

ANNUAL FINANCIAL REPORT
CROCKETT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



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

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

***LEE ANN WEST, CPA, CGFM
Audit Manager***

***TIFFANY NOLEN, CFE
Senior Auditor***

***MANDY SPENCER, CGFM
ELISHA CROWELL, CISA, CFE
State Auditors***

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
- ◆ Funds were transferred from the General Purpose School Fund to the School Federal Projects Fund without county commission and board of education approval.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Unclaimed funds were not reported and paid to the state.
- ◆ The office had accounting deficiencies.
- ◆ A cash shortage of \$35,534 existed in the Office of General Sessions Court Clerk at June 30, 2019.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2019

Officials

Gary Reasons, County Mayor
Milton Legions, Road Supervisor
Robert Mullins, Director of Schools
Gary Spraggins, Trustee
Walter Yearwood, Assessor of Property
Dana Branch, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
James Stephenson, Clerk and Master
Alan Castellaw, Register of Deeds
Troy Klyce, Sheriff

Board of County Commissioners

Gary Reasons, County Mayor, Chairman
Harvey Bradshaw
Pat Branch
James Rayce Castellaw
Gary Emison
Joseph Gibson, IV
David Gilpin
Bill Hooten
Ronde Howell
Will Huff
Wayne Jernigan
Ian Seth Jones
Jerrel Little

Darrell Lowery
Carolyn Nance
Cayce Nanney
Drew Nanney
Al Overton
Harold Park
Will Perry
Donald Prescott
Jane Smith
Jimmy Webb
Gary Williams
Lee Woods

Road Commission

William Beaird, Chairman
Andy Edwards
Daniel Hazelwood

Board of Education

Jasper Taylor, IV, Chairman
John Cole
Keith Curl
Tony Emison
Henry King
Will Spence
Kyle Utley

Audit Committee

Donnie Bates, Chairman
Gary Williams
Joe Williams

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Crockett County Mayor and
Board of County Commissioners
Crockett 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 Crockett 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 Crockett County, Tennessee, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of county and school changes in the total OPEB 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 Crockett 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 Crockett County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal*

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

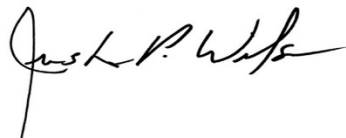
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), schedule 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 Crockett 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 plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2020, on our consideration of Crockett 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 Crockett 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 Crockett County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2020

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,953	\$ 0
Equity in Pooled Cash and Investments	5,288,870	2,964,059
Accounts Receivable	1,553,524	96
Allowance for Uncollectibles	(864,572)	0
Due from Other Governments	985,955	448,574
Property Taxes Receivable	4,922,630	1,472,566
Allowance for Uncollectible Property Taxes	(187,034)	(55,950)
Cash Shortage	0	12,188
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	24,063
Net Pension Asset - Agent Plan	134,696	89,387
Net Pension Asset - Teacher Retirement Plan	0	54,240
Net Pension Asset - Teacher Legacy Pension Plan	0	681,937
Capital Assets:		
Assets Not Depreciated:		
Land	896,630	935,805
Construction in Progress	340,614	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,433,776	10,375,234
Infrastructure	2,607,411	189,223
Other Capital Assets	1,086,188	895,407
Total Assets	<u>\$ 19,200,641</u>	<u>\$ 18,086,829</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 69,443	\$ 0
Pension Changes in Experience	101,401	208,206
Pension Changes in Assumptions	179,734	524,588
Pension Changes in Proportion	0	93,926
Pension Contributions After Measurement Date	262,153	899,387
OPEB Changes in Assumptions	9,603	35,890
OPEB Contributions After Measurement Date	1,005	0
Total Deferred Outflows of Resources	<u>\$ 623,339</u>	<u>\$ 1,761,997</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 8,535
Contracts Payable	417,104	0
Payroll Deductions Payable	0	517
Accrued Interest Payable	24,324	0
Noncurrent Liabilities:		
Due Within One Year - Debt	1,618,767	0
Due Within One Year - Other	37,679	0
Due in More Than One Year - Debt	7,902,087	0
Due in More Than One Year - Other	212,693	1,134,378
Total Liabilities	<u>\$ 10,212,654</u>	<u>\$ 1,143,430</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 4,601,929	\$ 1,376,631
Pension Changes in Experience	204,125	1,057,608
Pension Changes in Investment Earnings	43,327	180,235
Pension Changes in Assumptions	0	9,462
OPEB Changes in Experience	10,321	365
OPEB Changes in Assumptions	5,431	0
Total Deferred Inflows of Resources	<u>\$ 4,865,133</u>	<u>\$ 2,624,301</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 6,339,060	\$ 12,395,669
Restricted for:		
General Government	33,393	0
Administration of Justice	43,401	0
Public Safety	41,718	0
Public Health & Welfare	15,035	0
Highways/Public Works	2,076,191	0
Debt Service	120,454	0
Education	0	1,507
Support Services	0	15,126
Operation of Non-instructional Services	0	285,769
Hybrid Retirement Stabilization Funds	0	24,063
Pensions	134,696	825,564
Unrestricted	<u>(4,057,755)</u>	<u>2,533,397</u>
Total Net Position	<u>\$ 4,746,193</u>	<u>\$ 16,081,095</u>

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

Exhibit B

Crockett 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
					Governmental Total Governmental Activities	Unit Crockett County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,108,707	\$ 86,991	\$ 24,706	\$ 0	\$ (997,010)	\$ 0
Finance	533,772	383,961	0	0	(149,811)	0
Administration of Justice	689,496	278,508	62,688	0	(348,300)	0
Public Safety	2,710,724	245,338	8,400	126,203	(2,330,783)	0
Public Health and Welfare	1,803,280	921,257	234,989	0	(647,034)	0
Social, Cultural, and Recreational Services	514,939	3,742	121,305	0	(389,892)	0
Agriculture and Natural Resources	215,611	0	0	0	(215,611)	0
Highway/Public Works	2,911,715	4,205	1,931,417	911,183	(64,910)	0
Education	750	0	0	0	(750)	0
Interest on Long-term Debt	379,194	0	545,624	0	166,430	0
Total Primary Government	\$ 10,868,188	\$ 1,924,002	\$ 2,929,129	\$ 1,037,386	\$ (4,977,671)	\$ 0
Component Unit:						
Crockett County School Department	\$ 17,028,444	\$ 279,410	\$ 3,062,693	\$ 0	\$ 0	\$ (13,686,341)
Total Component Unit	\$ 17,028,444	\$ 279,410	\$ 3,062,693	\$ 0	\$ 0	\$ (13,686,341)

(Continued)

Exhibit B

Crockett 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
					Governmental Total Governmental Activities	Unit Crockett County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,444,318	\$ 1,411,674
Property Taxes Levied for Debt Service					283,649	0
Local Option Sales Tax					1,015,249	532,845
Wheel Tax					730,231	138,684
Business Tax					130,125	0
Wholesale Beer Tax					59,119	0
Other Local Taxes					76,102	422
Grants and Contributions Not Restricted to Specific Programs					475,962	12,852,286
Unrestricted Investment Income					45,792	35,534
Miscellaneous					9,240	160,979
Total General Revenues					<u>\$ 7,269,787</u>	<u>\$ 15,132,424</u>
Change in Net Position					\$ 2,292,116	\$ 1,446,083
Net Position, July 1, 2018					<u>2,454,077</u>	<u>14,635,012</u>
Net Position, June 30, 2019					<u>\$ 4,746,193</u>	<u>\$ 16,081,095</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	1,953	\$ 1,953
Equity in Pooled Cash and Investments	1,187,635	2,180,766	1,700,927	219,542	5,288,870
Accounts Receivable	1,553,056	0	0	468	1,553,524
Allowance for Uncollectibles	(864,572)	0	0	0	(864,572)
Due from Other Governments	110,915	712,990	132,344	29,706	985,955
Due from Other Funds	1,953	0	0	0	1,953
Property Taxes Receivable	4,626,994	0	295,636	0	4,922,630
Allowance for Uncollectible Property Taxes	(173,537)	0	(13,497)	0	(187,034)
Total Assets	\$ 6,442,444	\$ 2,893,756	\$ 2,115,410	\$ 251,669	\$ 11,703,279
<u>LIABILITIES</u>					
Contracts Payable	\$ 0	\$ 417,104	\$ 0	\$ 0	\$ 417,104
Due to Other Funds	0	0	0	1,953	1,953
Total Liabilities	\$ 0	\$ 417,104	\$ 0	\$ 1,953	\$ 419,057
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,331,227	\$ 0	\$ 270,702	\$ 0	\$ 4,601,929
Deferred Delinquent Property Taxes	115,160	0	10,900	0	126,060
Other Deferred/Unavailable Revenue	653,925	125,877	60,000	15,035	854,837
Total Deferred Inflows of Resources	\$ 5,100,312	\$ 125,877	\$ 341,602	\$ 15,035	\$ 5,582,826

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 33,393	\$ 0	\$ 0	\$ 0	\$ 33,393
Restricted for Administration of Justice	43,401	0	0	0	43,401
Restricted for Public Safety	2,221	0	0	39,497	41,718
Restricted for Highways/Public Works	0	2,033,920	0	0	2,033,920
Committed:					
Committed for General Government	395,436	0	0	0	395,436
Committed for Public Health and Welfare	0	0	0	195,184	195,184
Committed for Highways/Public Works	0	316,855	0	0	316,855
Committed for Debt Service	0	0	1,773,808	0	1,773,808
Unassigned	867,681	0	0	0	867,681
Total Fund Balances	<u>\$ 1,342,132</u>	<u>\$ 2,350,775</u>	<u>\$ 1,773,808</u>	<u>\$ 234,681</u>	<u>\$ 5,701,396</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,442,444</u>	<u>\$ 2,893,756</u>	<u>\$ 2,115,410</u>	<u>\$ 251,669</u>	<u>\$ 11,703,279</u>

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

Crockett 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)		\$	5,701,396
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	896,630	
Add: construction in progress		340,614	
Add: buildings and improvements net of accumulated depreciation		2,433,776	
Add: infrastructure net of accumulated depreciation		2,607,411	
Add: other capital assets net of accumulated depreciation		<u>1,086,188</u>	7,364,619
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(734,644)	
Less: other loan payable		(716,626)	
Less: capital leases payable		(161,488)	
Less: bonds payable		(7,200,000)	
Less: compensated absences payable		(83,606)	
Less: net OPEB liability		(166,766)	
Add: deferred amount on refunding		69,443	
Less: accrued interest on notes, capital leases, and bonds		(24,324)	
Less: other deferred revenue - premium on debt		<u>(708,096)</u>	(9,726,107)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	543,288	
Less: deferred inflows of resources related to pensions		(247,452)	
Add: deferred outflows of resources related to OPEB		10,608	
Less: deferred inflows of resources related to OPEB		<u>(15,752)</u>	290,692
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			134,696
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>980,897</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>4,746,193</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,686,375	\$ 406,389	\$ 1,399,427	\$ 290,985	\$ 6,783,176
Licenses and Permits	34,098	0	0	0	34,098
Fines, Forfeitures, and Penalties	72,176	0	0	31,133	103,309
Charges for Current Services	801,063	0	0	14,791	815,854
Other Local Revenues	43,391	4,205	113,429	0	161,025
Fees Received From County Officials	614,449	0	0	0	614,449
State of Tennessee	979,445	2,842,600	0	39,354	3,861,399
Federal Government	172,146	0	0	0	172,146
Other Governments and Citizens Groups	12,040	3,964	427,608	0	443,612
Total Revenues	<u>\$ 7,415,183</u>	<u>\$ 3,257,158</u>	<u>\$ 1,940,464</u>	<u>\$ 376,263</u>	<u>\$ 12,989,068</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 813,837	\$ 0	\$ 0	\$ 0	\$ 813,837
Finance	465,033	0	0	0	465,033
Administration of Justice	569,478	0	0	0	569,478
Public Safety	2,283,310	0	0	18,808	2,302,118
Public Health and Welfare	1,364,769	0	0	281,200	1,645,969
Social, Cultural, and Recreational Services	389,225	0	0	0	389,225
Agriculture and Natural Resources	188,003	0	0	0	188,003
Other Operations	1,160,151	0	0	0	1,160,151
Highways	0	2,971,992	0	0	2,971,992
Debt Service:					
Principal on Debt	112,207	192,780	1,570,759	0	1,875,746
Interest on Debt	7,002	2,515	341,254	0	350,771
Other Debt Service	0	0	18,434	0	18,434
Total Expenditures	<u>\$ 7,353,015</u>	<u>\$ 3,167,287</u>	<u>\$ 1,930,447</u>	<u>\$ 300,008</u>	<u>\$ 12,750,757</u>

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds Other	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 62,168	\$ 89,871	\$ 10,017	\$ 76,255	\$ 238,311
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 175,000	\$ 0	\$ 0	\$ 0	\$ 175,000
Capital Leases Issued	92,227	0	0	0	92,227
Insurance Recovery	26,048	0	0	0	26,048
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 293,275</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 293,275</u>
Net Change in Fund Balances	\$ 355,443	\$ 89,871	\$ 10,017	\$ 76,255	\$ 531,586
Fund Balance, July 1, 2018	986,689	2,260,904	1,763,791	158,426	5,169,810
Fund Balance, June 30, 2019	<u>\$ 1,342,132</u>	<u>\$ 2,350,775</u>	<u>\$ 1,773,808</u>	<u>\$ 234,681</u>	<u>\$ 5,701,396</u>

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

Crockett 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)		\$	531,586
(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	\$	629,699	
Less: current-year depreciation expense		<u>(781,532)</u>	(151,833)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			42,692
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	980,897	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(927,677)</u>	53,220
(4) The issuance of long-term debt (e.g., bonds, notes, other loan) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Less: note proceeds	\$	(175,000)	
Less: capital lease proceeds		(92,227)	
Add: principal payments on notes		207,529	
Add: principal payments on other loan		200,004	
Add: principal payments on capital leases		365,385	
Add: principal payments on bonds		1,102,828	
Add: change in premium on debt issuances		118,016	
Less: change in deferred amount on refunding debt		<u>(19,550)</u>	1,706,985
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(8,873)	
Change in compensated absences payable		(11,392)	
Change in net pension asset		117,714	
Change in deferred outflows related to pensions		(47,143)	
Change in deferred inflows related to pensions		75,957	
Change in net OPEB liability		(17,493)	
Change in deferred outflows related to OPEB		10,155	
Change in deferred inflows related to OPEB		<u>(9,459)</u>	109,466
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,292,116</u>

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

Exhibit C-5

Crockett 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	\$ 4,686,375	\$ 4,537,744	\$ 4,537,744	\$ 148,631
Licenses and Permits	34,098	27,100	27,100	6,998
Fines, Forfeitures, and Penalties	72,176	67,506	67,506	4,670
Charges for Current Services	801,063	754,150	754,150	46,913
Other Local Revenues	43,391	47,000	47,000	(3,609)
Fees Received From County Officials	614,449	595,000	595,000	19,449
State of Tennessee	979,445	1,124,369	1,124,369	(144,924)
Federal Government	172,146	37,000	37,000	135,146
Other Governments and Citizens Groups	12,040	21,320	21,320	(9,280)
Total Revenues	\$ 7,415,183	\$ 7,211,189	\$ 7,211,189	\$ 203,994
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 16,131	\$ 16,282	\$ 16,282	\$ 151
Board of Equalization	130	250	250	120
Beer Board	0	200	200	200
County Mayor/Executive	186,665	188,007	188,007	1,342
County Attorney	1,188	600	1,800	612
Election Commission	183,772	181,679	184,179	407
Register of Deeds	105,972	109,933	109,933	3,961
County Buildings	319,979	342,151	391,049	71,070
<u>Finance</u>				
Accounting and Budgeting	6,111	5,970	6,113	2
Property Assessor's Office	137,992	141,359	141,359	3,367
County Trustee's Office	154,046	154,777	154,777	731
County Clerk's Office	166,884	175,739	175,739	8,855
<u>Administration of Justice</u>				
Circuit Court	213,747	224,108	224,108	10,361
General Sessions Judge	100,852	100,737	101,082	230
Drug Court	63,428	77,044	70,027	6,599
Chancery Court	113,639	115,136	115,136	1,497
Juvenile Court	68,677	73,158	72,169	3,492
Other Administration of Justice	9,135	9,000	9,989	854
<u>Public Safety</u>				
Sheriff's Department	1,178,990	1,217,403	1,202,281	23,291
Jail	961,907	922,629	1,004,585	42,678
Fire Prevention and Control	60,497	60,497	60,497	0
Civil Defense	61,653	62,240	64,857	3,204
Rescue Squad	10,000	10,000	10,000	0
Other Emergency Management	2,023	0	2,023	0
County Coroner/Medical Examiner	8,240	9,500	11,360	3,120
Other Public Safety	0	3,746	3,746	3,746
<u>Public Health and Welfare</u>				
Local Health Center	133,432	174,817	154,609	21,177
Rabies and Animal Control	32,676	37,228	37,228	4,552
Ambulance/Emergency Medical Services	1,089,651	1,064,547	1,118,573	28,922

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Maternal and Child Health Services	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0
Alcohol and Drug Programs	5,165	5,165	5,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	2,633	7,000	7,000	4,367
Appropriation to State	48,110	48,900	48,900	790
Other Local Welfare Services	1,103	1,200	1,200	97
Waste Pickup	37,493	44,341	44,341	6,848
Other Public Health and Welfare	8,856	15,000	15,000	6,144
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	255,344	267,518	267,518	12,174
Libraries	125,004	122,178	132,301	7,297
Parks and Fair Boards	8,877	10,075	10,075	1,198
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	74,241	67,457	76,851	2,610
Soil Conservation	103,045	103,393	103,393	348
Flood Control	10,717	10,717	10,717	0
<u>Other Operations</u>				
Veterans' Services	35,424	35,432	35,432	8
Other Charges	282,439	301,451	301,451	19,012
Contributions to Other Agencies	47,300	47,300	47,300	0
Employee Benefits	722,707	737,792	755,622	32,915
Miscellaneous	72,281	68,650	78,850	6,569
<u>Principal on Debt</u>				
General Government	112,207	80,047	112,207	0
<u>Interest on Debt</u>				
General Government	7,002	6,900	7,408	406
Total Expenditures	\$ 7,353,015	\$ 7,464,903	\$ 7,698,339	\$ 345,324
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 62,168	\$ (253,714)	\$ (487,150)	\$ 549,318
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 175,000	\$ 175,000	\$ 175,000	\$ 0
Capital Leases Issued	92,227	91,680	91,680	547
Insurance Recovery	26,048	25,000	25,000	1,048
Total Other Financing Sources	\$ 293,275	\$ 291,680	\$ 291,680	\$ 1,595
Net Change in Fund Balance	\$ 355,443	\$ 37,966	\$ (195,470)	\$ 550,913
Fund Balance, July 1, 2018	986,689	930,663	930,663	56,026
Fund Balance, June 30, 2019	\$ 1,342,132	\$ 968,629	\$ 735,193	\$ 606,939

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 406,389	\$ 0	\$ 406,389	\$ 396,805	\$ 396,805	\$ 9,584
Other Local Revenues	4,205	0	4,205	3,000	3,000	1,205
State of Tennessee	2,842,600	0	2,842,600	3,298,654	3,298,654	(456,054)
Other Governments and Citizens Groups	3,964	0	3,964	5,000	5,000	(1,036)
Total Revenues	\$ 3,257,158	\$ 0	\$ 3,257,158	\$ 3,703,459	\$ 3,703,459	\$ (446,301)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 208,916	\$ 0	\$ 208,916	\$ 219,800	\$ 219,800	\$ 10,884
Highway and Bridge Maintenance	995,632	(76,582)	919,050	1,219,430	1,219,430	300,380
Operation and Maintenance of Equipment	335,025	0	335,025	432,560	432,560	97,535
Other Charges	126,825	0	126,825	138,386	138,386	11,561
Employee Benefits	237,232	0	237,232	281,384	281,384	44,152
Capital Outlay	1,068,362	0	1,068,362	1,643,872	1,643,872	575,510
<u>Principal on Debt</u>						
Highways and Streets	192,780	0	192,780	192,780	192,780	0
<u>Interest on Debt</u>						
Highways and Streets	2,515	0	2,515	2,515	2,515	0
Total Expenditures	\$ 3,167,287	\$ (76,582)	\$ 3,090,705	\$ 4,130,727	\$ 4,130,727	\$ 1,040,022
Excess (Deficiency) of Revenues Over Expenditures	\$ 89,871	\$ 76,582	\$ 166,453	\$ (427,268)	\$ (427,268)	\$ 593,721

(Continued)

Exhibit C-6

Crockett County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 89,871	\$ 76,582	\$ 166,453	\$ (427,268)	\$ (427,268)	\$ 593,721
Fund Balance, July 1, 2018	2,260,904	(76,582)	2,184,322	2,121,660	2,121,660	62,662
Fund Balance, June 30, 2019	\$ 2,350,775	\$ 0	\$ 2,350,775	\$ 1,694,392	\$ 1,694,392	\$ 656,383

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 476,125
Equity in Pooled Cash and Investments	2,642
Accounts Receivable	6,608
Due from Other Governments	142,950
Property Taxes Receivable	554,400
Allowance for Uncollectible Property Taxes	(21,065)
Cash Shortage	<u>35,534</u>
Total Assets	<u>\$ 1,197,194</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 678,927
Due to Litigants, Heirs, and Others	<u>518,267</u>
Total Liabilities	<u>\$ 1,197,194</u>

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

CROCKETT COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett County (the primary government) and its component units. The financial statements of the Crockett County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

Administrative Office:

Crockett County Emergency Communications District
22 South Court Street
Alamo, TN 38001

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 Crockett 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 Crockett 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.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Crockett County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable

(reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary 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.

Crockett County reports the following major governmental funds:

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

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

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

Additionally, Crockett County reports the following fund type:

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 Crockett County, and the city school systems’ shares of educational revenues. 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 Crockett County School Department reports the following major governmental funds:

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

School Transportation Fund – This special revenue fund is used to account for transportation operations of the school department. Local taxes are the foundational revenues of this fund.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Crockett County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service and General Purpose School funds. Crockett County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government 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	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

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. Deferred outflows of resources represent 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 the deferred charge on refunding, pension changes in experience, pension and OPEB changes in assumptions, pension changes in proportion of net pension liability (asset), and employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net 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 and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in assumptions, and various receivables for

revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

The policy of Crockett County (with the exception of the highway department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The highway department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon death or retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government.

7. Long-term Debt and Long-term Obligations

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

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

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

statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

As of June 30, 2019, Crockett County had \$7,808,442 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the school department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

E. Pension Plans

Primary Government

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

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Crockett 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 Crockett 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 Crockett 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 Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, County Mayor/Executive, 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. Cash Shortages – Prior and Current Years

On September 2, 2015, the Comptroller's Division of Investigations issued a special report on the school department for the period September 1, 2002, through September 2014. This report disclosed that a former director of technology falsified an invoice resulting in a cash shortage of \$5,923. In addition, the report disclosed misappropriated items, falsified items, and other questionable disbursements. This former director of technology was indicted by a Grand Jury on July 20, 2015, on one count of theft of property, one count of tampering with evidence, and one count of official misconduct. On April 5, 2018, this former director of technology pled guilty to theft of property and was ordered to pay restitution to the school department in the amount of \$30,000. The charges of tampering with evidence and official misconduct were dismissed. As of June 30, 2019, \$22,387 has been received. The remaining restitution (which includes a cash shortage of \$5,923) of \$7,613 is outstanding as of the date of this report.

On January 28, 2019, the Comptroller's Division of Investigations issued an investigative report on the school department for the period March 2016 through December 2017. The report disclosed that another former director of technology improperly purchased technology equipment and sold or personally used the equipment resulting in a cash shortage of \$114,029. In addition, the report disclosed other questionable purchases and deficiencies in the acquisition and use of technology equipment. This former director of technology was indicted by a Grand Jury during January 2019, on one count of theft over \$60,000 and on four counts of official misconduct. The next court date is scheduled for January 31, 2020. On March 25, 2019, the school department's insurance provider paid \$107,764, leaving a remaining shortage of \$6,265 as of the date of this report.

The Office of General Sessions Court Clerk had a cash shortage of \$35,534 as of June 30, 2019. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School Fund:	
Instruction - Special Education Program	\$ 11,740
School Federal Projects Fund	
Instruction - Career and Technical Education Program	642
School Transportation Fund	
Transfers Out	6,151

These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	1 to 86	\$ 3,239,195

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

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

TCRS Stabilization Trust

Legal Provisions. The Crockett 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 Crockett 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 judgment 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 Crockett 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	\$ 7,458
Developed Market International Equity	N/A	N/A	3,369
Emerging Market International Equity	N/A	N/A	963
U.S. Fixed Income	N/A	N/A	4,813
Real Estate	N/A	N/A	2,406
Short-term Securities	N/A	N/A	241
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	4,813
Total			\$ 24,063

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 Developed Market	\$ 7,458	\$ 7,458	\$ 0	\$ 0	0
International Equity Emerging Market	3,369	3,369	0	0	0
International Equity	963	963	0	0	0
U.S. Fixed Income	4,813	0	4,813	0	0
Real Estate	2,406	0	0	2,406	0
Short-term Securities	241	0	241	0	0
Private Equity and Strategic Lending	4,813	0	0	0	4,813
Total	\$ 24,063	\$ 11,790	\$ 5,054	\$ 2,406	4,813

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 Crockett 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 Crockett 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. Crockett 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 Crockett County School Department to pay retirement benefits of the school department employees.

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

B. Capital Assets

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

Primary Government - Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets				
Not Depreciated:				
Land	\$ 896,630	\$ 0	\$ 0	\$ 896,630
Construction in Progress	0	340,614	0	340,614
Total Capital Assets				
Not Depreciated	<u>\$ 896,630</u>	<u>\$ 340,614</u>	<u>\$ 0</u>	<u>\$ 1,237,244</u>
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 6,651,412	\$ 0	\$ 0	\$ 6,651,412
Infrastructure	3,536,929	45,510	0	3,582,439
Other Capital Assets	5,178,526	286,267	(17,026)	5,447,767
Total Capital Assets				
Depreciated	<u>\$ 15,366,867</u>	<u>\$ 331,777</u>	<u>\$ (17,026)</u>	<u>\$ 15,681,618</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 3,998,399	\$ 219,237	\$ 0	\$ 4,217,636
Infrastructure	855,613	119,415	0	975,028
Other Capital Assets	3,935,725	442,880	(17,026)	4,361,579
Total Accumulated				
Depreciation	<u>\$ 8,789,737</u>	<u>\$ 781,532</u>	<u>\$ (17,026)</u>	<u>\$ 9,554,243</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 6,577,130</u>	<u>\$ (449,755)</u>	<u>\$ 0</u>	<u>\$ 6,127,375</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 7,473,760</u>	<u>\$ (109,141)</u>	<u>\$ 0</u>	<u>\$ 7,364,619</u>

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

Governmental Activities:

General Government	\$ 68,330
Public Safety	201,099
Public Health and Welfare	81,926
Social, Cultural, and Recreational Services	55,239
Highway/Public Works	<u>374,938</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 781,532</u>
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**Discretely Presented Crockett County School Department -
Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 935,805	\$ 0	\$ 0	\$ 935,805
Total Capital Assets Not Depreciated	<u>\$ 935,805</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 935,805</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,145,310	\$ 0	\$ 0	\$ 20,145,310
Infrastructure	590,543	0	0	590,543
Other Capital Assets	3,746,825	335,515	(228,015)	3,854,325
Total Capital Assets Depreciated	<u>\$ 24,482,678</u>	<u>\$ 335,515</u>	<u>\$ (228,015)</u>	<u>\$ 24,590,178</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,371,647	\$ 398,429	\$ 0	\$ 9,770,076
Infrastructure	374,738	26,582	0	401,320
Other Capital Assets	3,018,499	168,434	(228,015)	2,958,918
Total Accumulated Depreciation	<u>\$ 12,764,884</u>	<u>\$ 593,445</u>	<u>\$ (228,015)</u>	<u>\$ 13,130,314</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,717,794</u>	<u>\$ (257,930)</u>	<u>\$ 0</u>	<u>\$ 11,459,864</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,653,599</u>	<u>\$ (257,930)</u>	<u>\$ 0</u>	<u>\$ 12,395,669</u>

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

Governmental Activities:

Instruction	\$ 367,181
Support Services	189,277
Operation of Non-instructional Services	<u>36,987</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 593,445</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	\$ 1,953

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

Interfund Transfer:

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

Discretely Presented Crockett County School Department

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Purpose School Fund	Purpose
School Transportation Fund	<u>343,151</u>	School Transportation
Total	<u><u>\$ 343,151</u></u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

D. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2019, were as follows:

Description	Date of Lease	Length of Lease in Years	Gross Amount of Assets	Interest Rate
Zoll Monitors/Defibrillators	11-15-15	5	\$ 146,061	4.694 %
Senior Center Bus	12-11-15	4	41,165	6.45
Laptop Computers	11-20-17	3	71,910	4.65
Laptop Computers	11-20-17	3	52,003	4.65
Sheriff's Department Vehicle	3-9-18	2	29,655	7
Sheriff's Department Vehicles	10-31-18	2	92,227	6.75

Title to the above-noted assets and ownership of the computers transfers to Crockett County at the end of the lease periods. Lease payments are made from the General and General Debt Service funds.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Machinery and Equipment	\$ 433,021
Less: Accumulated Depreciation	<u>(172,713)</u>
Total Book Value	<u><u>\$ 260,308</u></u>

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

Year Ending June 30	Governmental Funds
2020	\$ 128,489
2021	<u>43,660</u>
Total Minimum Lease Payments	\$ <u>172,149</u>
Less: Amount Representing Interest	<u>(10,661)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 161,488</u></u>

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loan

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

General obligation bonds, capital outlay notes, the other loan, 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 -				
Refunding	5 %	4-1-25	\$ 8,300,000	\$ 7,200,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	0 to 5	8-1-30	2,020,400	734,644
Other Loan	0	10-1-22	2,000,000	716,626
Capital Leases	4.65 to 7	10-31-20	433,021	161,488

During 2011-12, Crockett County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Crockett County \$2,000,000 to fund a project to increase energy efficiency in the Crockett County school system. The loan is interest free.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,100,000	\$ 360,000	\$ 1,460,000
2021	1,100,000	305,000	1,405,000
2022	1,150,000	250,000	1,400,000
2023	1,225,000	192,500	1,417,500
2024	1,300,000	131,250	1,431,250
2025	1,325,000	66,250	1,391,250
Total	\$ 7,200,000	\$ 1,305,000	\$ 8,505,000

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 198,758	\$ 21,538	\$ 220,296
2021	85,537	18,916	104,453
2022	86,876	16,110	102,986
2023	88,276	13,453	101,729
2024	89,727	10,655	100,382
2025-2029	148,640	24,411	173,051
2030-2031	36,830	2,824	39,654
Total	\$ 734,644	\$ 107,907	\$ 842,551

Year Ending June 30	Other Loan - Direct Placement	
	Principal	Total
2020	\$ 200,004	\$ 200,004
2021	200,004	200,004
2022	200,004	200,004
2023	116,614	116,614
Total	\$ 716,626	\$ 716,626

There is \$1,773,808 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$494 based on the 2010 federal census. Total debt per capita, including bonds, notes, other loan, capital leases, and unamortized debt premiums totaled \$653, based on the 2010 federal census.

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 Loan - Direct Placement
Balance, July 1, 2018	\$ 8,302,828	\$ 767,173	\$ 916,630
Additions	0	175,000	0
Reductions	(1,102,828)	(207,529)	(200,004)
Balance, June 30, 2019	<u>\$ 7,200,000</u>	<u>\$ 734,644</u>	<u>\$ 716,626</u>
Balance Due Within One Year	<u>\$ 1,100,000</u>	<u>\$ 198,758</u>	<u>\$ 200,004</u>

	Capital Leases - Direct Placement
Balance, July 1, 2018	\$ 434,646
Additions	92,227
Reductions	<u>(365,385)</u>
Balance, June 30, 2019	<u>\$ 161,488</u>
Balance Due Within One Year	<u>\$ 120,005</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 8,812,758
Less: Balance Due Within One Year - Debt	(1,618,767)
Add: Unamortized Premium on Debt	<u>708,096</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,902,087</u>

F. Long-term Obligations

Primary Government
Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018	\$ 72,214	\$ 149,273
Additions	37,083	29,715
Reductions	(25,691)	(12,222)
Balance, June 30, 2019	<u>\$ 83,606</u>	<u>\$ 166,766</u>
Balance Due Within One Year	<u>\$ 37,679</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Other Noncurrent Liabilities - Debt, June 30, 2019	\$ 250,372
Less: Balance Due Within One Year - Other	<u>(37,679)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 212,693</u>

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

Discretely Presented Crockett County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2018	\$ 1,020,666
Additions	150,930
Reductions	<u>(37,218)</u>
Balance, June 30, 2019	<u>\$ 1,134,378</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 1,134,378
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,134,378</u>

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

G. Short-term Debt

Crockett County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2019, was as follows:

	Balance 7-1-18	Issued	Paid	Balance 6-30-19
Tax Anticipation Notes	\$ 0	\$ 240,834	\$ (240,834)	\$ 0

V. **OTHER INFORMATION**

A. **Risk Management**

Employee Health Insurance

Primary Government

Crockett County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-201, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Crockett County School Department

The school department purchases commercial insurance to provide health insurance coverage for employees. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

Liability, Property, Casualty, and Workers' Compensation Insurance

Crockett County and the discretely presented school department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Crockett County and the school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. **Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Crockett 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 attorney advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or school department's financial statements.

D. Change in Administration

Ernest Bushart left the Office of County Clerk on August 31, 2018, and was succeeded by Dana Branch effective September 1, 2018.

E. Joint Venture

The Twenty-eight Judicial District Drug Task Force (DTF) is participating in a joint venture formed by an interlocal agreement between the district attorney generals of the Twenty-eighth Judicial District, the Twenty-ninth Judicial District, the Thirtieth Judicial District, Crockett and Gibson counties, and the West Tennessee Judicial Violent Crime and Drug Task Force (WTJDTF). The purpose of the entity is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities and highway criminal interdiction. Funds for the operations of the entity come primarily from federal grants, fines, and the forfeiture of assets to the entity. Crockett County made no contributions to the WTJDTF for the year ended June 30, 2019.

Crockett County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-eighth Judicial District
P.O. Box 145
Trenton, TN 38382

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.11 percent and the non-certified employees of the discretely presented school department comprised 39.89 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	98
Inactive Employees Entitled to But Not Yet Receiving Benefits	148
Active Employees	171
Total	417

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. Crockett 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 Crockett County was \$434,521 based on a rate of 6.57 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Crockett 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)

Crockett County’s net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

The actuarial assumptions used in the June 30, 2018, actuarial 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	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 Crockett County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2017	\$ 16,839,346	\$ 16,864,799	\$ (25,453)
Changes for the Year:			
Service Cost	\$ 514,666	\$ 0	\$ 514,666
Interest	1,226,337	0	1,226,337
Differences Between Expected and Actual Experience	83,252	0	83,252
Changes in Assumptions	0	0	0
Contributions-Employer	0	368,765	(368,765)
Contributions-Employees	0	281,079	(281,079)
Net Investment Income	0	1,389,715	(1,389,715)
Benefit Payments, Including Refunds of Employee Contributions	(878,045)	(878,045)	0
Administrative Expense	0	(16,674)	16,674
Other Changes	0	0	0
Net Changes	\$ 946,210	\$ 1,144,840	\$ (198,630)
Balance, June 30, 2018	\$ 17,785,556	\$ 18,009,639	\$ (224,083)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.11%	\$ 10,690,898	\$ 10,825,594	\$ (134,696)
School Department	39.89%	7,094,658	7,184,045	(89,387)
Total		\$ 17,785,556	\$ 18,009,639	\$ (224,083)

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

	1% Decrease	Current Discount Rate	1% Increase
Crockett County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 2,002,500 \$ (224,083) \$ (2,072,976)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2019, Crockett County recognized pension expense of \$145,112.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Crockett 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	\$ 168,692	\$ 339,586
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	72,080
Changes in Assumptions	299,008	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	434,521	N/A
Total	<u>\$ 902,221</u>	<u>\$ 411,666</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	\$ 543,288	\$ 247,452
School Department	358,933	164,214
 Total	 \$ 902,221	 \$ 411,666

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	\$ 111,775
2021	58,210
2022	(115,342)
2023	(12,490)
2024	13,881
Thereafter	0

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

Discretely Presented Crockett County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.11 percent and the non-certified employees of the discretely presented school department comprised 39.89 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Crockett 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 \$25,319, which is 1.94 percent of covered payroll. In addition, employer contributions of \$22,848, which is 1.75 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, 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 (\$54,240) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was .119597 percent. The proportion as of June 30, 2017, was .133816 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$18,914.

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	\$ 3,072	\$ 2,160
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	0	3,064
Changes in Assumptions	2,559	0
Changes in Proportion of Net Pension Liability (Asset)	4,717	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	25,319	N/A
Total	<u>\$ 35,667</u>	<u>\$ 5,224</u>

The school department's employer contributions of \$25,319, 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	\$ (6)
2021	(103)
2022	(540)
2023	261
2024	669
Thereafter	4,843

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

Actuarial Assumptions. The total pension liability (asset) 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 8,386 \$ (54,240) \$ (100,381)

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 Crockett 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 Crockett County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$701,700, 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 (Negative 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 (\$681,937) 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 .193792 percent. The proportion measured at June 30, 2017, was .197261 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$162,023).

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	\$ 137,843	\$ 919,987
Changes in Assumptions	402,755	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	148,418
Changes in Proportion of Net Pension Liability (Asset)	89,209	9,462
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	701,700	N/A
Total	<u>\$ 1,331,507</u>	<u>\$ 1,077,867</u>

The school department's employer contributions of \$701,700 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	\$ 173,762
2021	(184,593)
2022	(371,818)
2023	(65,411)
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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 5,256,800 \$ (681,937) \$ (5,595,414)

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 \$63,584 and teachers contributed \$22,779 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

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

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

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

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

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

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

Local Government OPEB Plan (Primary Government)

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

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

Employees Covered by Benefit Terms

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

	Crockett County	Hwy Dept	Total
Retirees and Beneficiaries	0	0	0
Inactive, nonretired members	0	0	0
Active Members Eligible for Future Benefits	71	17	88
Active Members Not Eligible for Future Benefits	20	3	23
Total	91	20	111

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, the county paid \$1,005 (Crockett County - \$518, Highway Dept - \$487) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Crockett County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2018	\$ 102,858	\$ 46,415	\$ 149,273
Changes for the Year:			
Service Cost	\$ 8,806	\$ 4,190	\$ 12,996
Interest	3,968	1,800	5,768
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	(8,385)	(3,384)	(11,769)
Changes in Assumption and Other Inputs	7,919	3,032	10,951
Benefit Payments	(380)	(73)	(453)
Net Changes	\$ 11,928	\$ 5,565	\$ 17,493
Balance June 30, 2019	\$ 114,786	\$ 51,980	\$ 166,766

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$17,802 (Crockett County - \$12,043, Highway Dept - \$5,759). At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DI - County \$7,350, Hwy \$2,971)	\$ 0	\$ 10,321
Changes of Assumptions/Inputs		
(DO - County \$6,941, Hwy \$2,662)	9,603	0
(DI - County \$4,112, Hwy \$1,319)	0	5,431
Net Difference Between Projected and Benefits Paid After the Measurement Date (DO - County \$518, Hwy \$487)	<u>1,005</u>	<u>0</u>
Total	<u>\$ 10,608</u>	<u>\$ 15,752</u>

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

Year Ending June 30	County	Hwy	Total Amount
2019	\$ (731)	\$ (231)	\$ (962)
2020	(731)	(231)	(962)
2021	(731)	(231)	(962)
2022	(731)	(231)	(962)
2023	(731)	(231)	(962)
Thereafter	(866)	(473)	(1,339)

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

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

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
County	\$ 124,333	\$ 114,786	\$ 105,807
Hwy	55,057	51,980	48,965
Total OPEB Liability	<u>\$ 179,390</u>	<u>\$ 166,766</u>	<u>\$ 154,772</u>

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

	1% Decrease 5.75 to 2.81%	Current Trend Rate 6.75 to 3.81%	1% Increase 7.75 to 4.81%
County	\$ 101,177	\$ 114,786	\$ 130,751
Hwy	46,971	51,980	57,669
Total OPEB Liability	<u>\$ 148,148</u>	<u>\$ 166,766</u>	<u>\$ 188,420</u>

Commercial Postemployment Benefits Plan

Discretely Presented Crockett County School Department

The discretely presented Crockett County School Department provides OPEB benefits to its employees through a commercial insurance plan.

Plan Description. The school department participates in a commercial postemployment benefits plan administered by Cigna for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 5 years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the Board of Education. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare, dental, and vision insurance benefits to retirees and their dependents.

The benefit terms provide for the school department to pay a percentage of the certified retirees healthcare costs depending on years of service with the school department. The school department pays 55 percent of the healthcare cost for employees with over 30 years of service, 45 percent for employees with 20-29 years of service, and 25 percent for employees with less than 20 years of service. Non-certified employees are required to pay 100 percent of the healthcare premium. Both certified and non-certified employees are eligible to participate in the healthcare plan until they reach age 65. Surviving spouses of eligible retirees may be able to continue coverage until they reach Medicare eligibility.

The benefit terms provide for eligible retirees to receive vision and dental benefits for life by paying 100 percent of the premium cost.

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	5
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	157
Total	162

Total OPEB Liability

The school department’s total OPEB liability of \$1,134,378 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Discount Rate	3.50%
Healthcare Cost Trend Rate	5.50%
Retirees share of Benefit-related Cost	45% to 100% depending on years of service and employee classification

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates were based on RPH-2014 Total Table with Projection MP-2018.

The actuarial assumptions used in the June 30, 2019, valuation were based on plan data and costs presented by the school department with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 1,020,666
Changes for the Year:	
Service Cost	\$ 71,140
Interest	38,888
Differences Between Expected and Actual Experience	(416)
Changes in Assumptions	40,902
Benefit Payments	<u>(36,802)</u>
Net Changes	<u>\$ 113,712</u>
Balance June 30, 2019	<u>\$ 1,134,378</u>

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 \$114,990. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 365
Changes of Assumptions/Inputs	35,890	0
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 35,890</u>	<u>\$ 365</u>

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

Year Ending June 30	Amount
2020	\$ 4,962
2021	4,962
2022	4,962
2023	4,962
2024	4,962
Thereafter	10,715

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 discount rate of 3.5 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current rate:

	1% Decrease 2.5%	Current Discount Rate 3.5%	1% Increase 4.5%
Total OPEB Liability	\$ 1,027,060	\$ 1,134,378	\$ 1,252,507

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 healthcare cost trend rate of 5.5 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current rate:

	1% Decrease 4.5%	Current Trend Rate 5.5%	1% Increase 6.5%
Total OPEB Liability	\$ 988,451	\$ 1,134,828	\$ 1,310,828

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000, excluding emergency purchases, to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Purchasing procedures for the highway department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

I. Subsequent Events

On June 30, 2019, Robert Mullins left the Office of Director of Schools and was succeeded by P. A. Pratt effective July 1, 2019.

On September 20, 2019, the county mayor entered into a lease-purchase agreement for two patrol cars totaling \$55,626.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Crockett 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	\$ 337,380	\$ 439,621	\$ 452,318	\$ 484,400	\$ 514,666
Interest	1,029,449	1,055,748	1,126,920	1,197,307	1,226,337
Differences Between Actual and Expected Experience	(455,016)	172,022	83,949	(395,626)	83,252
Change of Assumptions	0	0	0	448,512	0
Benefit Payments, Including Refunds of Employee Contributions	(628,188)	(698,595)	(763,670)	(749,877)	(878,045)
Net Change in Total Pension Liability	\$ 283,625	\$ 968,796	\$ 899,517	\$ 984,716	\$ 946,210
Total Pension Liability, Beginning	13,702,692	13,986,317	14,955,113	15,854,630	16,839,346
Total Pension Liability, Ending (a)	\$ 13,986,317	\$ 14,955,113	\$ 15,854,630	\$ 16,839,346	\$ 17,785,556
Plan Fiduciary Net Position					
Contributions - Employer	\$ 352,898	\$ 339,223	\$ 344,966	\$ 363,235	\$ 368,765
Contributions - Employee	269,913	260,862	265,746	278,984	281,079
Net Investment Income	2,092,345	450,578	396,767	1,724,361	1,389,715
Benefit Payments, Including Refunds of Employee Contributions	(628,188)	(698,595)	(763,670)	(749,877)	(878,045)
Administrative Expense	(6,843)	(8,790)	(13,172)	(15,270)	(16,674)
Other	0	0	1,337	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,080,125	\$ 343,278	\$ 231,974	\$ 1,601,433	\$ 1,144,840
Plan Fiduciary Net Position, Beginning	12,607,989	14,688,114	15,031,392	15,263,366	16,864,799
Plan Fiduciary Net Position, Ending (b)	\$ 14,688,114	\$ 15,031,392	\$ 15,263,366	\$ 16,864,799	\$ 18,009,639
Net Pension Liability (Asset), Ending (a - b)	\$ (701,797)	\$ (76,279)	\$ 591,264	\$ (25,453)	\$ (224,083)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	100.51%	96.27%	100.15%	101.26%
Covered Payroll	\$ 5,251,480	\$ 5,210,790	\$ 5,299,008	\$ 5,579,641	\$ 5,612,852
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.36)%	(1.46)%	11.16%	(0.46)%	(3.99)%

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

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

Exhibit E-2

Crockett 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	\$ 352,898	\$ 339,223	\$ 344,966	\$ 363,235	\$ 368,765	\$ 434,521
Less Contributions in Relation to the Actuarially Determined Contribution	(352,898)	(339,223)	(344,966)	(363,235)	(368,765)	(434,521)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,251,480	\$ 5,210,790	\$ 5,299,008	\$ 5,579,641	\$ 5,612,852	\$ 6,613,714
Contributions as a Percentage of Covered Payroll	6.72%	6.51%	6.51%	6.51%	6.57%	6.57%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 12,877	\$ 25,464	\$ 35,131	\$ 17,043	\$ 25,319
Less Contributions in Relation to the Contractually Required Contribution	(12,877)	(25,464)	(35,131)	(41,805)	(25,319)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (24,762)	\$ 0
Covered Payroll	\$ 321,921	\$ 636,606	\$ 878,285	\$ 1,045,137	\$ 1,305,099
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* In FY 2019 the school department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 1.75% of covered payroll into the Pension Stabilization Reserve Trust.

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 641,175	\$ 641,647	\$ 634,945	\$ 630,366	\$ 616,165	\$ 701,700
Less Contributions in Relation to the Contractually Required Contribution	(641,175)	(641,647)	(634,945)	(630,366)	(616,165)	(701,700)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,220,425	\$ 7,097,865	\$ 7,023,736	\$ 6,973,074	\$ 6,785,953	\$ 6,708,420
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit E-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.154937%	0.144682%	0.133816%	0.119597%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,233)	\$ (15,062)	\$ (35,306)	\$ (54,240)
Covered Payroll	\$ 321,921	\$ 636,606	\$ 878,285	\$ 1,045,137
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

Crockett County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Crockett 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)	0.183961%	0.189605%	0.194574%	0.197261%	0.193792%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (29,893)	\$ 77,669	\$ 1,215,980	\$ (64,540)	\$ (681,937)
Covered Payroll	\$ 7,220,425	\$ 7,097,865	\$ 7,023,736	\$ 6,973,074	\$ 6,785,953
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%	17.31%	(.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

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

Crockett County Plan

	2018	2019
Total OPEB Liability		
Service Cost	\$ 9,319	\$ 8,806
Interest	3,073	3,968
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(8,385)
Changes in Assumptions or Other Inputs	(5,460)	7,919
Benefit Payments	-	(380)
Net Change in Total OPEB Liability	\$ 6,932	\$ 11,928
Total OPEB Liability, Beginning	95,926	102,858
Total OPEB Liability, Ending	<u>\$ 102,858</u>	<u>\$ 114,786</u>
Covered Employee Payroll	\$ 3,210,809	\$ 3,396,262
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.20%	3.38%

Highway Department Plan

	2018	2019
Total OPEB Liability		
Service Cost	\$ 4,403	\$ 4,190
Interest	1,365	1,800
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(3,384)
Changes in Assumptions or Other Inputs	(1,695)	3,032
Benefit Payments	-	(73)
Net Change in Total OPEB Liability	\$ 4,073	\$ 5,565
Total OPEB Liability, Beginning	42,342	46,415
Total OPEB Liability, Ending	<u>\$ 46,415</u>	<u>\$ 51,980</u>
Covered Employee Payroll	\$ 574,471	\$ 626,444
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.08	0.08

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

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

2017	2.92%
2018	3.56%
2019	3.62%

Exhibit E-8

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

	2018	2019
Total OPEB Liability		
Service Cost	\$ 68,483	\$ 71,140
Interest	39,002	38,888
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(416)
Changes in Assumptions or Other Inputs	0	40,902
Benefit Payments	(47,104)	(36,802)
Net Change in Total OPEB Liability	\$ 60,381	\$ 113,712
Total OPEB Liability, Beginning	960,285	1,020,666
Total OPEB Liability, Ending	<u>\$ 1,020,666</u>	<u>\$ 1,134,378</u>
Covered Employee Payroll	\$ 6,583,188	\$ 6,498,044
Net OPEB Liability as a Percentage of Covered Employee Payroll	15.50%	17.46%

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

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

2017	2.92%
2018	3.56%
2019	3.50%

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4.0%
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 Adjustments	2.25%

Changes in 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 specified purposes other than debt service or capital projects.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Crockett County’s convenience center operations.

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

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

Exhibit F-1

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

	<u>Special Revenue Funds</u>			Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,953	\$ 1,953
Equity in Pooled Cash and Investments	180,045	39,497	0	219,542
Accounts Receivable	468	0	0	468
Due from Other Governments	29,706	0	0	29,706
Total Assets	<u>\$ 210,219</u>	<u>\$ 39,497</u>	<u>\$ 1,953</u>	<u>\$ 251,669</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 0	\$ 1,953	\$ 1,953
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,953</u>	<u>\$ 1,953</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 15,035	\$ 0	\$ 0	\$ 15,035
Total Deferred Inflows of Resources	<u>\$ 15,035</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,035</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 39,497	\$ 0	\$ 39,497
Committed:				
Committed for Public Health and Welfare	195,184	0	0	195,184
Total Fund Balances	<u>\$ 195,184</u>	<u>\$ 39,497</u>	<u>\$ 0</u>	<u>\$ 234,681</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 210,219</u>	<u>\$ 39,497</u>	<u>\$ 1,953</u>	<u>\$ 251,669</u>

Exhibit F-2

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

	<u>Special Revenue Funds</u>		Total
	Solid	Drug	Nonmajor
	Waste /	Control	Governmental
	Sanitation		Funds
<u>Revenues</u>			
Local Taxes	\$ 290,985	\$ 0	\$ 290,985
Fines, Forfeitures, and Penalties	0	31,133	31,133
Charges for Current Services	14,791	0	14,791
State of Tennessee	39,354	0	39,354
Total Revenues	<u>\$ 345,130</u>	<u>\$ 31,133</u>	<u>\$ 376,263</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 0	\$ 18,808	\$ 18,808
Public Health and Welfare	281,200	0	281,200
Total Expenditures	<u>\$ 281,200</u>	<u>\$ 18,808</u>	<u>\$ 300,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 63,930</u>	<u>\$ 12,325</u>	<u>\$ 76,255</u>
Net Change in Fund Balances	\$ 63,930	\$ 12,325	\$ 76,255
Fund Balance, July 1, 2018	131,254	27,172	158,426
Fund Balance, June 30, 2019	<u>\$ 195,184</u>	<u>\$ 39,497</u>	<u>\$ 234,681</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 290,985	\$ 262,000	\$ 262,000	\$ 28,985
Charges for Current Services	14,791	15,000	15,000	(209)
State of Tennessee	39,354	36,000	36,000	3,354
Total Revenues	<u>\$ 345,130</u>	<u>\$ 313,000</u>	<u>\$ 313,000</u>	<u>\$ 32,130</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 281,200	\$ 286,524	\$ 286,524	\$ 5,324
Total Expenditures	<u>\$ 281,200</u>	<u>\$ 286,524</u>	<u>\$ 286,524</u>	<u>\$ 5,324</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 63,930</u>	<u>\$ 26,476</u>	<u>\$ 26,476</u>	<u>\$ 37,454</u>
Net Change in Fund Balance	\$ 63,930	\$ 26,476	\$ 26,476	\$ 37,454
Fund Balance, July 1, 2018	<u>131,254</u>	<u>131,254</u>	<u>131,254</u>	<u>0</u>
Fund Balance, June 30, 2019	<u><u>\$ 195,184</u></u>	<u><u>\$ 157,730</u></u>	<u><u>\$ 157,730</u></u>	<u><u>\$ 37,454</u></u>

Exhibit F-4

Crockett 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	\$ 31,133	\$ 8,000	\$ 8,000	\$ 23,133
Total Revenues	<u>\$ 31,133</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 23,133</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 18,808	\$ 15,800	\$ 22,300	\$ 3,492
Total Expenditures	<u>\$ 18,808</u>	<u>\$ 15,800</u>	<u>\$ 22,300</u>	<u>\$ 3,492</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,325</u>	<u>\$ (7,800)</u>	<u>\$ (14,300)</u>	<u>\$ 26,625</u>
Net Change in Fund Balance	\$ 12,325	\$ (7,800)	\$ (14,300)	\$ 26,625
Fund Balance, July 1, 2018	<u>27,172</u>	<u>27,127</u>	<u>27,127</u>	<u>45</u>
Fund Balance, June 30, 2019	<u><u>\$ 39,497</u></u>	<u><u>\$ 19,327</u></u>	<u><u>\$ 12,827</u></u>	<u><u>\$ 26,670</u></u>

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

Crockett 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	\$ 1,399,427	\$ 1,309,301	\$ 1,309,301	\$ 90,126
Other Local Revenues	113,429	85,000	85,000	28,429
Other Governments and Citizens Groups	427,608	212,231	427,607	1
Total Revenues	<u>\$ 1,940,464</u>	<u>\$ 1,606,532</u>	<u>\$ 1,821,908</u>	<u>\$ 118,556</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 300,327	\$ 235,348	\$ 300,327	\$ 0
Education	1,270,432	1,275,068	1,270,432	0
<u>Interest on Debt</u>				
General Government	41,943	20,783	41,943	0
Education	299,311	315,651	299,311	0
<u>Other Debt Service</u>				
General Government	17,684	17,560	19,092	1,408
Education	750	530	780	30
Total Expenditures	<u>\$ 1,930,447</u>	<u>\$ 1,864,940</u>	<u>\$ 1,931,885</u>	<u>\$ 1,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,017</u>	<u>\$ (258,408)</u>	<u>\$ (109,977)</u>	<u>\$ 119,994</u>
<u>Other Financing Sources (Uses)</u>				
Other Governments and Citizens Groups	\$ 0	\$ 150,000	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 10,017	\$ (108,408)	\$ (109,977)	\$ 119,994
Fund Balance, July 1, 2018	1,763,791	1,763,348	1,763,348	443
Fund Balance, June 30, 2019	<u>\$ 1,773,808</u>	<u>\$ 1,654,940</u>	<u>\$ 1,653,371</u>	<u>\$ 120,437</u>

Fiduciary Funds

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

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

City School ADA - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Exhibit H-1

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

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 476,125	\$ 476,125
Equity in Pooled Cash and Investments	0	1,593	1,049	0	2,642
Accounts Receivable	0	0	0	6,608	6,608
Due from Other Governments	102,672	23,733	16,545	0	142,950
Property Taxes Receivable	0	334,248	220,152	0	554,400
Allowance for Uncollectible Property Taxes	0	(12,700)	(8,365)	0	(21,065)
Cash Shortage	0	0	0	35,534	35,534
Total Assets	\$ 102,672	\$ 346,874	\$ 229,381	\$ 518,267	\$ 1,197,194
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 102,672	\$ 346,874	\$ 229,381	\$ 0	\$ 678,927
Due to Litigants, Heirs, and Others	0	0	0	518,267	518,267
Total Liabilities	\$ 102,672	\$ 346,874	\$ 229,381	\$ 518,267	\$ 1,197,194

Exhibit H-2

Crockett 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	\$ 525,830	\$ 525,830	\$ 0
Due from Other Governments	83,437	102,672	83,437	102,672
Total Assets	<u>\$ 83,437</u>	<u>\$ 628,502</u>	<u>\$ 609,267</u>	<u>\$ 102,672</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 83,437	\$ 628,502	\$ 609,267	\$ 102,672
Total Liabilities	<u>\$ 83,437</u>	<u>\$ 628,502</u>	<u>\$ 609,267</u>	<u>\$ 102,672</u>
 <u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,244	\$ 478,297	\$ 477,948	\$ 1,593
Due from Other Governments	20,313	23,733	20,313	23,733
Property Taxes Receivable	297,139	334,248	297,139	334,248
Allowance for Uncollectible Property Taxes	(11,738)	(12,700)	(11,738)	(12,700)
Total Assets	<u>\$ 306,958</u>	<u>\$ 823,578</u>	<u>\$ 783,662</u>	<u>\$ 346,874</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 306,958	\$ 823,578	\$ 783,662	\$ 346,874
Total Liabilities	<u>\$ 306,958</u>	<u>\$ 823,578</u>	<u>\$ 783,662</u>	<u>\$ 346,874</u>
 <u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 872	\$ 314,974	\$ 314,797	\$ 1,049
Due from Other Governments	13,910	16,545	13,910	16,545
Property Taxes Receivable	213,629	220,152	213,629	220,152
Allowance for Uncollectible Property Taxes	(8,438)	(8,365)	(8,438)	(8,365)
Total Assets	<u>\$ 219,973</u>	<u>\$ 543,306</u>	<u>\$ 533,898</u>	<u>\$ 229,381</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 219,973	\$ 543,306	\$ 533,898	\$ 229,381
Total Liabilities	<u>\$ 219,973</u>	<u>\$ 543,306</u>	<u>\$ 533,898</u>	<u>\$ 229,381</u>

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 346,209	\$ 3,523,149	\$ 3,393,233	\$ 476,125
Accounts Receivable	6,249	6,608	6,249	6,608
Cash Shortage	0	35,534	0	35,534
Total Assets	<u>\$ 352,458</u>	<u>\$ 3,565,291</u>	<u>\$ 3,399,482</u>	<u>\$ 518,267</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 352,458	\$ 3,565,291	\$ 3,399,482	\$ 518,267
Total Liabilities	<u>\$ 352,458</u>	<u>\$ 3,565,291</u>	<u>\$ 3,399,482</u>	<u>\$ 518,267</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 346,209	\$ 3,523,149	\$ 3,393,233	\$ 476,125
Equity in Pooled Cash and Investments	2,116	1,319,101	1,318,575	2,642
Accounts Receivable	6,249	6,608	6,249	6,608
Due from Other Governments	117,660	142,950	117,660	142,950
Property Taxes Receivable	510,768	554,400	510,768	554,400
Allowance for Uncollectible Property Taxes	(20,176)	(21,065)	(20,176)	(21,065)
Cash Shortage	0	35,534	0	35,534
Total Assets	<u>\$ 962,826</u>	<u>\$ 5,560,677</u>	<u>\$ 5,326,309</u>	<u>\$ 1,197,194</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 610,368	\$ 1,995,386	\$ 1,926,827	\$ 678,927
Due to Litigants, Heirs, and Others	352,458	3,565,291	3,399,482	518,267
Total Liabilities	<u>\$ 962,826</u>	<u>\$ 5,560,677</u>	<u>\$ 5,326,309</u>	<u>\$ 1,197,194</u>

Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

Exhibit I-1

Crockett County, Tennessee
Statement of Activities
Discretely Presented Crockett 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	\$ 9,828,783	\$ 47,809	\$ 1,413,880	\$ (8,367,094)
Support Services	5,415,676	55,422	280,911	(5,079,343)
Operation of Non-instructional Services	1,783,985	176,179	1,367,902	(239,904)
Total Governmental Activities	<u>\$ 17,028,444</u>	<u>\$ 279,410</u>	<u>\$ 3,062,693</u>	<u>\$ (13,686,341)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,411,674
Local Option Sales Taxes				532,845
Wheel Tax				138,684
Other Local Taxes				422
Grants and Contributions Not Restricted to Specific Programs				12,852,286
Unrestricted Investment Income				35,534
Miscellaneous				160,979
Total General Revenues				<u>\$ 15,132,424</u>
Change in Net Position				\$ 1,446,083
Net Position, July 1, 2018				<u>14,635,012</u>
Net Position, June 30, 2019				<u>\$ 16,081,095</u>

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,710,023	\$ 7,978	\$ 246,058	\$ 2,964,059
Accounts Receivable	0	0	96	96
Due from Other Governments	387,452	0	61,122	448,574
Property Taxes Receivable	1,209,323	263,243	0	1,472,566
Allowance for Uncollectible Property Taxes	(45,948)	(10,002)	0	(55,950)
Cash Shortage	12,188	0	0	12,188
Restricted Assets	24,063	0	0	24,063
Total Assets	<u>\$ 4,297,101</u>	<u>\$ 261,219</u>	<u>\$ 307,276</u>	<u>\$ 4,865,596</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 8,535	\$ 0	\$ 0	\$ 8,535
Payroll Deductions Payable	517	0	0	517
Total Liabilities	<u>\$ 9,052</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,052</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,130,538	\$ 246,093	\$ 0	\$ 1,376,631
Deferred Delinquent Property Taxes	30,967	6,713	0	37,680
Other Deferred/Unavailable Revenue	45,000	0	0	45,000
Total Deferred Inflows of Resources	<u>\$ 1,206,505</u>	<u>\$ 252,806</u>	<u>\$ 0</u>	<u>\$ 1,459,311</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>School Transportation</u>	<u>Other Governmental Funds</u>	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 1,507	\$ 1,507
Restricted for Support Services	0	8,413	0	8,413
Restricted for Operation of Non-instructional Services	0	0	285,769	285,769
Restricted for Hybrid Retirement Stabilization Funds	24,063	0	0	24,063
Committed:				
Committed for Education	1,108,544	0	0	1,108,544
Assigned:				
Assigned for Education	0	0	20,000	20,000
Unassigned	1,948,937	0	0	1,948,937
Total Fund Balances	<u>\$ 3,081,544</u>	<u>\$ 8,413</u>	<u>\$ 307,276</u>	<u>\$ 3,397,233</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,297,101</u>	<u>\$ 261,219</u>	<u>\$ 307,276</u>	<u>\$ 4,865,596</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	3,397,233
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	935,805	
Add: buildings and improvements net of accumulated depreciation		10,375,234	
Add: infrastructure net of accumulated depreciation		189,223	
Add: other capital assets net of accumulated depreciation		<u>895,407</u>	12,395,669
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(1,134,378)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,726,107	
Less: deferred inflows of resources related to pensions		(1,247,305)	
Add: deferred outflows of resources related to OPEB		35,890	
Less: deferred inflows of resources related to OPEB		<u>(365)</u>	514,327
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	89,387	
Add: net pension asset - teacher retirement plan		54,240	
Add: net pension asset - teacher legacy pension plan		<u>681,937</u>	825,564
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>82,680</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 16,081,095</u></u>

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 1,734,997	\$ 348,898	\$ 0	\$ 2,083,895
Licenses and Permits	590	0	0	590
Charges for Current Services	43,147	0	223,988	267,135
Other Local Revenues	200,854	0	8,074	208,928
State of Tennessee	13,743,378	0	9,699	13,753,077
Federal Government	51,740	0	2,025,931	2,077,671
Other Governments and Citizens Groups	83,445	0	0	83,445
Total Revenues	<u>\$ 15,858,151</u>	<u>\$ 348,898</u>	<u>\$ 2,267,692</u>	<u>\$ 18,474,741</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 8,617,548	\$ 0	\$ 899,224	\$ 9,516,772
Support Services	5,916,796	5,984	136,182	6,058,962
Operation of Non-Instructional Services	530,550	0	1,267,099	1,797,649
Capital Outlay	4,575	0	0	4,575
Debt Service:				
Other Debt Service	427,608	0	0	427,608
Total Expenditures	<u>\$ 15,497,077</u>	<u>\$ 5,984</u>	<u>\$ 2,302,505</u>	<u>\$ 17,805,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 361,074</u>	<u>\$ 342,914</u>	<u>\$ (34,813)</u>	<u>\$ 669,175</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 188,111	\$ 0	\$ 0	\$ 188,111
Transfers In	343,151	0	0	343,151

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ 0	\$ (343,151)	\$ 0	\$ (343,151)
Total Other Financing Sources (Uses)	\$ 531,262	\$ (343,151)	\$ 0	\$ 188,111
Net Change in Fund Balances	\$ 892,336	\$ (237)	\$ (34,813)	\$ 857,286
Fund Balance, July 1, 2018	2,189,208	8,650	342,089	2,539,947
Fund Balance, June 30, 2019	\$ 3,081,544	\$ 8,413	\$ 307,276	\$ 3,397,233

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett 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)		\$ 857,286
(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	\$ 335,515	
Less: current-year depreciation expense	<u>(593,445)</u>	(257,930)
(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 tax and other deferred June 30, 2019	\$ 82,680	
Less: deferred delinquent property tax and other deferred June 30, 2018	<u>(82,894)</u>	(214)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ (113,712)	
Change in deferred outflows related to OPEB	35,890	
Change in deferred inflows related to OPEB	(365)	
Change in net pension asset- agent plan	80,916	
Change in net pension asset - teacher retirement plan	18,934	
Change in net pension asset - teacher legacy pension plan	617,397	
Change in deferred outflows related to pensions	(43,142)	
Change in deferred inflows related to pensions	<u>251,023</u>	<u>846,941</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,446,083</u>

Exhibit I-6

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

	Special Revenue Funds		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 18,608	\$ 227,450	\$ 246,058
Accounts Receivable	0	96	96
Due from Other Governments	2,899	58,223	61,122
Total Assets	<u>\$ 21,507</u>	<u>\$ 285,769</u>	<u>\$ 307,276</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,507	\$ 0	\$ 1,507
Restricted for Operation of Non-instructional Services	0	285,769	285,769
Assigned:			
Assigned for Education	20,000	0	20,000
Total Fund Balances	<u>\$ 21,507</u>	<u>\$ 285,769</u>	<u>\$ 307,276</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 223,988	\$ 223,988
Other Local Revenues	0	8,074	8,074
State of Tennessee	0	9,699	9,699
Federal Government	982,802	1,043,129	2,025,931
Total Revenues	<u>\$ 982,802</u>	<u>\$ 1,284,890</u>	<u>\$ 2,267,692</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 899,224	\$ 0	\$ 899,224
Support Services	136,182	0	136,182
Operation of Non-Instructional Services	0	1,267,099	1,267,099
Total Expenditures	<u>\$ 1,035,406</u>	<u>\$ 1,267,099</u>	<u>\$ 2,302,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (52,604)</u>	<u>\$ 17,791</u>	<u>\$ (34,813)</u>
Net Change in Fund Balances	\$ (52,604)	\$ 17,791	\$ (34,813)
Fund Balance, July 1, 2018	74,111	267,978	342,089
Fund Balance, June 30, 2019	<u>\$ 21,507</u>	<u>\$ 285,769</u>	<u>\$ 307,276</u>

Exhibit I-8

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett 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	\$ 1,734,997	\$ 1,725,855	\$ 1,725,855	\$ 9,142
Licenses and Permits	590	650	650	(60)
Charges for Current Services	43,147	30,500	30,500	12,647
Other Local Revenues	200,854	56,000	56,000	144,854
State of Tennessee	13,743,378	13,768,594	13,751,598	(8,220)
Federal Government	51,740	35,000	35,000	16,740
Other Governments and Citizens Groups	83,445	99,443	99,443	(15,998)
Total Revenues	<u>\$ 15,858,151</u>	<u>\$ 15,716,042</u>	<u>\$ 15,699,046</u>	<u>\$ 159,105</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 7,043,991	\$ 7,233,251	\$ 7,264,080	\$ 220,089
Alternative Instruction Program	152,613	159,125	159,125	6,512
Special Education Program	531,850	515,917	520,110	(11,740)
Career and Technical Education Program	889,094	947,065	947,065	57,971
<u>Support Services</u>				
Attendance	49,502	50,568	50,568	1,066
Health Services	158,468	159,798	172,798	14,330
Other Student Support	417,365	452,979	457,528	40,163
Regular Instruction Program	324,467	333,749	333,749	9,282
Special Education Program	159,439	161,702	159,440	1
Technology	416,504	490,435	425,059	8,555
Board of Education	290,928	332,245	332,245	41,317
Director of Schools	229,279	238,950	238,950	9,671
Office of the Principal	1,104,667	1,141,625	1,141,625	36,958
Fiscal Services	184,563	185,438	185,438	875
Operation of Plant	1,047,837	1,093,827	1,093,827	45,990
Maintenance of Plant	652,242	729,590	664,600	12,358
Transportation	881,535	920,620	920,619	39,084
<u>Operation of Non-Instructional Services</u>				
Community Services	216,931	201,980	231,591	14,660
Early Childhood Education	313,619	335,638	335,638	22,019
<u>Capital Outlay</u>				
Regular Capital Outlay	4,575	770,000	770,000	765,425
<u>Principal on Debt</u>				
Education	0	162,228	0	0
<u>Other Debt Service</u>				
Education	427,608	200,004	427,608	0
Total Expenditures	<u>\$ 15,497,077</u>	<u>\$ 16,816,734</u>	<u>\$ 16,831,663</u>	<u>\$ 1,334,586</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 361,074</u>	<u>\$ (1,100,692)</u>	<u>\$ (1,132,617)</u>	<u>\$ 1,493,691</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 188,111	\$ 0	\$ 0	\$ 188,111
Transfers In	343,151	337,000	337,000	6,151
Total Other Financing Sources	<u>\$ 531,262</u>	<u>\$ 337,000</u>	<u>\$ 337,000</u>	<u>\$ 194,262</u>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ 892,336	\$ (763,692)	\$ (795,617)	\$ 1,687,953
Fund Balance, July 1, 2018	2,189,208	1,274,026	1,274,026	915,182
Fund Balance, June 30, 2019	\$ 3,081,544	\$ 510,334	\$ 478,409	\$ 2,603,135

Exhibit I-9

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett 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>				
Federal Government	\$ 982,802	\$ 1,144,944	\$ 1,144,944	\$ (162,142)
Total Revenues	<u>\$ 982,802</u>	<u>\$ 1,144,944</u>	<u>\$ 1,144,944</u>	<u>\$ (162,142)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 457,153	\$ 506,843	\$ 506,843	\$ 49,690
Special Education Program	414,172	444,071	444,071	29,899
Career and Technical Education Program	27,899	27,258	27,257	(642)
<u>Support Services</u>				
Other Student Support	11,882	13,508	13,508	1,626
Regular Instruction Program	109,632	126,622	126,622	16,990
Special Education Program	4,630	16,328	16,328	11,698
Career and Technical Education Program	1,619	1,893	1,893	274
Transportation	8,419	8,419	8,419	0
Total Expenditures	<u>\$ 1,035,406</u>	<u>\$ 1,144,942</u>	<u>\$ 1,144,941</u>	<u>\$ 109,535</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (52,604)</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ (52,607)</u>
Net Change in Fund Balance	\$ (52,604)	\$ 2	\$ 3	\$ (52,607)
Fund Balance, July 1, 2018	<u>74,111</u>	<u>74,111</u>	<u>74,111</u>	<u>0</u>
Fund Balance, June 30, 2019	<u>\$ 21,507</u>	<u>\$ 74,113</u>	<u>\$ 74,114</u>	<u>\$ (52,607)</u>

Exhibit I-10

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett 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	\$ 223,988	\$ 262,000	\$ 262,000	\$ (38,012)
Other Local Revenues	8,074	8,500	8,500	(426)
State of Tennessee	9,699	10,000	10,000	(301)
Federal Government	1,043,129	1,083,753	1,083,753	(40,624)
Total Revenues	<u>\$ 1,284,890</u>	<u>\$ 1,364,253</u>	<u>\$ 1,364,253</u>	<u>\$ (79,363)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,267,099	\$ 1,397,556	\$ 1,397,556	\$ 130,457
Total Expenditures	<u>\$ 1,267,099</u>	<u>\$ 1,397,556</u>	<u>\$ 1,397,556</u>	<u>\$ 130,457</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,791</u>	<u>\$ (33,303)</u>	<u>\$ (33,303)</u>	<u>\$ 51,094</u>
Net Change in Fund Balance	\$ 17,791	\$ (33,303)	\$ (33,303)	\$ 51,094
Fund Balance, July 1, 2018	267,978	202,811	202,811	65,167
Fund Balance, June 30, 2019	<u>\$ 285,769</u>	<u>\$ 169,508</u>	<u>\$ 169,508</u>	<u>\$ 116,261</u>

Exhibit I-11

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 348,898	\$ 344,985	\$ 344,985	\$ 3,913
Total Revenues	\$ 348,898	\$ 344,985	\$ 344,985	\$ 3,913
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,984	\$ 6,500	\$ 6,500	\$ 516
Total Expenditures	\$ 5,984	\$ 6,500	\$ 6,500	\$ 516
Excess (Deficiency) of Revenues Over Expenditures	\$ 342,914	\$ 338,485	\$ 338,485	\$ 4,429
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (343,151)	\$ (337,000)	\$ (337,000)	\$ (6,151)
Total Other Financing Sources	\$ (343,151)	\$ (337,000)	\$ (337,000)	\$ (6,151)
Net Change in Fund Balance	\$ (237)	\$ 1,485	\$ 1,485	\$ (1,722)
Fund Balance, July 1, 2018	8,650	9,368	9,368	(718)
Fund Balance, June 30, 2019	\$ 8,413	\$ 10,853	\$ 10,853	\$ (2,440)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, 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	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Adult Education Technology Center	\$ 1,100,000	0 %	5-27-10	4-1-20	\$ 252,035	\$ 0	\$ 137,508	\$ 114,527
Public Works Projects	260,000	2.95	11-20-12	6-1-24	147,500	0	22,500	125,000
School Land	105,000	2.83	12-5-14	12-5-24	76,570	0	10,030	66,540
County Building Renovations	172,000	2.63	5-26-15	6-1-25	125,068	0	16,491	108,577
Senior Center Expansion	208,400	2.9	2-18-16	6-1-26	166,000	0	21,000	145,000
Public Works Projects	175,000	5	8-1-18	8-1-30	0	175,000	0	175,000
Total Notes Payable					\$ 767,173	\$ 175,000	\$ 207,529	\$ 734,644
OTHER LOAN PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient Schools Initiative	2,000,000	0	2-2-12	10-1-22	\$ 916,630	\$ 0	\$ 200,004	\$ 716,626
Total Other Loan Payable					\$ 916,630	\$ 0	\$ 200,004	\$ 716,626
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Zoll Monitors/Defibrillators	146,061	4.694	11-15-15	10-15-20	\$ 72,105	\$ 0	\$ 29,949	\$ 42,156
Senior Center Bus	41,165	6.45	12-11-15	12-11-19	16,931	0	8,201	8,730
EMS Vehicle	36,545	6	2-16-17	2-16-19	12,168	0	12,168	0
Sheriff's Department Vehicles	59,743	5.65	6-2-17	6-2-19	19,894	0	19,894	0
Sheriff's Department Vehicle	29,655	7	3-19-18	3-19-20	19,094	0	9,224	9,870
Sheriff's Department Vehicles	92,227	6.75	10-31-18	10-31-20	0	92,227	32,771	59,456
Total Payable through General Fund					\$ 140,192	\$ 92,227	\$ 112,207	\$ 120,212
<u>Payable through Highway/Public Works Fund</u>								
Dump Trucks	275,454	2.34	10-28-15	1-17-19	\$ 192,780	\$ 0	\$ 192,780	\$ 0
<u>Payable through General Debt Service Fund</u>								
Laptop Computers	62,910	4.65	4-1-17	4-1-19	\$ 20,957	\$ 0	\$ 20,957	\$ 0
Laptop Computers	71,910	4.65	11-20-17	1-20-20	46,842	0	22,889	23,953
Laptop Computers	52,003	4.65	11-20-17	1-20-20	33,875	0	16,552	17,323
Total Payable through Debt Service Fund					\$ 101,674	\$ 0	\$ 60,398	\$ 41,276
Total Capital Leases Payable					\$ 434,646	\$ 92,227	\$ 365,385	\$ 161,488

(Continued)

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds (Continued)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Nursing Home	\$ 50,000	5 %	2-9-1979	1-1-19	\$ 2,828	\$ 0	\$ 2,828	0
General Obligation Refunding, Series 2018	8,300,000	5	6-22-18	4-1-25	8,300,000	0	1,100,000	7,200,000
Total Bonds Payable					<u>\$ 8,302,828</u>	<u>\$ 0</u>	<u>\$ 1,102,828</u>	<u>\$ 7,200,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 198,758	\$ 21,538	\$ 220,296
2021	85,537	18,916	104,453
2022	86,876	16,110	102,986
2023	88,276	13,453	101,729
2024	89,727	10,655	100,382
2025	65,068	8,099	73,167
2026	34,736	5,670	40,406
2027	15,483	4,343	19,826
2028	16,268	3,558	19,826
2029	17,085	2,741	19,826
2030	17,959	1,867	19,826
2031	18,871	957	19,828
Total	\$ 734,644	\$ 107,907	\$ 842,551

Year Ending June 30	Other Loan	
	Principal	Total
2020	\$ 200,004	\$ 200,004
2021	200,004	200,004
2022	200,004	200,004
2023	116,614	116,614
Total	\$ 716,626	\$ 716,626

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2020	\$ 120,005	\$ 8,484	\$ 128,489
2021	41,483	2,177	43,660
Total	\$ 161,488	\$ 10,661	\$ 172,149

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,100,000	\$ 360,000	\$ 1,460,000
2021	1,100,000	305,000	1,405,000
2022	1,150,000	250,000	1,400,000
2023	1,225,000	192,500	1,417,500
2024	1,300,000	131,250	1,431,250
2025	1,325,000	66,250	1,391,250
Total	\$ 7,200,000	\$ 1,305,000	\$ 8,505,000

Exhibit J-3

Crockett County, Tennessee
Schedule of Transfers
Discretely Presented Crockett 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>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>			
School Transportation	General Purpose School	School Transportation	<u>\$ 343,151</u>
Total Transfers Discretely Presented Crockett County School Department			<u><u>\$ 343,151</u></u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 83,238	\$ 100,000	(3) Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	79,276	100,000	(3) "
Director of Schools	State Board of Education and and County Board of Education	119,200 (1)	100,000	(3) "
Trustee	Section 8-24-102, <i>TCA</i>	72,069	782,095	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
County Clerk:				
Ernest Bushart (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	12,011	50,000	(3) "
Dana Branch (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	60,058	50,000	(3) "
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
Clerk and Master	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
Register of Deeds	Section 8-24-102, <i>TCA</i>	72,069	50,000	(3) "
Sheriff	Section 8-24-102, <i>TCA</i>	79,276 (2)	100,000	(3) "
Employee Bonds:				
General Fund Employees			400,000	Tennessee Risk Management Trust
Road Department Employees			400,000	"
School Department Employees			400,000	"

(1) Includes a performance bonus of \$3,750 and a chief executive officer training supplement of \$1,000.

(2) Does not include a law enforcement training supplement of \$600.

(3) Also covered by \$400,000 insurance with Tennessee Risk Management Trust.

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,194,262	\$ 0	\$ 0	\$ 0	\$ 262,592	\$ 4,456,854
Discount on Property Taxes	(35,711)	0	0	0	(2,222)	(37,933)
Trustee's Collections - Prior Year	126,799	0	0	0	11,537	138,336
Trustee's Collections - Bankruptcy	725	0	0	0	34	759
Circuit Clerk/Clerk and Master Collections - Prior Years	145,103	0	0	0	10,498	155,601
Interest and Penalty	23,178	0	0	0	2,040	25,218
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	7	103
Payments in-Lieu-of Taxes - Other	2,507	0	0	0	0	2,507
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	231,866	0	0	772,931	1,004,797
Hotel/Motel Tax	8,588	0	0	0	0	8,588
Wheel Tax	0	0	0	406,389	323,842	730,231
Litigation Tax - General	49,346	0	0	0	0	49,346
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	18,168	18,168
Business Tax	120,625	0	0	0	0	120,625
Mixed Drink Tax	740	0	0	0	0	740
<u>Statutory Local Taxes</u>						
Bank Excise Tax	50,117	0	0	0	0	50,117
Wholesale Beer Tax	0	59,119	0	0	0	59,119
Total Local Taxes	\$ 4,686,375	\$ 290,985	\$ 0	\$ 406,389	\$ 1,399,427	\$ 6,783,176
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 8,308	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,308

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 665	\$ 0	\$ 0	\$ 0	\$ 0	665
Building Permits	25,125	0	0	0	0	25,125
Total Licenses and Permits	\$ 34,098	\$ 0	\$ 0	\$ 0	\$ 0	34,098
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 871	\$ 0	\$ 0	\$ 0	\$ 0	871
Officers Costs	1,518	0	0	0	0	1,518
Drug Control Fines	0	0	408	0	0	408
Drug Court Fees	931	0	0	0	0	931
Jail Fees	5,416	0	0	0	0	5,416
DUI Treatment Fines	332	0	0	0	0	332
Data Entry Fee - Circuit Court	312	0	0	0	0	312
Courtroom Security Fee	2	0	0	0	0	2
<u>General Sessions Court</u>						
Fines	10,207	0	0	0	0	10,207
Officers Costs	22,743	0	0	0	0	22,743
Game and Fish Fines	45	0	0	0	0	45
Drug Control Fines	2,994	0	2,075	0	0	5,069
Drug Court Fees	7,538	0	0	0	0	7,538
Jail Fees	2,100	0	0	0	0	2,100
DUI Treatment Fines	3,850	0	0	0	0	3,850
Data Entry Fee - General Sessions Court	7,218	0	0	0	0	7,218
Courtroom Security Fee	1,180	0	0	0	0	1,180

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 559	\$ 0	\$ 0	\$ 0	\$ 0	559
Officers Costs	828	0	0	0	0	828
Data Entry Fee - Juvenile Court	166	0	0	0	0	166
<u>Chancery Court</u>						
Officers Costs	507	0	0	0	0	507
Data Entry Fee - Chancery Court	2,114	0	0	0	0	2,114
Courtroom Security Fee	679	0	0	0	0	679
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	66	0	0	0	0	66
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	28,650	0	0	28,650
Total Fines, Forfeitures, and Penalties	\$ 72,176	\$ 0	\$ 31,133	\$ 0	\$ 0	103,309
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 12,513	\$ 0	\$ 0	\$ 0	12,513
Surcharge - Waste Tire Disposal	0	2,278	0	0	0	2,278
Patient Charges	769,482	0	0	0	0	769,482
<u>Fees</u>						
Library Fees	3,742	0	0	0	0	3,742
Telephone Commissions	18,396	0	0	0	0	18,396
Vending Machine Collections	88	0	0	0	0	88
Data Processing Fee - Register	4,278	0	0	0	0	4,278
Data Processing Fee - Sheriff	1,138	0	0	0	0	1,138
Sexual Offender Registration Fee - Sheriff	2,500	0	0	0	0	2,500

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	\$ 1,119	\$ 0	\$ 0	\$ 0	\$ 0	1,119
Vehicle Insurance Coverage and Reinstatement Fees	320	0	0	0	0	320
Total Charges for Current Services	\$ 801,063	\$ 14,791	\$ 0	\$ 0	\$ 0	815,854
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,792	45,792
Lease/Rentals	22,656	0	0	0	67,637	90,293
Sale of Materials and Supplies	0	0	0	4,205	0	4,205
Commissary Sales	9,231	0	0	0	0	9,231
Miscellaneous Refunds	8,920	0	0	0	0	8,920
<u>Nonrecurring Items</u>						
Sale of Property	584	0	0	0	0	584
<u>Other Local Revenues</u>						
Other Local Revenues	2,000	0	0	0	0	2,000
Total Other Local Revenues	\$ 43,391	\$ 0	\$ 0	\$ 4,205	\$ 113,429	\$ 161,025
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 158,623	\$ 0	\$ 0	\$ 0	\$ 0	158,623
Circuit Court Clerk	13,678	0	0	0	0	13,678
General Sessions Court Clerk	108,003	0	0	0	0	108,003
Clerk and Master	50,511	0	0	0	0	50,511
Juvenile Court Clerk	3,007	0	0	0	0	3,007
Register	48,527	0	0	0	0	48,527

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Sheriff	\$ 7,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,881
Trustee	224,219	0	0	0	0	224,219
Total Fees Received From County Officials	\$ 614,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 614,449
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,823	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,823
Aging Programs	116,275	0	0	0	0	116,275
Other General Government Grants	5,000	0	0	0	0	5,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	8,400	0	0	0	0	8,400
<u>Health and Welfare Grants</u>						
Health Department Programs	115,362	0	0	0	0	115,362
<u>Public Works Grants</u>						
Bridge Program	0	0	0	295,543	0	295,543
State Aid Program	0	0	0	615,640	0	615,640
Litter Program	38,597	0	0	0	0	38,597
<u>Other State Revenues</u>						
Income Tax	30,871	0	0	0	0	30,871
Alcoholic Beverage Tax	0	39,354	0	0	0	39,354
State Revenue Sharing - T.V.A.	332,618	0	0	0	0	332,618
State Revenue Sharing - Telecommunications	19,755	0	0	0	0	19,755
Contracted Prisoner Boarding	194,025	0	0	0	0	194,025
Gasoline and Motor Fuel Tax	0	0	0	1,920,893	0	1,920,893
Petroleum Special Tax	0	0	0	10,524	0	10,524

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,164
Other State Grants	91,103	0	0	0	0	91,103
Other State Revenues	2,452	0	0	0	0	2,452
Total State of Tennessee	<u>\$ 979,445</u>	<u>\$ 39,354</u>	<u>\$ 0</u>	<u>\$ 2,842,600</u>	<u>\$ 0</u>	<u>\$ 3,861,399</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 126,203	\$ 0	\$ 0	\$ 0	\$ 0	\$ 126,203
Other Federal through State	44,143	0	0	0	0	44,143
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	1,800	0	0	0	0	1,800
Total Federal Government	<u>\$ 172,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 172,146</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 427,608	\$ 427,608
Contracted Services	3,819	0	0	3,964	0	7,783
<u>Citizens Groups</u>						
Donations	5,030	0	0	0	0	5,030
<u>Other</u>						
Other	3,191	0	0	0	0	3,191
Total Other Governments and Citizens Groups	<u>\$ 12,040</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,964</u>	<u>\$ 427,608</u>	<u>\$ 443,612</u>
Total	<u>\$ 7,415,183</u>	<u>\$ 345,130</u>	<u>\$ 31,133</u>	<u>\$ 3,257,158</u>	<u>\$ 1,940,464</u>	<u>\$ 12,989,068</u>

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,094,789	\$ 0	\$ 0	\$ 238,341	\$ 1,333,130
Discount on Property Taxes	(9,330)	0	0	(2,036)	(11,366)
Trustee's Collections - Prior Year	34,264	0	0	7,479	41,743
Trustee's Collections - Bankruptcy	91	0	0	21	112
Circuit Clerk/Clerk and Master Collections - Prior Years	36,044	0	0	8,414	44,458
Interest and Penalty	6,389	0	0	1,422	7,811
Payments in-Lieu-of Taxes - T.V.A.	46	0	0	10	56
<u>County Local Option Taxes</u>					
Local Option Sales Tax	528,845	0	0	0	528,845
Wheel Tax	43,437	0	0	95,247	138,684
Mixed Drink Tax	422	0	0	0	422
Total Local Taxes	\$ 1,734,997	\$ 0	\$ 0	\$ 348,898	\$ 2,083,895
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 590	\$ 0	\$ 0	\$ 0	\$ 590
Total Licenses and Permits	\$ 590	\$ 0	\$ 0	\$ 0	\$ 590
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 103,492	\$ 0	\$ 103,492
Lunch Payments - Adults	0	0	21,136	0	21,136
Income from Breakfast	0	0	208	0	208
A la Carte Sales	0	0	51,343	0	51,343

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Transportation - Other State Systems	\$ 16,420	\$ 0	\$ 0	\$ 0	\$ 16,420
Receipts from Individual Schools	26,727	0	0	0	26,727
Other Charges for Services	0	0	47,809	0	47,809
Total Charges for Current Services	\$ 43,147	\$ 0	\$ 223,988	\$ 0	\$ 267,135
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 33,777	\$ 0	\$ 1,757	\$ 0	\$ 35,534
Lease/Rentals	27,169	0	0	0	27,169
E-Rate Funding	12,275	0	0	0	12,275
Miscellaneous Refunds	99,224	0	6,317	0	105,541
<u>Nonrecurring Items</u>					
Sale of Equipment	15,882	0	0	0	15,882
Damages Recovered from Individuals	12,387	0	0	0	12,387
<u>Other Local Revenues</u>					
Other Local Revenues	140	0	0	0	140
Total Other Local Revenues	\$ 200,854	\$ 0	\$ 8,074	\$ 0	\$ 208,928
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 12,801,640	\$ 0	\$ 0	\$ 0	\$ 12,801,640
Early Childhood Education	315,074	0	0	0	315,074
School Food Service	0	0	9,699	0	9,699
Driver Education	21,775	0	0	0	21,775

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 253,205	\$ 0	\$ 0	\$ 0	\$ 253,205
Coordinated School Health	86,350	0	0	0	86,350
Family Resource Centers	20,134	0	0	0	20,134
Career Ladder Program	35,698	0	0	0	35,698
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	68,520	0	0	0	68,520
Safe Schools	90,982	0	0	0	90,982
Total State of Tennessee	\$ 13,743,378	\$ 0	\$ 9,699	\$ 0	\$ 13,753,077
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 616,899	\$ 0	\$ 616,899
USDA - Commodities	0	0	101,040	0	101,040
Breakfast	0	0	304,681	0	304,681
USDA - Other	0	0	14,360	0	14,360
USDA Food Service Equipment Grant	0	0	6,149	0	6,149
Vocational Education - Basic Grants to States	0	41,159	0	0	41,159
Title I Grants to Local Education Agencies	0	423,162	0	0	423,162
Special Education - Grants to States	51,740	390,895	0	0	442,635
Special Education Preschool Grants	0	14,031	0	0	14,031
English Language Acquisition Grants	0	11,101	0	0	11,101
Rural Education	0	41,313	0	0	41,313
Eisenhower Professional Development State Grants	0	61,141	0	0	61,141
Total Federal Government	\$ 51,740	\$ 982,802	\$ 1,043,129	\$ 0	\$ 2,077,671

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 83,445	\$ 0	\$ 0	\$ 0	\$ 83,445
Total Other Governments and Citizens Groups	<u>\$ 83,445</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83,445</u>
Total	<u>\$ 15,858,151</u>	<u>\$ 982,802</u>	<u>\$ 1,284,890</u>	<u>\$ 348,898</u>	<u>\$ 18,474,741</u>

Exhibit J-7

Crockett 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	\$	14,831	
Dues and Memberships		1,300	
Total County Commission			\$ 16,131

Board of Equalization

Board and Committee Members Fees	\$	130	
Total Board of Equalization			130

County Mayor/Executive

County Official/Administrative Officer	\$	83,238	
Accountants/Bookkeepers		39,931	
Purchasing Personnel		27,540	
Longevity Pay		1,350	
Contracts with Private Agencies		12,248	
Dues and Memberships		1,700	
Postal Charges		1,561	
Printing, Stationery, and Forms		1,462	
Travel		4,858	
Other Contracted Services		5,000	
Office Supplies		1,837	
Other Charges		40	
Office Equipment		5,900	
Total County Mayor/Executive			186,665

County Attorney

County Official/Administrative Officer	\$	1,188	
Total County Attorney			1,188

Election Commission

County Official/Administrative Officer	\$	64,862	
Data Processing Personnel		20,033	
Election Commission		2,450	
Election Workers		28,100	
Contracts with Private Agencies		19,313	
Data Processing Services		27,623	
Dues and Memberships		775	
Legal Notices, Recording, and Court Costs		2,672	
Maintenance and Repair Services - Equipment		1,804	
Postal Charges		1,482	
Printing, Stationery, and Forms		1,209	
Travel		3,450	
Office Supplies		1,962	
Other Charges		4,987	
Office Equipment		3,050	
Total Election Commission			183,772

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		27,112	
Longevity Pay		700	
Data Processing Services		3,604	
Dues and Memberships		641	
Operating Lease Payments		1,294	
Postal Charges		55	
Office Supplies		497	
Total Register of Deeds			\$ 105,972

County Buildings

Maintenance Personnel	\$	26,876	
Longevity Pay		50	
Communication		62,952	
Operating Lease Payments		6,000	
Maintenance and Repair Services - Buildings		67,041	
Maintenance and Repair Services - Equipment		11,922	
Maintenance and Repair Services - Vehicles		452	
Pest Control		5,310	
Custodial Supplies		13,740	
Electricity		25,163	
Gasoline		2,664	
Natural Gas		9,771	
Water and Sewer		12,569	
Building and Contents Insurance		26,621	
Building Improvements		48,848	
Total County Buildings			319,979

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		5,543	
Total Accounting and Budgeting			6,111

Property Assessor's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		32,844	
Longevity Pay		150	
Contracts with Private Agencies		16,734	
Data Processing Services		8,431	
Dues and Memberships		1,510	
Travel		2,416	
Office Supplies		2,326	
Office Equipment		1,512	
Total Property Assessor's Office			137,992

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		62,244	
Longevity Pay		2,450	
Data Processing Services		7,425	
Dues and Memberships		641	
Maintenance Agreements		3,090	
Postal Charges		2,724	
Printing, Stationery, and Forms		441	
Travel		1,123	
Other Contracted Services		828	
Office Supplies		1,011	
Total County Trustee's Office			\$ 154,046

County Clerk's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		66,395	
Longevity Pay		1,950	
Dues and Memberships		1,321	
Postal Charges		2,050	
Printing, Stationery, and Forms		392	
Travel		2,471	
Other Contracted Services		14,367	
Office Supplies		2,919	
Office Equipment		2,950	
Total County Clerk's Office			166,884

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		112,276	
Longevity Pay		750	
Jury and Witness Expense		4,525	
Data Processing Services		15,586	
Dues and Memberships		606	
Postal Charges		1,865	
Printing, Stationery, and Forms		1,243	
Other Contracted Services		180	
Office Supplies		4,647	
Total Circuit Court			213,747

General Sessions Judge

Judge(s)	\$	94,087	
Dues and Memberships		420	
Travel		1,520	
Other Contracted Services		4,825	
Total General Sessions Judge			100,852

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Assistant(s)	\$	19,520	
Supervisor/Director		29,827	
Communication		2,084	
Travel		3,295	
Drug Treatment		2,085	
Other Contracted Services		5,200	
Office Supplies		24	
Office Equipment		1,393	
Total Drug Court			\$ 63,428

Chancery Court

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		28,168	
Longevity Pay		200	
Dues and Memberships		606	
Maintenance Agreements		5,049	
Postal Charges		3,745	
Other Contracted Services		1,434	
Office Supplies		807	
Other Equipment		1,561	
Total Chancery Court			113,639

Juvenile Court

Supervisor/Director	\$	32,305	
Probation Officer(s)		19,489	
Longevity Pay		1,750	
Communication		1,692	
Data Processing Services		1,875	
Maintenance and Repair Services - Vehicles		2,386	
Travel		42	
Other Contracted Services		1,175	
Gasoline		1,857	
Office Supplies		563	
In Service/Staff Development		1,639	
Other Charges		2,606	
Office Equipment		1,298	
Total Juvenile Court			68,677

Other Administration of Justice

Other Salaries and Wages	\$	8,735	
Other Charges		400	
Total Other Administration of Justice			9,135

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,276	
Assistant(s)		46,410	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Deputy(ies)	\$	535,765	
Data Processing Personnel		32,226	
Guards		22,008	
Secretary(ies)		32,227	
Longevity Pay		4,750	
Other Salaries and Wages		66,018	
In-service Training		9,000	
Communication		26,664	
Data Processing Services		31,123	
Dues and Memberships		3,245	
Evaluation and Testing		715	
Maintenance and Repair Services - Vehicles		34,299	
Postal Charges		4,664	
Travel		10,979	
Gasoline		61,534	
Law Enforcement Supplies		9,481	
Office Supplies		9,453	
Tires and Tubes		9,738	
Uniforms		8,762	
Vehicle Parts		24,317	
Other Supplies and Materials		3,535	
In Service/Staff Development		1,200	
Other Charges		1,954	
Law Enforcement Equipment		5,575	
Motor Vehicles		92,227	
Other Equipment		11,845	
Total Sheriff's Department			\$ 1,178,990

Jail

Supervisor/Director	\$	42,532
Dispatchers/Radio Operators		144,710
Guards		278,857
Part-time Personnel		34,353
Longevity Pay		4,900
Other Salaries and Wages		73,188
Contracts with Public Carriers		1,457
Data Processing Services		507
Evaluation and Testing		1,870
Medical and Dental Services		93,695
Travel		2,473
Custodial Supplies		14,557
Drugs and Medical Supplies		39,914
Electricity		39,783
Food Supplies		138,385
Natural Gas		13,091
Uniforms		1,906
Water and Sewer		22,783

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Supplies and Materials	\$	7,660	
In Service/Staff Development		498	
Other Charges		279	
Data Processing Equipment		3,193	
Office Equipment		1,177	
Other Equipment		139	
Total Jail			\$ 961,907

Fire Prevention and Control

Medical Insurance	\$	4,497	
Contributions		56,000	
Total Fire Prevention and Control			60,497

Civil Defense

Assistant(s)	\$	12,000	
Supervisor/Director		18,354	
Communication		5,362	
Dues and Memberships		220	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		1,834	
Maintenance and Repair Services - Vehicles		1,842	
Travel		947	
Electricity		12,394	
Food Supplies		22	
Gasoline		2,947	
Uniforms		156	
Utilities		874	
Other Supplies and Materials		337	
Other Equipment		3,484	
Total Civil Defense			61,653

Rescue Squad

Contributions	\$	10,000	
Total Rescue Squad			10,000

Other Emergency Management

Other Supplies and Materials	\$	2,023	
Total Other Emergency Management			2,023

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	2,000	
Contracts with Government Agencies		6,240	
Total County Coroner/Medical Examiner			8,240

Public Health and Welfare

Local Health Center

Social Workers	\$	3,521	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Medical Personnel	\$	32,958	
Clerical Personnel		31,192	
Educational Assistants		30,132	
Longevity Pay		100	
Communication		9,914	
Travel		3,934	
Other Contracted Services		9,999	
Custodial Supplies		245	
Drugs and Medical Supplies		234	
Office Supplies		461	
Utilities		9,398	
Other Supplies and Materials		161	
Other Charges		1,183	
Total Local Health Center			\$ 133,432

Rabies and Animal Control

Supervisor/Director	\$	24,728	
Communication		925	
Travel		2,601	
Other Contracted Services		219	
Other Supplies and Materials		4,203	
Total Rabies and Animal Control			32,676

Ambulance/Emergency Medical Services

Assistant(s)	\$	43,745	
Supervisor/Director		54,811	
Medical Personnel		510,741	
Part-time Personnel		34,100	
Longevity Pay		5,350	
Other Salaries and Wages		128,524	
Communication		9,701	
Contracts with Private Agencies		63,621	
Dues and Memberships		650	
Evaluation and Testing		175	
Licenses		2,095	
Maintenance and Repair Services - Vehicles		38,268	
Postal Charges		105	
Travel		2,488	
Diesel Fuel		34,862	
Drugs and Medical Supplies		45,900	
Office Supplies		1,409	
Tires and Tubes		5,691	
Uniforms		1,252	
Other Supplies and Materials		2,417	
In Service/Staff Development		2,134	
Other Charges		52	
Other Equipment		101,560	
Total Ambulance/Emergency Medical Services			1,089,651

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Maternal and Child Health Services

Contributions	\$ 4,000	
Total Maternal and Child Health Services		\$ 4,000

Alcohol and Drug Programs

Contributions	\$ 5,165	
Total Alcohol and Drug Programs		5,165

Crippled Children Services

Contributions	\$ 1,650	
Total Crippled Children Services		1,650

Other Local Health Services

Contributions	\$ 2,000	
Other Supplies and Materials	633	
Total Other Local Health Services		2,633

Appropriation to State

Contracts with Government Agencies	\$ 40,110	
Contracts with Other Public Agencies	6,000	
Contributions	2,000	
Total Appropriation to State		48,110

Other Local Welfare Services

Other Charges	\$ 1,103	
Total Other Local Welfare Services		1,103

Waste Pickup

Other Salaries and Wages	\$ 11,252	
Travel	46	
Instructional Supplies and Materials	865	
Other Supplies and Materials	25,330	
Total Waste Pickup		37,493

Other Public Health and Welfare

Instructional Supplies and Materials	\$ 6,500	
Other Supplies and Materials	2,356	
Total Other Public Health and Welfare		8,856

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$ 20,034
Supervisor/Director	38,824
Social Workers	22,375
Medical Personnel	27,222
Bus Drivers	18,907
Clerical Personnel	14,518
Educational Assistants	22,889

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Cafeteria Personnel	\$	14,726	
Maintenance Personnel		9,211	
Temporary Personnel		2,319	
Part-time Personnel		9,220	
Longevity Pay		1,800	
Audit Services		1,900	
Communication		7,265	
Data Processing Services		276	
Dues and Memberships		125	
Licenses		2,010	
Maintenance and Repair Services - Buildings		435	
Maintenance and Repair Services - Vehicles		1,028	
Postal Charges		1,235	
Travel		3,042	
Other Contracted Services		9,180	
Custodial Supplies		1,947	
Food Supplies		3,855	
Gasoline		5,416	
Instructional Supplies and Materials		1,859	
Office Supplies		1,237	
Utilities		8,342	
Other Supplies and Materials		258	
In Service/Staff Development		1,032	
Other Charges		477	
Office Equipment		2,380	
Total Adult Activities			\$ 255,344

Libraries

Librarians	\$	29,255	
Longevity Pay		700	
Other Salaries and Wages		59,452	
Communication		2,079	
Maintenance and Repair Services - Buildings		475	
Travel		737	
Other Contracted Services		2,265	
Data Processing Supplies		559	
Library Books/Media		11,489	
Office Supplies		1,841	
Utilities		8,617	
Other Charges		1,496	
Data Processing Equipment		1,646	
Office Equipment		4,393	
Total Libraries			125,004

Parks and Fair Boards

Contributions	\$	3,000	
Other Contracted Services		2,400	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Electricity	\$	2,653	
Other Charges		824	
Total Parks and Fair Boards			\$ 8,877

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	14,709	
Assistant(s)		14,683	
Supervisor/Director		13,522	
Clerical Personnel		9,667	
Other Fringe Benefits		9,395	
Communication		5,630	
Dues and Memberships		325	
Travel		758	
Office Supplies		2,674	
Maintenance Equipment		2,878	
Total Agricultural Extension Service			74,241

Soil Conservation

Supervisor/Director	\$	36,897	
Secretary(ies)		27,814	
Longevity Pay		2,300	
Other Salaries and Wages		31,034	
Other Charges		5,000	
Total Soil Conservation			103,045

Flood Control

Dues and Memberships	\$	10,717	
Total Flood Control			10,717

Other Operations

Veterans' Services

Supervisor/Director	\$	26,520	
Contracts with Private Agencies		849	
Postal Charges		200	
Travel		2,454	
Office Supplies		596	
Other Charges		4,805	
Total Veterans' Services			35,424

Other Charges

Liability Insurance	\$	55,634	
Trustee's Commission		105,188	
Vehicle and Equipment Insurance		38,598	
Workers' Compensation Insurance		83,019	
Total Other Charges			282,439

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 47,300	
Total Contributions to Other Agencies		\$ 47,300

Employee Benefits

Social Security	\$ 297,433	
Pensions	222,860	
Employee and Dependent Insurance	8,933	
Medical Insurance	189,760	
Unemployment Compensation	3,721	
Total Employee Benefits		722,707

Miscellaneous

Contracts with Government Agencies	\$ 9,250	
Evaluation and Testing	13,225	
Legal Notices, Recording, and Court Costs	4,429	
Pauper Burials	250	
Postal Charges	44	
Other Contracted Services	5,397	
Instructional Supplies and Materials	8,059	
Office Supplies	3,024	
Other Supplies and Materials	2,414	
Premiums on Corporate Surety Bonds	9,273	
Other Charges	16,916	
Total Miscellaneous		72,281

Principal on Debt

General Government

Principal on Capital Leases	\$ 112,207	
Total General Government		112,207

Interest on Debt

General Government

Interest on Capital Leases	\$ 7,002	
Total General Government		7,002

Total General Fund \$ 7,353,015

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 7,967	
Attendants	44,199	
Social Security	3,381	
Communication	1,577	
Contracts with Private Agencies	204,131	
Maintenance and Repair Services - Vehicles	80	
Gasoline	2,974	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Utilities	\$	7,201	
Trustee's Commission		3,505	
Other Charges		6,185	
Total Convenience Centers			\$ 281,200

Total Solid Waste/Sanitation Fund \$ 281,200

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	500	
Law Enforcement Supplies		14,948	
Other Supplies and Materials		3,333	
Trustee's Commission		27	
Total Drug Enforcement			\$ 18,808

Total Drug Control Fund 18,808

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	79,276	
Accountants/Bookkeepers		71,977	
Board and Committee Members Fees		14,220	
Communication		2,941	
Data Processing Services		11,279	
Dues and Memberships		3,757	
Legal Notices, Recording, and Court Costs		1,269	
Maintenance and Repair Services - Buildings		3,994	
Maintenance and Repair Services - Office Equipment		118	
Postal Charges		496	
Printing, Stationery, and Forms		235	
Travel		4,019	
Custodial Supplies		942	
Data Processing Supplies		108	
Drugs and Medical Supplies		718	
Electricity		5,354	
Natural Gas		604	
Office Supplies		394	
Water and Sewer		1,705	
Other Charges		5,510	
Total Administration			\$ 208,916

Highway and Bridge Maintenance

Foremen	\$	79,363	
Equipment Operators		235,326	
Truck Drivers		45,980	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Laborers	\$	117,440	
Engineering Services		39,954	
Other Contracted Services		14,482	
Asphalt - Hot Mix		28,618	
Asphalt - Liquid		115,858	
Crushed Stone		157,145	
Fertilizer, Lime, and Seed		1,250	
Pipe		75,039	
Road Signs		6,574	
Wood Products		76,582	
Other Supplies and Materials		2,021	
Total Highway and Bridge Maintenance			\$ 995,632

Operation and Maintenance of Equipment

Mechanic(s)	\$	35,970	
Laborers		62,637	
Laundry Service		3,266	
Maintenance and Repair Services - Equipment		27,941	
Diesel Fuel		98,578	
Equipment and Machinery Parts		36,667	
Garage Supplies		3,020	
Gasoline		16,779	
Lubricants		5,980	
Propane Gas		56	
Small Tools		1,010	
Tires and Tubes		42,990	
Other Supplies and Materials		131	
Total Operation and Maintenance of Equipment			335,025

Other Charges

Trustee's Commission	\$	23,341	
Vehicle and Equipment Insurance		43,941	
Workers' Compensation Insurance		59,393	
Other Charges		150	
Total Other Charges			126,825

Employee Benefits

Social Security	\$	46,016	
Pensions		41,158	
Employee and Dependent Insurance		134,264	
Unemployment Compensation		5,032	
Employer Medicare		10,762	
Total Employee Benefits			237,232

Capital Outlay

Bridge Construction	\$	335,697	
Building Construction		13,665	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Highway Equipment	\$	27,870	
Motor Vehicles		58,893	
Office Equipment		2,177	
State Aid Projects		630,060	
Total Capital Outlay			\$ 1,068,362

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	192,780	
Total Highways and Streets			192,780

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	2,515	
Total Highways and Streets			2,515

Total Highway/Public Works Fund \$ 3,167,287

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	102,828	
Principal on Notes		197,499	
Total General Government			\$ 300,327

Education

Principal on Bonds	\$	1,000,000	
Principal on Notes		10,030	
Principal on Capital Leases		60,398	
Principal on Other Loans		200,004	
Total Education			1,270,432

Interest on Debt

General Government

Interest on Bonds	\$	29,390	
Interest on Notes		12,553	
Total General Government			41,943

Education

Interest on Bonds	\$	292,386	
Interest on Notes		2,197	
Interest on Capital Leases		4,728	
Total Education			299,311

Other Debt Service

General Government

Trustee's Commission	\$	17,684	
Total General Government			17,684

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Fiscal Agent Charges	\$	500	
Other Debt Service		<u>250</u>	
Total Education			<u>\$ 750</u>
Total General Debt Service Fund			<u>\$ 1,930,447</u>
Total Governmental Funds - Primary Government			<u><u>\$ 12,750,757</u></u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 4,883,035	
Career Ladder Program	21,550	
Homebound Teachers	1,725	
Educational Assistants	90,793	
Other Salaries and Wages	42,003	
Certified Substitute Teachers	39,546	
Non-certified Substitute Teachers	94,461	
Social Security	285,134	
Pensions	477,075	
Medical Insurance	637,647	
Unemployment Compensation	12,081	
Employer Medicare	68,448	
Other Contracted Services	22,964	
Instructional Supplies and Materials	149,219	
Textbooks - Bound	166,129	
Other Charges	1,454	
Regular Instruction Equipment	50,727	
Total Regular Instruction Program		\$ 7,043,991

Alternative Instruction Program

Teachers	\$ 43,716	
Educational Assistants	78,807	
Social Security	7,110	
Pensions	9,750	
Medical Insurance	11,567	
Employer Medicare	1,663	
Total Alternative Instruction Program		152,613

Special Education Program

Teachers	\$ 285,374	
Educational Assistants	102,940	
Social Security	22,235	
Pensions	34,111	
Medical Insurance	32,076	
Employer Medicare	5,200	
Instructional Supplies and Materials	4,800	
Other Supplies and Materials	10,560	
Special Education Equipment	34,554	
Total Special Education Program		531,850

Career and Technical Education Program

Teachers	\$ 655,323	
Career Ladder Program	1,000	
Clerical Personnel	26,068	
Social Security	38,540	
Pensions	67,772	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	70,327	
Employer Medicare		9,013	
Maintenance and Repair Services - Equipment		1,490	
Instructional Supplies and Materials		17,560	
Other Supplies and Materials		2,001	
Total Career and Technical Education Program			\$ 889,094

Support Services

Attendance

Supervisor/Director	\$	30,038	
Social Security		1,689	
Pensions		3,142	
Medical Insurance		6,049	
Employer Medicare		395	
Data Processing Services		5,870	
Travel		884	
In Service/Staff Development		1,435	
Total Attendance			49,502

Health Services

Supervisor/Director	\$	41,416	
Medical Personnel		47,731	
Other Salaries and Wages		20,893	
Social Security		6,245	
Pensions		10,235	
Medical Insurance		10,641	
Employer Medicare		1,461	
Travel		3,386	
Other Supplies and Materials		11,230	
Other Charges		5,230	
Total Health Services			158,468

Other Student Support

Guidance Personnel	\$	208,863	
Guards		2,300	
Secretary(ies)		21,540	
Other Salaries and Wages		86,418	
Social Security		18,336	
Pensions		28,110	
Medical Insurance		19,405	
Employer Medicare		4,322	
Evaluation and Testing		16,334	
Travel		2,876	
Other Contracted Services		5,238	
Other Supplies and Materials		1,077	
Other Charges		2,546	
Total Other Student Support			417,365

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	79,080	
Librarians		108,700	
Social Security		10,215	
Pensions		19,652	
Medical Insurance		31,877	
Employer Medicare		2,389	
Travel		5,919	
Library Books/Media		28,121	
In Service/Staff Development		38,514	
Total Regular Instruction Program			\$ 324,467

Special Education Program

Supervisor/Director	\$	68,515	
Social Security		3,786	
Pensions		7,167	
Medical Insurance		7,890	
Employer Medicare		886	
Communication		781	
Postal Charges		38	
Travel		1,869	
Other Contracted Services		57,882	
Other Supplies and Materials		2,868	
In Service/Staff Development		5,364	
Other Charges		2,393	
Total Special Education Program			159,439

Technology

Supervisor/Director	\$	54,167	
Other Salaries and Wages		46,246	
Social Security		6,098	
Pensions		5,687	
Medical Insurance		4,518	
Employer Medicare		1,426	
Communication		1,575	
Maintenance and Repair Services - Equipment		27,382	
Internet Connectivity		84,129	
Travel		5,320	
Software		85,304	
Regular Instruction Equipment		94,652	
Total Technology			416,504

Board of Education

Board and Committee Members Fees	\$	5,500	
Social Security		341	
Employer Medicare		80	
Audit Services		10,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Dues and Memberships	\$	11,248	
Travel		2,554	
Other Contracted Services		112	
Liability Insurance		17,010	
Premiums on Corporate Surety Bonds		223	
Trustee's Commission		50,145	
Workers' Compensation Insurance		126,136	
Refund to Applicant for Criminal Investigation		2,858	
Other Charges		64,721	
Total Board of Education			\$ 290,928

Director of Schools

County Official/Administrative Officer	\$	114,450	
Career Ladder Program		1,000	
Secretary(ies)		38,042	
Bonus Payments		3,750	
Social Security		9,009	
Pensions		14,968	
Medical Insurance		20,829	
Employer Medicare		2,107	
Communication		9,511	
Postal Charges		2,618	
Travel		3,902	
Other Contracted Services		8,512	
In Service/Staff Development		456	
Other Charges		125	
Total Director of Schools			229,279

Office of the Principal

Principals	\$	346,730	
Career Ladder Program		4,000	
Accountants/Bookkeepers		31,692	
Assistant Principals		310,797	
Secretary(ies)		103,128	
Bonus Payments		7,650	
Social Security		43,371	
Pensions		74,683	
Medical Insurance		91,936	
Employer Medicare		10,702	
Communication		15,104	
Dues and Memberships		1,664	
Postal Charges		3,475	
Travel		2,935	
Other Contracted Services		51,936	
Office Supplies		4,864	
Total Office of the Principal			1,104,667

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	68,535	
Clerical Personnel		56,309	
Social Security		5,580	
Pensions		6,597	
Medical Insurance		11,466	
Employer Medicare		1,645	
Data Processing Services		24,328	
Travel		1,052	
Office Supplies		3,843	
In Service/Staff Development		440	
Administration Equipment		4,768	
Total Fiscal Services			\$ 184,563

Operation of Plant

Custodial Personnel	\$	268,195	
Social Security		14,763	
Pensions		15,910	
Medical Insurance		56,464	
Employer Medicare		3,453	
Other Contracted Services		52,034	
Electricity		325,218	
Natural Gas		106,310	
Water and Sewer		39,868	
Other Supplies and Materials		55,039	
Boiler Insurance		5,443	
Building and Contents Insurance		95,759	
Other Charges		4,881	
Plant Operation Equipment		4,500	
Total Operation of Plant			1,047,837

Maintenance of Plant

Maintenance Personnel	\$	166,740	
Social Security		8,969	
Pensions		10,156	
Medical Insurance		33,265	
Employer Medicare		2,098	
Communication		4,442	
Maintenance and Repair Services - Buildings		101,120	
Maintenance and Repair Services - Equipment		146,527	
Maintenance and Repair Services - Vehicles		9,096	
Travel		3,615	
Other Supplies and Materials		27,376	
Other Charges		112,820	
Maintenance Equipment		26,018	
Total Maintenance of Plant			652,242

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	109,000	
Mechanic(s)		35,339	
Bus Drivers		207,352	
Other Salaries and Wages		32,947	
Social Security		23,132	
Pensions		23,126	
Medical Insurance		18,078	
Employer Medicare		5,213	
Communication		703	
Maintenance and Repair Services - Vehicles		19,110	
Medical and Dental Services		3,934	
Travel		1,873	
Diesel Fuel		84,945	
Gasoline		15,569	
Lubricants		102	
Tires and Tubes		3,947	
Vehicle Parts		5,800	
Other Supplies and Materials		5,732	
Vehicle and Equipment Insurance		30,616	
Other Charges		19,197	
Transportation Equipment		235,820	
Total Transportation			\$ 881,535

Operation of Non-Instructional Services

Community Services

Teachers	\$	75,838	
Educational Assistants		49,371	
Other Salaries and Wages		46,999	
Social Security		9,449	
Pensions		14,205	
Employer Medicare		2,433	
Travel		1,860	
Instructional Supplies and Materials		3,777	
Other Supplies and Materials		12,242	
In Service/Staff Development		757	
Total Community Services			216,931

Early Childhood Education

Supervisor/Director	\$	31,538	
Teachers		121,302	
Educational Assistants		55,733	
Social Security		10,925	
Pensions		19,094	
Medical Insurance		42,585	
Employer Medicare		2,555	
Communication		730	

(Continued)

Exhibit J-8

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Early Childhood Education (Cont.)</u>		
Travel	\$ 252	
Instructional Supplies and Materials	11,351	
Other Supplies and Materials	8,340	
In Service/Staff Development	1,318	
Regular Instruction Equipment	7,896	
Total Early Childhood Education		\$ 313,619
<u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Other Capital Outlay	\$ 4,575	
Total Regular Capital Outlay		4,575
<u>Other Debt Service</u>		
<u>Education</u>		
Debt Service Contribution to Primary Government	\$ 427,608	
Total Education		<u>427,608</u>
Total General Purpose School Fund		\$ 15,497,077
<u>School Federal Projects Fund</u>		
<u>Instruction</u>		
<u>Regular Instruction Program</u>		
Teachers	\$ 231,622	
Educational Assistants	55,516	
Other Salaries and Wages	5,688	
Social Security	16,319	
Pensions	26,901	
Medical Insurance	34,764	
Employer Medicare	3,817	
Instructional Supplies and Materials	58,153	
Other Supplies and Materials	7,927	
Regular Instruction Equipment	16,446	
Total Regular Instruction Program		\$ 457,153
<u>Special Education Program</u>		
Teachers	\$ 246,875	
Educational Assistants	49,343	
Social Security	16,250	
Pensions	23,659	
Medical Insurance	46,968	
Employer Medicare	3,800	
Instructional Supplies and Materials	25,200	
Other Supplies and Materials	1,307	
Special Education Equipment	770	
Total Special Education Program		414,172

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Instructional Supplies and Materials	\$	4,438	
Vocational Instruction Equipment		23,461	
Total Career and Technical Education Program			\$ 27,899

Support Services

Other Student Support

Travel	\$	5,008	
Other Supplies and Materials		108	
In Service/Staff Development		6,766	
Total Other Student Support			11,882

Regular Instruction Program

Supervisor/Director	\$	31,538	
Other Salaries and Wages		7,600	
Social Security		1,903	
Pensions		3,299	
Medical Insurance		2,079	
Employer Medicare		445	
Travel		131	
Other Contracted Services		33,850	
In Service/Staff Development		28,787	
Total Regular Instruction Program			109,632

Special Education Program

Other Supplies and Materials	\$	1,156	
In Service/Staff Development		3,474	
Total Special Education Program			4,630

Career and Technical Education Program

Travel	\$	1,619	
Total Career and Technical Education Program			1,619

Transportation

Bus Drivers	\$	3,600	
Other Salaries and Wages		3,600	
Social Security		446	
Pensions		469	
Unemployment Compensation		200	
Employer Medicare		104	
Total Transportation			8,419

Total School Federal Projects Fund \$ 1,035,406

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	50,330	
Accountants/Bookkeepers		30,914	
Cafeteria Personnel		375,742	
Other Salaries and Wages		7,052	
Social Security		25,382	
Pensions		26,131	
Medical Insurance		94,438	
Employer Medicare		5,936	
Communication		1,252	
Maintenance and Repair Services - Equipment		7,103	
Postal Charges		188	
Travel		1,088	
Other Contracted Services		23,168	
Food Supplies		465,290	
Office Supplies		983	
USDA - Commodities		101,040	
Other Supplies and Materials		35,893	
Trustee's Commission		17	
In Service/Staff Development		2,469	
Other Charges		3,891	
Food Service Equipment		8,792	
Total Food Service			\$ 1,267,099

Total Central Cafeteria Fund \$ 1,267,099

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	5,984	
Total Board of Education			\$ 5,984

Total School Transportation Fund 5,984

Total Governmental Funds - Crockett County School Department \$ 17,805,566

Exhibit J-9

Crockett County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund	City School ADA - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 302,122	\$ 198,990	\$ 501,112
Discount on Property Taxes	0	(2,579)	(1,698)	(4,277)
Trustee's Collections - Prior Years	0	9,844	6,483	16,327
Trustee's Collections - Bankruptcy	0	19	13	32
Circuit/Clerk and Master Collections - Prior Years	0	10,604	6,989	17,593
Interest and Penalty	0	1,752	1,154	2,906
Payments in-Lieu-of Taxes - T.V.A.	0	13	8	21
Local Option Sales Tax	525,830	144,107	94,915	764,852
Wheel Tax	0	12,129	7,933	20,062
Mixed Drink Tax	0	120	79	199
Marriage Licenses	0	166	108	274
Total Cash Receipts	\$ 525,830	\$ 478,297	\$ 314,974	\$ 1,319,101
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 520,572	\$ 470,007	\$ 309,567	\$ 1,300,146
Trustee's Commission	5,258	7,941	5,230	18,429
Total Cash Disbursements	\$ 525,830	\$ 477,948	\$ 314,797	\$ 1,318,575
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 349	\$ 177	\$ 526
Cash Balance, July 1, 2018	0	1,244	872	2,116
Cash Balance, June 30, 2019	\$ 0	\$ 1,593	\$ 1,049	\$ 2,642

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

Crockett County Mayor and
Board of County Commissioners
Crockett 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 Crockett County, Tennessee, as of and for the year ended June 30, 2019, the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 28, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2019-001(A) and 2019-004(A, B, D).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett 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(B,C), 2019-002, 2019-003, 2019-004(C), and 2019-005.

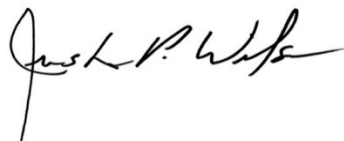
Crockett County's Responses to the Findings

Crockett County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Crockett 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crockett County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2020

JPW/kp



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Crockett 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 Crockett 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 Crockett 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 Crockett 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.

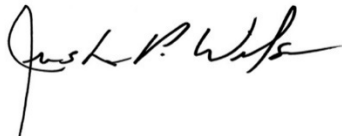
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 Crockett County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements. We issued our report thereon dated January 28, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2020

JPW/kp

Crockett County, Tennessee, and the Crockett 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:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 101,040 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	304,681
National School Lunch Program	10.555	N/A	631,259 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	6,149
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	19,582
Total U.S. Department of Agriculture			<u>\$ 1,062,711</u>
U.S. Department of Defense:			
Passed through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 42,692
Total U. S. Department of Defense			<u>\$ 42,692</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 9,823
Total U.S. Department of Justice			<u>\$ 9,823</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	\$ 1,351
Total Institute of Museum and Library Services			<u>\$ 1,351</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 450,078
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	464,933
Special Education - Preschool Grants	84.173	N/A	14,031
Career and Technical Education - Basic Grants to States	84.048	N/A	41,291
Rural Education	84.358	N/A	42,531
English Language Acquisition State Grants	84.365	N/A	11,552
Supporting Effective Instruction State Grant	84.367	N/A	62,730
Total U.S. Department of Education			<u>\$ 1,087,146</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Aging Cluster: (3)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 109,077
Passed-through State Department of Health:			
Family Planning Services	93.217	(4)	7,977
HIV Prevention Activities - Health Department Based	93.940	(4)	1,689
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	(4)	279
Maternal and Child Health Services Block Grant to the States	93.994	(4)	13,265
Total U.S. Department of Health and Human Services			<u>\$ 132,287</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 34,000
Assistance to Firefighters Grant	97.044	(4)	86,693
Homeland Security Grant	97.067	(4)	5,510
Total U.S. Department of Homeland Security			<u>\$ 126,203</u>
Total Federal Awards			<u>\$ 2,462,213</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(4)	\$ 7,198
Three Star Grant - State Department of Economic and Community Development	N/A	(4)	5,000
Litter Grant - State Department of Transportation	N/A	(4)	38,597
Convenience Center Grant - State Department of Environment and Conservation	N/A	(4)	38,238
Local Health Services - State Department of Health	N/A	(4)	115,362
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(4)	52,865
Early Childhood Education - State Department of Education	N/A	(4)	315,074
Lottery for Education: After School Programs - State Department of Education	N/A	(4)	88,824
Coordinated School Health - State Department of Education	N/A	(4)	86,350
Family Resource Center - State Department of Education	N/A	(4)	20,134
Crockett Academy - State Department of Children's Services	N/A	(4)	68,520
Safe Schools - State Department of Education	N/A	(4)	90,982
Read to be Ready - State Department of Education	N/A	(4)	51,424
Healthy Students, Stronger Learners - State Department of Education	N/A	(4)	<u>12,314</u>
Total State Grants			<u>\$ 990,882</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) Crockett County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$1,036,980; Special Education Cluster total \$478,964; Aging Cluster total \$109,077.
- (4) Information not available.
- (5) Total for CFDA No. 10.555 is \$732,299.
- (6) During the year ended June 30, 2019, Crockett County received excess military equipment from the U.S. Department of Military valued at \$42,692.

Crockett 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 Crockett 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
<u>OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS</u>					
2018	170	2018-001	Lease-Purchase Agreements were not Issued in Compliance with State Statutes	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2018	171	2018-002	The Office had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan
2018	172	2018-003	Funds were Transferred from the General Purpose School Fund to the School Federal Projects Fund without County Commission and Board of Education Approval	N/A	Not Corrected - See Explanation on Corrective Action Plan
2018	173	2018-004	A Former Director of Technology is Currently being Investigated	N/A	Corrected
<u>OFFICE OF ASSESSOR OF PROPERTY</u>					
2018	173	2018-005	New Owners of Use Value Properties were not Required to File a New Application for Agricultural Property, Forest Property, or Designated Open Space Usage	N/A	Corrected
<u>OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK</u>					
2018	174	2018-006	Unclaimed Funds were not Reported and Paid to the State	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

CROCKETT 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 Crockett 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 Program:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2019-001 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. and C. – Noncompliance Under *Government Auditing Standards*)

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

- A. Several budget amendments were posted in the General Purpose School Fund that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.

- B. Expenditures exceeded appropriations approved by the county commission in one of 22 major appropriation categories (the legal level of control) of the General Purpose School Fund, in one of eight major appropriation categories of the School Federal Project Fund, and in one of two major appropriation categories of the School Transportation Fund as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Instruction - Special Education Program	\$ 11,740
School Federal Projects:	
Instruction - Career and Technical Education Program	642
School Transportation:	
Other Financing Uses - Transfers Out	6,151

- C. Salaries exceeded appropriations in 13 of 54 salary line-items of the General Purpose School Fund by amounts ranging from \$250 to \$14,546. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – SCHOOL DEPARTMENT’S BUSINESS MANAGER

The school department concurs with the finding. The school department will work toward having approval from the board of education and the county commission before budget amendments are posted to the accounting records.

FINDING 2019-002

FUNDS WERE TRANSFERRED FROM THE GENERAL PURPOSE SCHOOL FUND TO THE SCHOOL FEDERAL PROJECTS FUND WITHOUT COUNTY COMMISSION AND BOARD OF EDUCATION APPROVAL
(Noncompliance Under *Government Auditing Standards*)

During the year, the General Purpose School Fund paid expenses on behalf of the School Federal Projects Fund totaling \$56,450 to provide funding for the 2018-19 budget year. These payments were in effect transfers to the School Federal Projects Fund that did not have the approval of the county commission and the board of education. Section 5-9-401, *Tennessee Code Annotated*, provides that “All funds from whatever source derived, including, but not limited to, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” The School Federal Projects Fund reimbursed the \$56,450 to the General Purpose School Fund prior to year-end. This deficiency exists because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

RECOMMENDATION

All school department transfers between funds should be approved by the county commission and the board of education. The board of education can approve a permanent transfer for cash flow in the School Federal Projects Fund as provided by guidance from the state Department of Education.

MANAGEMENT'S RESPONSE – SCHOOL DEPARTMENT'S BUSINESS MANAGER

The school department concurs with the finding. The school department will work toward having approval from the board of education and the county commission before transferring money between funds. We have made an approved transfer of funds from the General Purpose School Fund to the School Federal Projects Fund to act as a cushion in the event funds are not received in a timely manner from the state.

OFFICE OF CIRCUIT, GENERAL SESSIONS AND JUVENILE COURTS CLERK

FINDING 2019-003

UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE

(Noncompliance Under *Government Auditing Standards*)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling \$7,848. At June 30, 2019, Circuit Court had 179 outstanding checks totaling \$4,439, and General Sessions Court had 85 outstanding checks totaling \$3,409 that were issued between June 1, 2010 and June 30, 2018. The Unclaimed Property Act, Section 66-29-101, et seq., *Tennessee Code Annotated*, provides that any funds held by the office for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

The office should report and pay to the state unclaimed funds held for more than one year as required by state statute.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with the audit finding and will make every effort to correct the deficiency.

FINDING 2019-004

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies can be attributed to a lack of understanding of internal controls, generally accepting accounting principles, state statutes, and sound business practices.

- A. Duties were not segregated adequately among employees in the Office of Circuit, General Sessions, and Juvenile Courts Clerk. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give 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 increase the risks of unauthorized transactions.
- B. Bank statements for General Sessions Court were not reconciled with the general ledger monthly. When auditors arrived in February 2019 to begin the audit, bank statements for the office checking accounts had not been reconciled with the general ledger since July 2018. The bookkeeper reconciled bank statements for July 2018 through January 2019 after auditors requested the reconciliations in February 2019. Additionally, bank statements for April 2019 through June 2019 were not reconciled until August 2019. Sound business practices require the monthly reconciliation of bank statements with general ledger accounts to ensure all collections and disbursements are recorded in the accounting records accurately. The failure to reconcile bank statements with the general ledger monthly allows errors to remain undiscovered and uncorrected.
- C. Some funds were not deposited to the office bank accounts within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of receiving the funds. The delay in depositing the funds increases the risks of fraud and misappropriation.
- D. The office did not deposit collections intact, which means funds collected during a specific time period were not deposited together. Sound business practices dictate that collections be deposited intact to enhance internal controls.

RECOMMENDATION

The official should segregate duties to the extent possible using available resources. Bank statements should be reconciled accurately with the general ledger monthly, and any errors discovered should be corrected promptly. All funds should be deposited intact to the office bank accounts within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with the audit finding and will make every effort to correct the deficiencies.

FINDING 2019-005

**A CASH SHORTAGE OF \$35,534 EXISTED IN THE
OFFICE OF GENERAL SESSIONS COURT CLERK AT
JUNE 30, 2019**

(Noncompliance Under *Government Auditing Standards*)

An investigation by the Comptroller's Division of Investigations resulted in a cash shortage of \$35,534 in the Office of General Sessions Court Clerk at June 30, 2019. The investigation also reported findings related to various accounting deficiencies of the office. Details of the findings and recommendations related to the investigation can be found in a report dated January 27, 2020, at www.comptroller.tn.gov.

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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS

2019-001	The Office had Deficiencies in Budget Operations	182
2019-002	Funds were Transferred from the General Purpose School Fund to the School Federal Projects Fund without County Commission and Board of Education Approval	183

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2019-003	Unclaimed Funds were not Reported and Paid to the State	184
2019-004	The Office had Accounting Deficiencies	185



Crockett County Schools

102 North Cavalier Drive
Alamo, Tennessee 38001
731-696-2604 Phone / 731-696-4734 Fax
www.crockettcavs.net

DIRECTOR OF SCHOOLS
Phillip A. Pratt

ASSISTANT DIRECTOR
Jared Foust

Corrective Action Plan

FINDING: **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Deniece Caldwell, Business Manager

Person Responsible for Implementing the Corrective Action:
Deniece Caldwell, Business Manager

Anticipated Completion Date of Corrective Action:
Date: October 03, 2019

Repeat Finding:
yes

Planned Corrective Action:

A and B. Crockett County School District will not enter budget amendments into the General Ledger until after approvals have been made by the School Board and County Commission.

Signature: Deniece Caldwell

"Commitment To Excellence"



Crockett County Schools

102 North Cavalier Drive
Alamo, Tennessee 38001
731-696-2604 Phone / 731-696-4734 Fax
www.crockettcavs.net

DIRECTOR OF SCHOOLS
Phillip A. Pratt

ASSISTANT DIRECTOR
Jared Foust

Corrective Action Plan

FINDING: FUNDS WERE TRANSFERRED FROM THE GENERAL PURPOSE SCHOOL FUND TO THE SCHOOL FEDERAL PROJECTS FUND WITHOUT COUNTY COMMISSION AND BOARD OF EDUCATION APPROVAL
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Deniece Caldwell, Business Manager

Person Responsible for Implementing the Corrective Action:
Deniece Caldwell, Business Manager

Anticipated Completion Date of Corrective Action:
Date: October 03, 2019

Repeat Finding:
yes

Planned Corrective Action:

Crockett County School Department will not issue payments between funds until after School Board approval, County Commission approval and budget amendment has been made in the General Ledger.

Signature: Deniece Caldwell

Circuit Judge
Clayton Peoples

General Session Judge
Paul B. Conley, III

District Attorney
Gary Brown

KIM KAIL
Circuit & General Sessions Clerk
1 South Bells St., Suite 6
Alamo, TN 38001

Office Phone:
731-898-5462

Fax:
731-898-2805

Corrective Action Plan

FINDING: UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE

Response and Corrective Action Plan Prepared by:
Kim Kail, Circuit & General Sessions Courts Clerk

Person Responsible for Implementing the Corrective Action:
Kim Kail, Circuit & General Sessions Courts Clerk

Anticipated Completion Date of Corrective Action:
May 2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Corrective action was taken during the last year. Some of the old checks that appeared on last year's outstanding checks list have already been set up to be turned over to the Department of Revenue as unclaimed property. My plan is to make sure that all outstanding checks that are more than one year old are turned over to the Department of Revenue within the next accounting year.

Planned Corrective Action:
The referenced unclaimed funds were old outstanding checks. Due to the time-consuming nature of turning over unclaimed property, the office was unable to identify the outstanding checks in both Circuit and General Sessions Courts and the process of converting those funds to the Tennessee Department of Revenue as unclaimed property is underway. Some of the funds have already been processed with others being completed as time allows. Currently unclaimed funds are on hold and set to be distributed to the Department of Revenue in May of 2020. Each individual outstanding check must be voided and then those funds transferred into the proper format to be submitted as unclaimed property. All outstanding checks more than one year old will be set up to be transferred to the Department of Revenue as unclaimed property. My current book keeper has been working closely with our software vendor for assistance in preparing these old outstanding checks to be turned over as unclaimed property.

FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Kim Kail, Circuit & General Sessions Courts Clerk

Person Responsible for Implementing the Corrective Action:
Kim Kail, Circuit & General Sessions Courts Clerk

Anticipated Completion Date of Corrective Action:
January 2020

Repeat Finding:
No

Planned Corrective Action:

Up until June 26, 2019 I was not aware that there were any accounting deficiencies in the Circuit Clerk's Office. It was brought to my attention by my new bookkeeper that there were errors in our bookkeeping, previously handled by a former employee. Beginning July 1, 2019 new procedures were implemented in the Circuit Clerk's Office regarding daily close-outs, voiding receipts and preparing deposits for the bank. In addition, I have become more involved in personally looking at and comparing pre-deposit reports, the bank deposits and the bank statements. Once each Deputy Clerk counts down their cash drawers for the day, the funds are given to the bookkeeper who compares their amounts to the amounts on our daily receipting reports and pre-deposit reports and makes sure the funds balance. Once the book keeper is satisfied that the daily receipts and collections are correct it is turned over to another deputy clerk who counts the funds again and compares the amount to the printed accounting report. She then fills out the daily deposit for the bank. Once the deposit is taken to the bank I then compare the bank's deposit receipt to the deposit report to make sure that the amount that we collected for that day made it to the bank correctly. Since July 1, 2019 there have been no accounting deficiencies in the Circuit Clerk's Office.

Signature:  _____

BEST PRACTICE

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

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

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

Crockett County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.