New Tazewell, Tennessee 37825

PH. 423-626-5208

FAX: 423-626-5217

Mary Killion
Juvenile Court Administrator
Youth Services Officer

Andy Rose
Administrative Assistant

Corrective Action Plan

FINDING: ACCRUED LEAVE BALANCES EXCEED THE MAXIMUM BALANCE PROVIDED BY THE COUNTY'S PERSONNEL POLICY

Response and Corrective Action Plan Prepared by:

Robert M. Estep
General Sessions and Juvenile Court Judge
Claiborne County, Tennessee

Person Responsible for Implementing the Corrective Action:

Robert M. Estep

Anticipated Completion Date of Corrective Action:

June 30, 2020

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

Youth Services Officer is only employee in County that does her specific job.

Planned Corrective Action:

Youth Service Officer will take off time during normal business hours to help alleviate the overtime.

Signature: 

KAREN HURST

Claiborne County Clerk

PO Box 173
Tazewell, TN 37879
Phone: 423-626-3283
Fax: 423-626-6234

January 28, 2020

Mark Treece, Audit Manager
Division of Local Government Audit
5401 Kingston Pike
Building 2, Suite 300
Knoxville, TN 37919

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared By:
Karen Hurst, Claiborne County Clerk

Person Responsible for Implementing the Corrective Action:
Karen Hurst, Claiborne County Clerk

Anticipated Completion Date of Corrective Action:
January 1, 2021

Repeat Finding:
YES

Reason Corrective Action was Not Taken in the Prior Year:
Financial restraint

Planned Corrective Action:
Steps are being taken forthwith to correct this situation and bring finding into compliance with Local Government guidelines.


Karen Hurst
County Clerk/Claiborne

Kimberly Reece

Kimberly Reece
Register of Deeds
P.O. Box 117
Tazewell, TN 37879

REGISTER OF DEEDS
P. O. BOX 117
TAZEWELL, TENN. 37879

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared By:
Kimberly Reece, Register of Deeds

Person Responsible for Implementing the Corrective Action:
Kimberly Reece, Register of Deeds

Anticipated Completion Date of Corrective Action:
January 27, 2020

Repeat Findings:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Complying based on number of employees.

Planned Corrective Action:
I will utilize the checklist on the Division of Local Governments Audit's website.
Employees have been given specific duties from the checklist.

Kimberly Reece, Register of Deeds of Claiborne County Tennessee

