

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



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2019

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

LAUDERDALE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Ambulance Service Fund had a cash overdraft of \$4,536 at June 30, 2019.
-

OFFICES OF COUNTY MAYOR AND SHERIFF

- ◆ Deficiencies were noted in the accrual and payment of annual, compensatory, and sick leave.
-

OFFICE OF HIGHWAY COMMISSIONER

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in the administration of payroll.
 - ◆ The office had deficiencies in budget operations.
 - ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
 - ◆ General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and Central Cafeteria funds.
-

OFFICE OF GENERAL SESSIONS COURT CLERK

- ◆ A cash shortage of \$1,012 existed in the Office of General Sessions Court Clerk at June 30, 2019.

INTRODUCTORY SECTION

Lauderdale County Officials

June 30, 2019

Officials

Maurice Gaines, County Mayor
Derek Kissell, Highway Commissioner
Shawn Kimble, Director of Schools
Judy Conrad, Trustee
Renate Jennings, Assessor of Property
Linda Summar, County Clerk
Richard Jennings, Circuit and General Sessions Courts Clerk
Sandra Burnham, Clerk and Master
Greg Summar, Register of Deeds
Steve Sanders, Sheriff

Board of County Commissioners

Maurice Gaines, County Mayor, Chairman	Dennis King
Lawrence Andrews	Jay King
Mark Bentley	Dale McCaslin
Barry Britt	Terry Mills
Joe Carmack	Eugene Pugh
Jason Chrestman	Joe Pursell
Don Connell	Todd Rankin
Tommy Dunavant	Tommy Sanders
Gene Edwards	Lynnwood Shoemake
Jesse Edwards	Lowell Tillman, Jr.
Sandra Hughes	Debora Tyus
James Jones	Dan Ungerecht
Kaye Jordon	

Board of Education

Roy Harkness, Sr., Chairmain	Wade Hendren
Eva Drain	Melinda Hutcherson
Bob Ennis	Linda Jennings
Robert Harris	Austin Thompson, Jr.

Audit Committee

Phillip Jackson, Chairman
Tim Herndon
Eugene Pugh

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Lauderdale County Mayor and
Board of County Commissioners
Lauderdale 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lauderdale County Ambulance Authority (a nonmajor special revenue fund), which represent seven percent, 72 percent, and 59 percent, respectively, of the assets, fund balances, and revenues of the aggregate remaining fund information. Also, we did not audit the financial statements of the discretely presented Lauderdale County Water System, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lauderdale County Ambulance Authority and the Lauderdale County Water System, is based solely on the reports of the other auditors. We were unable to determine Lauderdale County Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Lauderdale County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United

States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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 schedule of 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 Lauderdale 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 Lauderdale County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

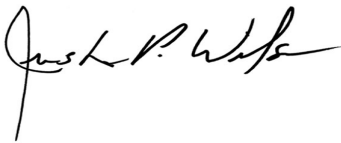
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lauderdale County School Department (a discretely presented component unit), schedule 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 Lauderdale County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2020, on our consideration of Lauderdale 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 Lauderdale 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 Lauderdale County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 7, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	Lauderdale County School Department	Lauderdale County Water System
	Activities	Activities			
<u>ASSETS</u>					
Cash	\$ 1,282	\$ 0	\$ 1,282	\$ 0	\$ 300,130
Equity in Pooled Cash and Investments	14,434,489	1,265,500	15,699,989	8,495,975	2,792,063
Inventories	0	0	0	0	52,624
Accounts Receivable	600,354	43,445	643,799	0	99,277
Allowance for Uncollectibles	(291,641)	0	(291,641)	0	0
Due from Other Governments	3,558,450	0	3,558,450	783,000	0
Due from Component Units	408,042	0	408,042	0	0
Property Taxes Receivable	7,359,523	0	7,359,523	3,571,527	0
Allowance for Uncollectible Property Taxes	(74,499)	0	(74,499)	(36,154)	0
Prepaid Items	0	0	0	0	31,655
Cash Shortage	0	0	0	29,687	0
Net Pension Asset - Agent Plan	1,969,945	31,625	2,001,570	1,323,202	132,770
Net Pension Asset - Teacher Retirement Plan	0	0	0	169,728	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,397,919	0
Restricted Assets:					
Amounts Accumulated for Pension Benefits	0	0	0	89,723	0
Capital Assets:					
Assets Not Depreciated:					
Land	990,927	160,000	1,150,927	1,389,574	10,000
Construction in Progress	324,126	0	324,126	374,922	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	3,013,064	268,714	3,281,778	13,664,639	3,577,140
Infrastructure	5,215,053	0	5,215,053	579,012	0
Other Capital Assets	2,086,172	67,933	2,154,105	2,497,240	185,975
Total Assets	\$ 39,595,287	\$ 1,837,217	\$ 41,432,504	\$ 34,329,994	\$ 7,181,634
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Charge on Refunding	\$ 30,592	\$ 0	\$ 30,592	\$ 0	\$ 0
Pension Changes in Experience	0	0	0	292,180	0
Pension Changes in Assumptions	300,486	4,824	305,310	1,035,459	20,252
Pension Changes in Proportion	0	0	0	13,685	0
Pension Contributions After Measurement Date	219,687	3,063	222,750	1,653,492	15,413
OPEB Changes in Assumptions	0	0	0	94,135	0
OPEB Contributions after Measurement Date	0	0	0	163,177	0
Total Deferred Outflows of Resources	\$ 550,765	\$ 7,887	\$ 558,652	\$ 3,252,128	\$ 35,665

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
<u>LIABILITIES</u>					
Accounts Payable	\$ 86,420	\$ 28,340	\$ 114,760	\$ 80,384	\$ 39,233
Accrued Payroll	15,922	0	15,922	0	50,579
Payroll Deductions Payable	1,613	0	1,613	1,385,587	0
Contracts Payable	519,242	0	519,242	408,308	0
Due to Primary Government	0	0	0	408,042	0
Due to State of Tennessee	1,865	0	1,865	0	0
Accrued Interest Payable	16,462	0	16,462	0	0
Cash Overdraft	4,536	0	4,536	0	0
Customer Deposits Payable	0	0	0	0	229,185
Noncurrent Liabilities:					
Due Within One Year - Debt	1,427,176	0	1,427,176	0	0
Due Within One Year - Other	0	7,812	7,812	0	0
Due in More Than One Year - Debt	3,487,943	0	3,487,943	0	0
Due in More Than One Year - Other	0	133,531	133,531	2,982,841	0
Total Liabilities	\$ 5,561,179	\$ 169,683	\$ 5,730,862	\$ 5,265,162	\$ 318,997
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,928,508	\$ 0	\$ 6,928,508	\$ 3,362,358	\$ 0
Pension Changes in Experience	590,215	9,501	599,716	2,289,108	39,753
Pension Changes in Investment Earnings	76,312	1,226	77,538	365,091	5,143
Pension Changes in Proportion	0	0	0	172,840	0
OPEB Changes in Experience	0	0	0	1,035,728	0
OPEB Changes in Assumptions	0	0	0	162,400	0
OPEB Changes in Proportion	0	0	0	132,745	0
Total Deferred Inflows of Resources	\$ 7,595,035	\$ 10,727	\$ 7,605,762	\$ 7,520,270	\$ 44,896
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 11,201,342	\$ 496,647	\$ 11,697,989	\$ 18,505,387	\$ 3,773,115
Restricted for:					
General Government	68,367	0	68,367	0	0
Administration of Justice	87,640	0	87,640	0	0
Public Safety	122,026	0	122,026	0	0
Public Health and Welfare	272,462	0	272,462	0	0
Social, Cultural, and Recreational Services	130,426	0	130,426	0	0
Highways/Public Works	1,716,408	0	1,716,408	0	0
Education	0	0	0	179,006	0

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
<u>NET POSITION (Cont.)</u>	\$	\$	\$	\$	\$
Operation of Non-instructional Services	0	0	0	487,848	0
Debt Service	3,817,701	0	3,817,701	0	0
Pensions	1,969,945	31,625	2,001,570	2,890,849	132,770
Hybrid Retirement Stabilization Funds	0	0	0	89,723	0
Unrestricted	7,603,521	1,136,422	8,739,943	2,643,877	2,947,521
Total Net Position	\$ 26,989,838	\$ 1,664,694	\$ 28,654,532	\$ 24,796,690	\$ 6,853,406

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

Exhibit B

Lauderdale 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 Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
Primary Government:									
Governmental Activities:									
General Government	\$ 1,408,088	\$ 101,878	\$ 15,164	\$ 0	\$ (1,291,046)	\$ 0	\$ (1,291,046)	\$ 0	\$ 0
Finance	772,793	665,913	0	0	(106,880)	0	(106,880)	0	0
Administration of Justice	1,714,386	404,475	89,638	0	(1,220,273)	0	(1,220,273)	0	0
Public Safety	4,469,068	1,039,268	213,110	0	(3,216,690)	0	(3,216,690)	0	0
Public Health and Welfare	2,414,987	1,022,732	532,004	285,055	(575,196)	0	(575,196)	0	0
Social, Cultural, and Recreational Services	696,962	4,147	692,899	0	84	0	84	0	0
Agriculture and Natural Resources	257,485	0	168,000	0	(89,485)	0	(89,485)	0	0
Highways/Public Works	4,450,332	0	3,161,238	1,634,319	345,225	0	345,225	0	0
Education	358,953	0	3,674	0	(355,279)	0	(355,279)	0	0
Interest on Long-term Debt	285,709	15,816	1,798,165	0	1,528,272	0	1,528,272	0	0
Total Governmental Activities	\$ 16,828,763	\$ 3,254,229	\$ 6,673,892	\$ 1,919,374	\$ (4,981,268)	\$ 0	\$ (4,981,268)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 583,839	\$ 573,769	\$ 0	\$ 0	\$ 0	\$ (10,070)	\$ (10,070)	\$ 0	\$ 0
Total Primary Government	\$ 17,412,602	\$ 3,827,998	\$ 6,673,892	\$ 1,919,374	\$ (4,981,268)	\$ (10,070)	\$ (4,991,338)	\$ 0	\$ 0
Component Units:									
Lauderdale County School Department	\$ 39,144,939	\$ 267,727	\$ 8,597,535	\$ 764,864	\$ 0	\$ 0	\$ 0	\$ (29,514,813)	\$ 0
Lauderdale County Water System	1,376,398	1,312,055	0	0	0	0	0	0	(64,343)
Total Component Units	\$ 40,521,337	\$ 1,579,782	\$ 8,597,535	\$ 764,864	\$ 0	\$ 0	\$ 0	\$ (29,514,813)	\$ (64,343)

(Continued)

Exhibit B

Lauderdale County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 6,971,169	\$ 0	\$ 6,971,169	\$ 3,467,498	\$ 0
Property Taxes Levied for Debt Service					175,357	0	175,357	0	0
Local Option Sales Taxes					0	0	0	1,936,433	0
Wheel Tax					971,143	0	971,143	176,509	0
Litigation Taxes					85,089	0	85,089	0	0
Business Tax					140,419	0	140,419	0	0
Wholesale Beer Tax					37,028	0	37,028	0	0
Other Local Taxes					15,944	0	15,944	0	0
Grants and Contributions Not Restricted to Specific Programs					584,339	0	584,339	25,878,158	0
Unrestricted Investment Income					0	12,097	12,097	170,804	9,032
Miscellaneous					234,822	0	234,822	62,451	0
Total General Revenues					\$ 9,215,310	\$ 12,097	\$ 9,227,407	\$ 31,691,853	\$ 9,032
Change in Net Position					\$ 4,234,042	\$ 2,027	\$ 4,236,069	\$ 2,177,040	\$ (55,311)
Net Position, July 1, 2018					22,755,796	1,662,667	24,418,463	22,619,650	6,908,717
Net Position, June 30, 2019					\$ 26,989,838	\$ 1,664,694	\$ 28,654,532	\$ 24,796,690	\$ 6,853,406

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,282	\$ 1,282
Equity in Pooled Cash and Investments	10,541,401	2,171,289	1,516,277	205,522	14,434,489
Accounts Receivable	1,398	1,638	0	597,318	600,354
Allowance for Uncollectibles	0	0	0	(291,641)	(291,641)
Due from Other Governments	222,402	994,953	2,341,095	0	3,558,450
Due from Other Funds	101,572	5,516	0	0	107,088
Property Taxes Receivable	6,327,509	851,439	180,575	0	7,359,523
Allowance for Uncollectible Property Taxes	(64,053)	(8,619)	(1,827)	0	(74,499)
Total Assets	<u>\$ 17,130,229</u>	<u>\$ 4,016,216</u>	<u>\$ 4,036,120</u>	<u>\$ 512,481</u>	<u>\$ 25,695,046</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 73,593	\$ 0	\$ 0	\$ 12,827	\$ 86,420
Accrued Payroll	0	0	0	15,922	15,922
Payroll Deductions Payable	1,613	0	0	0	1,613
Cash Overdraft	0	0	0	4,536	4,536
Contracts Payable	0	519,242	0	0	519,242
Due to Other Funds	5,516	0	0	101,572	107,088
Due to State of Tennessee	1,865	0	0	0	1,865
Total Liabilities	<u>\$ 82,587</u>	<u>\$ 519,242</u>	<u>\$ 0</u>	<u>\$ 134,857</u>	<u>\$ 736,686</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,956,934	\$ 801,574	\$ 170,000	\$ 0	\$ 6,928,508
Deferred Delinquent Property Taxes	294,128	39,577	8,398	0	342,103

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 68,367	\$ 779,495	\$ 0	\$ 0	\$ 847,862
Total Deferred Inflows of Resources	\$ 6,319,429	\$ 1,620,646	\$ 178,398	\$ 0	\$ 8,118,473
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 87,640	\$ 0	\$ 0	\$ 0	\$ 87,640
Restricted for Public Safety	19,097	0	0	102,929	122,026
Restricted for Public Health and Welfare	0	0	0	272,462	272,462
Restricted for Social, Cultural, and Recreational Services	128,193	0	0	2,233	130,426
Restricted for Highways/Public Works	0	897,336	0	0	897,336
Restricted for Debt Service	0	0	3,795,173	0	3,795,173
Committed:					
Committed for Highways/Public Works	0	978,992	0	0	978,992
Committed for Debt Service	0	0	62,549	0	62,549
Unassigned	10,493,283	0	0	0	10,493,283
Total Fund Balances	\$ 10,728,213	\$ 1,876,328	\$ 3,857,722	\$ 377,624	\$ 16,839,887
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,130,229	\$ 4,016,216	\$ 4,036,120	\$ 512,481	\$ 25,695,046

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

Exhibit C-2

Lauderdale 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)		\$ 16,839,887
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 990,927	
Add: construction in progress	324,126	
Add: buildings and improvements net of accumulated depreciation	3,013,064	
Add: infrastructure net of accumulated depreciation	5,215,053	
Add: other capital assets net of accumulated depreciation	<u>2,086,172</u>	11,629,342
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (408,042)	
Less: other loans payable	(1,717,789)	
Less: bonds payable	(2,745,000)	
Add: debt to be contributed by the school department	408,042	
Less: accrued interest payable	(16,462)	
Less: unamortized premium on debt	(44,288)	
Add: deferred amount on refunding	<u>30,592</u>	(4,492,947)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows related to pensions	\$ 520,173	
Less: deferred inflows related to pensions	<u>(666,527)</u>	(146,354)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,969,945
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,189,965</u>
Net position of governmental activities (Exhibit A)		<u>\$ 26,989,838</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 7,515,023	\$ 945,930	\$ 200,418	\$ 1,041	\$ 8,662,412
Licenses and Permits	31,486	573	122	0	32,181
Fines, Forfeitures, and Penalties	110,759	0	0	2,095	112,854
Charges for Current Services	121,713	0	0	1,017,061	1,138,774
Other Local Revenues	131,138	40,192	0	0	171,330
Fees Received From County Officials	1,033,397	0	0	0	1,033,397
State of Tennessee	1,498,109	4,438,816	0	0	5,936,925
Federal Government	75,001	0	0	899,520	974,521
Other Governments and Citizens Groups	291,808	0	1,936,695	285,055	2,513,558
Total Revenues	\$ 10,808,434	\$ 5,425,511	\$ 2,137,235	\$ 2,204,772	\$ 20,575,952
<u>Expenditures</u>					
Current:					
General Government	\$ 1,609,749	\$ 0	\$ 0	\$ 0	\$ 1,609,749
Finance	780,495	0	0	0	780,495
Administration of Justice	1,688,205	0	0	0	1,688,205
Public Safety	4,512,347	0	0	3,775	4,516,122
Public Health and Welfare	468,366	0	0	1,481,502	1,949,868
Social, Cultural, and Recreational Services	213,926	0	0	1,861	215,787
Agriculture and Natural Resources	244,715	0	0	0	244,715
Other Operations	507,179	0	0	0	507,179
Highways	0	5,737,453	0	0	5,737,453
Debt Service:					
Principal on Debt	0	0	1,357,287	0	1,357,287
Interest on Debt	0	0	173,635	0	173,635
Other Debt Service	0	0	107,061	0	107,061

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 899,520	\$ 899,520
Total Expenditures	\$ 10,024,982	\$ 5,737,453	\$ 1,637,983	\$ 2,386,658	\$ 19,787,076
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 783,452	 \$ (311,942)	 \$ 499,252	 \$ (181,886)	 \$ 788,876
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 642	\$ 0	\$ 0	\$ 642
Total Other Financing Sources (Uses)	\$ 0	\$ 642	\$ 0	\$ 0	\$ 642
 Net Change in Fund Balances	 \$ 783,452	 \$ (311,300)	 \$ 499,252	 \$ (181,886)	 \$ 789,518
Fund Balance, July 1, 2018	9,944,761	2,187,628	3,358,470	559,510	16,050,369
 Fund Balance, June 30, 2019	 \$ 10,728,213	 \$ 1,876,328	 \$ 3,857,722	 \$ 377,624	 \$ 16,839,887

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

Exhibit C-4

Lauderdale 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)		\$	789,518
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	2,309,153	
Less: current-year depreciation expense		<u>(1,183,734)</u>	1,125,419
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	1,189,965	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(584,072)</u>	605,893
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on other loans	\$	222,431	
Add: principal payments on bonds		1,000,000	
Add: principal payments on capital leases		134,856	
Less: contributions from the school department for capital leases		<u>(134,856)</u>	
Add: change in premium on debt issuances		15,816	
Less: change in deferred amount on refunding debt		<u>(21,052)</u>	1,217,195
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	5,993	
Change in net pension asset		743,508	
Change in deferred outflows related to pensions		<u>(79,573)</u>	
Change in deferred inflows related to pensions		<u>(173,911)</u>	496,017
Change in net position of governmental activities (Exhibit B)			<u>\$ 4,234,042</u>

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

Exhibit C-5

Lauderdale 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	\$ 7,515,023	\$ 7,635,186	\$ 7,635,186	\$ (120,163)
Licenses and Permits	31,486	32,500	32,500	(1,014)
Fines, Forfeitures, and Penalties	110,759	142,550	142,550	(31,791)
Charges for Current Services	121,713	84,000	84,000	37,713
Other Local Revenues	131,138	93,800	93,800	37,338
Fees Received From County Officials	1,033,397	1,042,000	1,042,000	(8,603)
State of Tennessee	1,498,109	1,518,152	1,518,152	(20,043)
Federal Government	75,001	85,069	101,073	(26,072)
Other Governments and Citizens Groups	291,808	273,000	274,500	17,308
Total Revenues	\$ 10,808,434	\$ 10,906,257	\$ 10,923,761	\$ (115,327)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 61,485	\$ 72,990	\$ 72,990	\$ 11,505
County Mayor/Executive	323,221	303,103	346,103	22,882
County Attorney	7,262	15,000	15,000	7,738
Election Commission	219,621	250,120	250,120	30,499
Register of Deeds	151,526	169,399	169,399	17,873
Development	120,813	195,000	195,000	74,187
Planning	21,844	32,835	32,835	10,991
County Buildings	699,363	513,694	877,146	177,783
Other General Administration	4,614	4,956	4,956	342
<u>Finance</u>				
Property Assessor's Office	255,255	275,879	275,879	20,624
County Trustee's Office	223,104	244,574	257,606	34,502
County Clerk's Office	302,136	332,346	332,346	30,210
<u>Administration of Justice</u>				
Circuit Court	247,336	275,895	277,927	30,591
General Sessions Judge	104,499	105,592	105,592	1,093
General Sessions Court Clerk	291,765	335,673	337,673	45,908
Chancery Court	183,009	186,188	192,688	9,679
Juvenile Court	778,647	808,472	821,472	42,825
Other Administration of Justice	67,949	68,571	68,571	622
Victim Assistance Programs	15,000	15,000	15,000	0
<u>Public Safety</u>				
Sheriff's Department	2,377,745	2,615,799	2,615,799	238,054
Administration of the Sexual Offender Registry	846	3,000	3,000	2,154
Jail	1,944,551	2,184,026	2,184,026	239,475
Fire Prevention and Control	79,582	58,857	83,857	4,275
Civil Defense	15,071	16,006	32,010	16,939
Rescue Squad	3,967	3,967	3,967	0
Other Emergency Management	90,585	99,588	99,588	9,003
<u>Public Health and Welfare</u>				
Local Health Center	55,654	59,332	59,332	3,678
Rabies and Animal Control	97,998	112,120	112,120	14,122
Dental Health Program	130,257	186,100	186,100	55,843
Alcohol and Drug Programs	66,217	67,142	67,142	925
Other Local Health Services	59,003	62,773	64,273	5,270

(Continued)

Exhibit C-5

Lauderdale 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>				
Sanitation Education/Information	\$ 59,237	\$ 62,422	\$ 62,422	\$ 3,185
Other Public Health and Welfare	0	2,831	2,831	2,831
<u>Social, Cultural, and Recreational Services</u>				
Libraries	174,826	185,458	185,458	10,632
Parks and Fair Boards	39,100	41,100	41,100	2,000
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	107,267	111,643	111,643	4,376
Soil Conservation	137,448	153,044	153,044	15,596
<u>Other Operations</u>				
Veterans' Services	18,198	19,212	19,212	1,014
Other Charges	220,416	222,052	222,052	1,636
Contributions to Other Agencies	251,093	251,442	251,442	349
Employee Benefits	9,342	150,000	138,500	129,158
Miscellaneous	8,130	21,750	21,750	13,620
Total Expenditures	<u>\$ 10,024,982</u>	<u>\$ 10,894,951</u>	<u>\$ 11,368,971</u>	<u>\$ 1,343,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 783,452</u>	<u>\$ 11,306</u>	<u>\$ (445,210)</u>	<u>\$ 1,228,662</u>
Net Change in Fund Balance	\$ 783,452	\$ 11,306	\$ (445,210)	\$ 1,228,662
Fund Balance, July 1, 2018	<u>9,944,761</u>	<u>8,863,717</u>	<u>8,863,717</u>	<u>1,081,044</u>
Fund Balance, June 30, 2019	<u><u>\$ 10,728,213</u></u>	<u><u>\$ 8,875,023</u></u>	<u><u>\$ 8,418,507</u></u>	<u><u>\$ 2,309,706</u></u>

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 945,930	\$ 967,451	\$ 967,451	\$ (21,521)
Licenses and Permits	573	750	750	(177)
Other Local Revenues	40,192	35,000	35,000	5,192
State of Tennessee	4,438,816	5,395,070	5,395,070	(956,254)
Total Revenues	\$ 5,425,511	\$ 6,398,271	\$ 6,398,271	\$ (972,760)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 209,916	\$ 241,496	\$ 241,496	\$ 31,580
Highway and Bridge Maintenance	1,344,246	1,288,893	1,478,893	134,647
Operation and Maintenance of Equipment	393,838	473,208	483,208	89,370
Other Charges	132,339	137,750	143,250	10,911
Employee Benefits	337,814	421,502	421,502	83,688
Capital Outlay	3,319,300	3,795,000	4,245,000	925,700
Total Expenditures	\$ 5,737,453	\$ 6,357,849	\$ 7,013,349	\$ 1,275,896
Excess (Deficiency) of Revenues Over Expenditures	\$ (311,942)	\$ 40,422	\$ (615,078)	\$ 303,136
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 642	\$ 0	\$ 0	\$ 642
Total Other Financing Sources	\$ 642	\$ 0	\$ 0	\$ 642
Net Change in Fund Balance	\$ (311,300)	\$ 40,422	\$ (615,078)	\$ 303,778
Fund Balance, July 1, 2018	2,187,628	2,191,718	2,191,718	(4,090)
Fund Balance, June 30, 2019	\$ 1,876,328	\$ 2,232,140	\$ 1,576,640	\$ 299,688

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

Exhibit D-1

Lauderdale County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2019

	Business-type Activities - Major Fund Solid Waste Disposal
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 1,265,500
Accounts Receivable	43,445
Total Current Assets	<u>\$ 1,308,945</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 31,625
Capital Assets:	
Assets Not Depreciated:	
Land	160,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	268,714
Machinery and Equipment	67,933
Total Noncurrent Assets	<u>\$ 528,272</u>
Total Assets	<u>\$ 1,837,217</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Assumptions	\$ 4,824
Pension Contributions After Measurement Date	3,063
Total Deferred Outflows of Resources	<u>\$ 7,887</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 28,340
Total Current Liabilities	<u>\$ 28,340</u>
Noncurrent Liabilities:	
Due Within One Year - Other	\$ 7,812
Due in More Than One Year - Other	133,531
Total Noncurrent Liabilities	<u>\$ 141,343</u>
Total Liabilities	<u>\$ 169,683</u>

(Continued)

Exhibit D-1

Lauderdale County, Tennessee
Statement of Net Position
Proprietary Fund (Cont.)

Business-type
Activities -
Major Fund
Solid
Waste
Disposal

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$ 9,501
Pension Changes in Investment Earnings	1,226
Total Deferred Inflows of Resources	<u>\$ 10,727</u>

NET POSITION

Net Investment in Capital Assets	\$ 496,647
Restricted for Pensions	31,625
Unrestricted	<u>1,136,422</u>
Total Net Position	<u><u>\$ 1,664,694</u></u>

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

Exhibit D-2

Lauderdale County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Business-type Activities Major Fund Solid Waste Disposal
<u>Operating Revenues</u>	
Tipping Fees	\$ 559,736
Surcharge - Waste Tire Disposal	12,227
Sale of Recycled Materials	1,758
Miscellaneous Refunds	48
Total Operating Revenues	<u>\$ 573,769</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 30,363
Salary Supplements	6,650
Equipment Operators	28,778
Clerical Personnel	18,500
Part-time Personnel	4,766
Social Security	4,721
Employee and Dependent Insurance	29,818
Employer Medicare	1,104
Communication	1,274
Contracts with Private Agencies	352,520
Dues and Memberships	250
Maintenance Agreements	5,500
Maintenance and Repair Services - Buildings	2,751
Maintenance and Repair Services - Equipment	23,816
Travel	2,342
Diesel Fuel	11,674
Gasoline	747
Office Supplies	1,171
Utilities	5,168
Other Supplies and Materials	1,332
Building and Contents Insurance	548
Medical Claims	4,930
Trustee's Commission	105
Vehicle and Equipment Insurance	582
Workers' Compensation Insurance	4,434
Depreciation	28,917
Landfill Closure/Postclosure Care Costs	3,178
Other Equipment	7,900
Total Operating Expenses	<u>\$ 583,839</u>
Operating Income (Loss)	<u>\$ (10,070)</u>

(Continued)

Exhibit D-2

Lauderdale County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund (Cont.)

	Business-type Activities
	Major Fund
	Solid Waste Disposal
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 12,097
Total Nonoperating Revenues (Expenses)	<u>\$ 12,097</u>
Change in Net Position	\$ 2,027
Net Position, July 1, 2018	<u>1,662,667</u>
Net Position, June 30, 2019	<u><u>\$ 1,664,694</u></u>

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

Exhibit D-3

Lauderdale County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Business-type Activities Major Fund Solid Waste Disposal
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 567,107
Receipts from Others	14,033
Payments for Waste Collections and Disposal Activity	(566,794)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 14,346</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 12,097
Net Cash Provided By (Used In) Investing Activities	<u>\$ 12,097</u>
Increase (Decrease) in Cash	\$ 26,443
Cash, July 1, 2018	<u>1,239,057</u>
Cash, June 30, 2019	<u><u>\$ 1,265,500</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (10,070)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	28,917
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	7,370
(Increase) Decrease in Net Pension Asset	(10,161)
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	2,272
Increase (Decrease) in Accounts Payable	(1,454)
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure Care Costs	(4,634)
Increase (Decrease) in Deferred Inflows of Resources Related to Pensions	<u>2,106</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 14,346</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	<u>\$ 1,265,500</u>
Cash, June 30, 2019	<u><u>\$ 1,265,500</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,032,162
Equity in Pooled Cash and Investments	2,427,588
Accounts Receivable	8,873
Due from Other Governments	413,437
Cash Shortage	<u>1,012</u>
Total Assets	<u>\$ 3,883,072</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 583
Due to Cities	190,732
Due to Other Taxing Units	2,340,363
Due to Litigants, Heirs, and Others	1,226,894
Due to Joint Ventures	<u>124,500</u>
Total Liabilities	<u>\$ 3,883,072</u>

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

LAUDERDALE COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lauderdale 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 Lauderdale County:

A. Reporting Entity

Lauderdale County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Lauderdale County (the primary government) and its component units. The financial statements of the Lauderdale 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 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 Lauderdale County School Department operates the public school system in the county, and the voters of Lauderdale 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 Lauderdale County Water System provides water to the residents of Lauderdale County in unincorporated areas. The system's governing body is appointed by the Lauderdale County Commission, and its operating budget is subject to the county commission's approval.

The Lauderdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lauderdale County, and the Lauderdale 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 Lauderdale County Emergency

Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Lauderdale 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 Lauderdale County Water System and the Lauderdale County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Lauderdale County Water System
551 Central Curve Road
P.O. Box 527
Ripley, TN 38063

Lauderdale County Emergency Communications District
132 Dodge Drive
Ripley, TN 38063

Related Organization – The Lauderdale County Industrial Development Board is a related organization of Lauderdale County. The county's officials are responsible for appointing the members of the board, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. The primary government of Lauderdale County has one business-type activity to report (the Solid Waste Disposal Fund). Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lauderdale 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.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Lauderdale County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Lauderdale County only reports one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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. Lauderdale 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.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Lauderdale 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.

Lauderdale County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for solid waste disposal operations of the Lauderdale County landfill.

Additionally, Lauderdale County reports the following fund types:

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

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 Lauderdale County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds (with the exception of the Lauderdale County Ambulance Service, special revenue fund), the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System. 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 school department's General Purpose School Fund. Lauderdale County, the school department, and the water system have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.01 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 Lauderdale 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 Lauderdale County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lauderdale 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 and business-type columns in the government-wide financial statements. Capital assets (excluding the Lauderdale County Ambulance Authority, special revenue fund) are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	20 - 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 debt, pension changes in experience, pension and OPEB changes in assumptions, pension changes in proportionate share of contributions, 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 proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in 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 general policy of Lauderdale County (with the exception of sick leave for employees of the highway department) does not allow employees to accumulate sick and vacation days beyond the end of the fiscal year. The highway department's policy allows employees to accumulate up to 72 days sick leave; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The school department's personnel policy does not allow employees to accumulate vacation days beyond the end of the fiscal year. Professional personnel are allowed to accumulate an unlimited amount of sick leave days and full-time non-professional employees can accumulate a limited amount of sick leave days based upon the number of months employed. There is 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 landfill postclosure care costs and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

As of June 30, 2019, Lauderdale County had \$4,442,831 in outstanding debt for capital purposes for the discretely presented Lauderdale County School Department. This debt is a liability of Lauderdale

County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Lauderdale 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 general government. The Board of Education makes assignments for the school department.

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

E. Pension Plans

Primary Government

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

Discretely Presented Lauderdale County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Lauderdale 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 Lauderdale County School Department

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

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

Primary Government

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

Discretely Presented Lauderdale County School Department

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

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 funds (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2019, the Lauderdale County School Department had outstanding encumbrances in their budgeted funds as follows:

Fund	Amount
General Purpose School	\$ 844,777
Nonmajor Governmental	69,299

B. Cash Shortages – Prior and Current Years

The audit of Lauderdale County for the 2016-17 year reported a cash shortage of \$42,645 in the school department. Our investigation revealed that from May 1, 2014, through February 16, 2017, two former employees of the school department continued to receive compensation after their employment was terminated, resulting in a cash shortage of \$42,645. On June 5, 2017, the Lauderdale County Grand Jury returned indictments against Devlyn Green for the Class C Felony offense of theft over \$10,000 and against Milton Waller for the Class D Felony offense of theft over \$2,500. On June 28, 2017, Ms. Green pled guilty to theft over \$10,000, and on September 22, 2017, Mr. Waller pled guilty to an amended charge of theft under \$1,000. Retirement contributions made by the school department on behalf of Ms. Green in the amount of \$1,770 were refunded by the Tennessee Consolidated Retirement System and adjustments had been made for the FICA payments for both employees totaling \$2,905, Mr. Waller had paid restitution in the amount of \$4,459, and Ms. Green had paid restitution of \$3,824 leaving an unpaid shortage of \$29,687 at June 30, 2019.

The Office of General Sessions Court Clerk had a cash shortage of \$1,012 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. Cash Overdraft

The Ambulance Service Fund had a cash overdraft of \$4,536 at June 30, 2019. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the bank. The cash overdraft was liquidated subsequent to June 30, 2019.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the school department major appropriations category (the legal level of control) of the General Purpose School Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Support Services - Attendance	\$ 1,242
Support Services - Office of the Principal	17,392
Support Services - Maintenance of Plant	16,786
Support Services - Central and Other	112

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by

one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2019.

B. TCRS Stabilization Trust

Legal Provisions. The Lauderdale 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 Lauderdale County School Department may not impose any restrictions on investments placed by the trust on their behalf.

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

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

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive

dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

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

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

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

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

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

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

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

At June 30, 2019, the Lauderdale 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	\$ 27,814
Developed Market International Equity	N/A	N/A	12,561
Emerging Market International Equity	N/A	N/A	3,589
U.S. Fixed Income	N/A	N/A	17,945
Real Estate	N/A	N/A	8,972
Short-term Securities	N/A	N/A	897
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	17,945
Total			<u>\$ 89,723</u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 27,814	\$ 27,814	\$ 0	\$ 0	0
Developed Market International Equity	12,561	12,561	0	0	0
Emerging Market International Equity	3,589	3,589	0	0	0
U.S. Fixed Income	17,945	0	17,945	0	0
Real Estate	8,972	0	0	8,972	0
Short-term Securities	897	0	897	0	0
Private Equity and Strategic Lending	17,945	0	0	0	17,945
Total	<u>\$ 89,723</u>	<u>\$ 43,964</u>	<u>\$ 18,842</u>	<u>\$ 8,972</u>	<u>17,945</u>

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 Lauderdale 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 Lauderdale 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. Lauderdale 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 Lauderdale 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>.

C. 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	\$ 915,927	\$ 75,000	\$ 0	\$ 990,927
Construction in Progress	0	324,126	0	324,126
Total Capital Assets Not Depreciated	<u>\$ 915,927</u>	<u>\$ 399,126</u>	<u>\$ 0</u>	<u>\$ 1,315,053</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,304,114	\$ 0	\$ 0	\$ 11,304,114
Infrastructure	5,299,562	1,392,575	0	6,692,137
Other Capital Assets	8,512,397	517,452	(217,518)	8,812,331
Total Capital Assets Depreciated	<u>\$ 25,116,073</u>	<u>\$ 1,910,027</u>	<u>\$ (217,518)</u>	<u>\$ 26,808,582</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,851,071	\$ 439,979	\$ 0	\$ 8,291,050
Infrastructure	1,281,987	195,097	0	1,477,084
Other Capital Assets	6,395,019	548,658	(217,518)	6,726,159
Total Accumulated Depreciation	<u>\$ 15,528,077</u>	<u>\$ 1,183,734</u>	<u>\$ (217,518)</u>	<u>\$ 16,494,293</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,587,996</u>	<u>\$ 726,293</u>	<u>\$ 0</u>	<u>\$ 10,314,289</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,503,923</u>	<u>\$ 1,125,419</u>	<u>\$ 0</u>	<u>\$ 11,629,342</u>

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

Governmental Activities:

General Government	\$	56,069
Finance		16,517
Administration of Justice		92,806
Public Safety		235,338
Public Health and Welfare		145,258
Social, Cultural, and Recreational Services		43,173
Highway/Public Works		<u>594,573</u>

Total Depreciation Expense - Governmental Activities	\$	<u><u>1,183,734</u></u>
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Primary Government - Business-type Activities:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 160,000	\$ 0	\$ 160,000
Total Capital Assets Not Depreciated	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 419,428	\$ 0	\$ 419,428
Other Capital Assets	803,914	0	803,914
Total Capital Assets Depreciated	<u>\$ 1,223,342</u>	<u>\$ 0</u>	<u>\$ 1,223,342</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 140,228	\$ 10,486	\$ 150,714
Other Capital Assets	717,550	18,431	735,981
Total Accumulated Depreciation	<u>\$ 857,778</u>	<u>\$ 28,917</u>	<u>\$ 886,695</u>
Total Capital Assets Depreciated, Net	<u>\$ 365,564</u>	<u>\$ (28,917)</u>	<u>\$ 336,647</u>
Business-type Activities Capital Assets, Net	<u>\$ 525,564</u>	<u>\$ (28,917)</u>	<u>\$ 496,647</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense for the business-type activities was \$28,917.

**Discretely Presented Lauderdale County School Department –
Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 1,378,648	\$ 10,926	\$ 0	\$ 1,389,574
Construction in Progress	164,213	374,922	(164,213)	374,922
Total Capital Assets Not Depreciated	\$ 1,542,861	\$ 385,848	\$ (164,213)	\$ 1,764,496
Capital Assets Depreciated:				
Buildings and Improvements	\$ 39,476,610	\$ 0	\$ 0	\$ 39,476,610
Infrastructure	233,000	489,924	0	722,924
Other Capital Assets	7,911,310	537,001	(355,490)	8,092,821
Total Capital Assets Depreciated	\$ 47,620,920	\$ 1,026,925	\$ (355,490)	\$ 48,292,355
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 24,881,801	\$ 930,170	\$ 0	\$ 25,811,971
Infrastructure	118,457	25,455	0	143,912
Other Capital Assets	5,545,973	405,098	(355,490)	5,595,581
Total Accumulated Depreciation	\$ 30,546,231	\$ 1,360,723	\$ (355,490)	\$ 31,551,464
Total Capital Assets Depreciated, Net	\$ 17,074,689	\$ (333,798)	\$ 0	\$ 16,740,891
Governmental Activities Capital Assets, Net	\$ 18,617,550	\$ 52,050	\$ (164,213)	\$ 18,505,387

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

Governmental Activities:

Instruction	\$ 970,426
Support Services	340,787
Operation of Non-instructional Services	49,510
Total Depreciation Expense - Governmental Activities	<u>\$ 1,360,723</u>

D. Construction Commitments

At June 30, 2019, the discretely presented Lauderdale County School Department had uncompleted construction contracts of approximately \$520,113 in the General Purpose School Fund for a roof and window replacement project. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 101,572
Highway/Public Works	General	5,516
Discretely Presented School:		
Nonmajor governmental	General Purpose School	78,569

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Governmental Activities	Governmental Activities	\$ 408,042

The amount reflected in governmental activities as Due to the Primary Government from the discretely presented school department is the balance of capital leases issued by the county for the school department as discussed in Note IV.F. The school department has agreed to contribute the funds necessary to retire the debt.

Interfund Transfers:

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

Discretely Presented Lauderdale County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
Nonmajor governmental fund	\$ 37,522	Indirect costs

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.

F. Capital Leases

On August 15, 2017, Lauderdale County entered into a three-year lease-purchase agreement for laptop computers. The terms of the agreement require total lease payments of \$546,751 plus interest of 0.9 percent. Title to the equipment transfers to Lauderdale County at the end of the lease period. The lease payments are made from contributions from the General Purpose School Fund to the General Debt Service Fund.

On May 15, 2018, Lauderdale County entered into a two-year lease-purchase agreement for tablets. The terms of the agreement require total lease payments of \$203,357 plus interest of 1.99 percent. Title to the equipment transfers to Lauderdale County at the end of the lease period. The lease payments are made from contributions from the School Federal Projects Fund to the General Debt Service Fund.

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	\$ 207,885
2021	207,886
Total Minimum Lease Payments	\$ 415,771
Less: Amount Representing Interest	(7,729)
Present Value of Minimum Lease Payments	\$ 408,042

G. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Lauderdale 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 ten 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 - Lauderdale 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. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds -				
Refunding	2 to 2.25 %	4-1-22	\$ 9,230,000	\$ 2,745,000
Direct Borrowing and Direct Placement:				
Other Loans	Variable	9-15-27	3,523,000	1,717,789
Capital Leases	.9 to 1.99	8-15-20	750,108	408,042

During the 2008-09 year, Lauderdale County entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned \$1,000,000 to Lauderdale County for various renovation and improvement projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2019, the variable interest rate was 2.07 percent

and other fees totaled .65 percent of the outstanding loan principal with an annual \$1,020 trustee payment.

During the 2010-11 year, Lauderdale County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Lauderdale County \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,000,000	\$ 58,044	\$ 1,058,044
2021	975,000	38,044	1,013,044
2022	770,000	17,323	787,323
Total	<u>\$ 2,745,000</u>	<u>\$ 113,411</u>	<u>\$ 2,858,411</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 224,431	\$ 128,704	\$ 5,825	\$ 358,960
2021	225,431	127,675	5,377	358,483
2022	227,431	126,647	4,928	359,006
2023	229,431	125,589	4,467	359,487
2024	231,431	124,507	3,994	359,932
2025-2028	579,634	380,056	7,959	967,649
Total	<u>\$ 1,717,789</u>	<u>\$ 1,013,178</u>	<u>\$ 32,550</u>	<u>\$ 2,763,517</u>

There is \$3,857,722 available in the General Debt Service Fund to service long-term debt. Bonded debt per capital totaled \$99, based on the 2010 federal census. Total debt per capita, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$177, based on the 2010 federal census.

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

Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-19
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Laptop Computers	\$ 273,365
<u>Contributions from the School Federal Projects Fund</u>	
Tablets	<u>134,677</u>
Total	<u>\$ 408,042</u>

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Other Loans - Direct Placement	Capital Leases - Direct Placement
Balance, July 1, 2018	\$ 3,745,000	\$ 1,940,220	\$ 542,898
Reductions	<u>(1,000,000)</u>	<u>(222,431)</u>	<u>(134,856)</u>
Balance, June 30, 2019	<u>\$ 2,745,000</u>	<u>\$ 1,717,789</u>	<u>\$ 408,042</u>
Balance Due Within One Year	<u>\$ 1,000,000</u>	<u>\$ 224,431</u>	<u>\$ 202,745</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 4,870,831
Less: Balance Due Within One Year - Debt	(1,427,176)
Add: Unamortized Premium on Debt	<u>44,288</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 3,487,943</u>

H. Long-term Obligations

Lauderdale County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2019, was as follows:

Business-type Activities:

	Postclosure Care Costs
	<hr/>
Balance, July 1, 2018	\$ 145,977
Additions	3,178
Reductions	<hr/> (7,812)
Balance, June 30, 2019	<hr/> \$ 141,343 <hr/>
Balance Due Within One Year	<hr/> \$ 7,812 <hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 141,343
Less: Balance Due Within One Year - Other	<hr/> (7,812)
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<hr/> \$ 133,531 <hr/>

Discretely Presented Lauderdale County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Net OPEB Liability
Balance, July 1, 2018	\$ 4,496,397
Additions	536,067
Reductions	<u>(2,049,623)</u>
Balance, June 30, 2019	<u>\$ 2,982,841</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	\$ 2,982,841
Less: Balance Due Within One Year - Other	<u>0</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,982,841</u>

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

I. Pledges of Future Revenues

Local Option Sales Tax Revenues Pledged

In 1995, the citizens of Lauderdale County voted to increase the local option sales tax rate from two percent to 2.75 percent. The county and all local incorporated municipalities pledged their additional sales tax collections generated from the .75 percent increase to repay \$9 million and \$8 million in general obligation school bonds issued December 1, 1995, and March 1, 1996, respectively, to finance school construction/renovations and to provide salary improvements and/or increases for classroom teachers and principals for a period of ten years after the \$17 million school bonds are repaid. The county has pledged 100 percent of its .75 percent increase in sales tax collections for ten years, and the incorporated municipalities have pledged 100 percent for the first applicable year with a decrease of ten percent annually. This 1995 pledge continues for 52 percent of the refunding school bonds issued April 18, 2012, which were used for the second refunding involving the initial December 1, 1995, and March 1, 1996, general obligation school bonds issues, which have now been retired. The Series 2012 refunding bonds are also guaranteed by the county in the event the additional sales tax revenues are insufficient to meet the debt service requirements on the bonds. Total principal and interest requirements for the bonds are \$1,495,334 payable semi-annually through April 1, 2022. For the current year, principal and interest paid and

sales tax revenues generated by the increase and other school department revenues pledged were \$563,925 and \$1,096,153, respectively.

Component Unit Revenues Pledged for Primary Government Debt

The Lauderdale County School Department pledged, as security for bonds issued by Lauderdale County, \$1,200,000 annually with \$600,000 from its collections generated from 1.5 percent of a sales tax levy and \$600,000 from restricted funds received from the state for capital outlay purposes. The \$9,230,000 school refunding bonds issued by Lauderdale County in April 2012 were to provide financing for the refunding of other school bonds used for school construction and renovations and are payable through 2022. For the current year, principal and interest paid and revenues generated and appropriated by the school department were \$514,119 and \$1,200,000, respectively.

J. On-Behalf Payments

Discretely Presented Lauderdale County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lauderdale County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$84,365. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Lauderdale County purchases commercial insurance for the risks associated with employee health coverage. Pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Lauderdale County School Department

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

Report of the State of Tennessee, but the state does not retain any risk of losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

Lauderdale 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. The government pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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, Lauderdale 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

Lauderdale County is contingently liable for 46.38 percent (\$2,240,000) of the \$4,830,000 general obligation lease rental revenue bonds issued by the Town of Ripley Industrial Development Board for the redevelopment of the county's property located within the Courthouse Square Revitalization Zone. As of June 30, 2019, future principal requirements were \$2,135,000, and future interest requirements were \$281,871.

There are several pending lawsuits in which the county is involved. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

D. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lauderdale County closed its sanitary landfill in 2001. The \$141,343 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Lauderdale, and Tipton counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lauderdale County made no contributions to the DTF for the year ended June 30, 2019.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Lauderdale County contributed \$50,000 to HTL Advantage during the year.

The Lauderdale County Economic and Community Development Board (LCECD) is a joint venture between Lauderdale County, the City of Ripley, and the towns of Halls, Henning, and Gates. The board is comprised of the county, city and town mayors, and various other individuals for a total of 31 members. The purpose of the organization is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the funding for the organization with membership dues based on population percentages. Lauderdale County contributed dues of \$26,250 to the LCECD for the year ended June 30, 2019.

Lauderdale County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF, HTL Advantage, and LCECD can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main Street
Ripley, TN 38063

HTL Advantage
1469 South Main Street
Covington, TN 38019

Lauderdale County Economic and
Community Development Board
123 S. Jefferson Street
Ripley, TN 38063

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lauderdale County, non-certified employees of the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System employees 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 57.89 percent, the non-certified employees of the discretely presented school department comprised 38.27 percent, and the discretely presented Lauderdale County Water System employees comprised 3.84 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 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	246
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	262
Active Employees	381
Total	<u>889</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lauderdale 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 Lauderdale County was \$419,814 based on a rate of four percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lauderdale 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)

Lauderdale 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 Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 33,187,222	\$ 35,465,660	\$ (2,278,438)
Changes for the Year:			
Service Cost	\$ 875,549	\$ 0	\$ 875,549
Interest	2,413,533	0	2,413,533
Differences Between Expected and Actual Experience	(615,040)	0	(615,040)
Changes in Assumptions	0	0	0
Contributions-Employer	0	430,861	(430,861)
Contributions-Employees	0	538,808	(538,808)
Net Investment Income	0	2,918,513	(2,918,513)
Benefit Payments, Including Refunds of Employee Contributions	(1,545,328)	(1,545,328)	0
Administrative Expense	0	(35,036)	35,036
Other Changes	0	0	0
Net Changes	\$ 1,128,714	\$ 2,307,818	\$ (1,179,104)
Balance, June 30, 2018	\$ 34,315,936	\$ 37,773,478	\$ (3,457,542)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.89%	\$ 19,865,495	\$ 21,867,065	\$ (2,001,570)
School Department	38.27%	13,132,709	14,455,911	(1,323,202)
Water System	3.84%	1,317,732	1,450,502	(132,770)
Total		\$ 34,315,936	\$ 37,773,478	\$ (3,457,542)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lauderdale 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
Lauderdale County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 789,552 \$ (3,457,542) \$ (6,996,158)

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

Pension Expense. For the year ended June 30, 2019, Lauderdale County recognized (negative) pension expense of (\$309,828).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,035,913
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	133,939
Changes in Assumptions	527,396	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	419,814	N/A
Total	<u>\$ 947,210</u>	<u>\$ 1,169,852</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	\$ 528,060	\$ 677,254
School Department	383,485	447,702
Water Department	35,665	44,896
Total	<u>\$ 947,210</u>	<u>\$ 1,169,852</u>

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

Year Ending June 30	Amount
2020	10,707
2021	(146,378)
2022	(309,901)
2023	(196,884)
2024	0
Thereafter	0

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

Discretely Presented Lauderdale County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lauderdale County, non-certified employees of the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System employees 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 57.89 percent, non-certified employees of the discretely presented school department comprised 38.27 percent, and the discretely presented Lauderdale County Water System employees comprised 3.84 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lauderdale 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 \$92,706, which is 1.94 percent of covered payroll. In addition, employer contributions of \$85,193, which is 1.78 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$169,728) 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 .374239 percent. The proportion as of June 30, 2017, was .425546 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$59,094.

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	\$ 9,613	\$ 6,760
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,587
Changes in Assumptions	8,007	0
Changes in Proportion of Net Pension Liability (Asset)	13,685	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	92,706	N/A
Total	<u>\$ 124,011</u>	<u>\$ 16,347</u>

The school department's employer contributions of \$92,706, 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	\$ (112)
2021	(416)
2022	(1,783)
2023	723
2024	2,000
Thereafter	14,546

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	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 26,240 \$ (169,728) \$ (314,110)

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 Lauderdale 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 Lauderdale County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$1,379,135, 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 (\$1,397,919) 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 .397259 percent. The proportion measured at June 30, 2017, was .406991 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$470,870).

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	\$ 282,567	\$ 1,885,904
Changes in Assumptions	825,618	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		304,246
Changes in Proportion of Net Pension Liability (Asset)	0	172,840
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,379,135	N/A
Total	<u>\$ 2,487,320</u>	<u>\$ 2,362,990</u>

The school department's employer contributions of \$1,379,135 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in 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	\$ 217,465
2021	(517,136)
2022	(819,256)
2023	(135,878)
2024	0
Thereafter	0

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

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

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

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target 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	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 10,776,042 \$ (1,397,919) \$ (11,470,176)

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 \$220,510 and teachers contributed \$88,193 to this deferred compensation pension plan.

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

The discretely presented Lauderdale County School Department provides OPEB benefits to its retirees under the state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of the school department are provided healthcare benefits under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Lauderdale County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability 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	LEP - 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 .32% added to approximate the effect of the excise tax
Retirees Share of Benefit	
Related Cost	Discussed below

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 healthcare cost trend rate changed from 5.4 percent as of the beginning of the measurement period to 6.75 percent as of the measurement date of June 30, 2018.

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

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

Benefits Provided. The Lauderdale County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, the Lauderdale County School Department provided a direct subsidy of \$100 per month toward the cost of the insurance plan selected by retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	School Department
Retirees and Beneficiaries	22
Inactive, Nonretired Members	0
Active Members Eligible for Future Benefits	374
Active Employees Not Eligible for Future Benefits	42
Total	438

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$163,177 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Lauderdale School Department 67.649%	State of TN 32.351%	Total OPEB Liability
Balance July 1, 2017	\$ 4,496,397	\$ 1,941,273	\$ 6,437,670
Changes for the Year:			
Service Cost	\$ 270,276	\$ 129,254	\$ 399,530
Interest	161,642	77,301	238,943
Changes in Benefit Terms	(592,739)	(283,464)	(876,203)
Difference between Expected and Actuarial Experience	(1,145,912)	(548,007)	(1,693,919)
Changes in Proportion	(141,403)	141,403	0
Changes in Assumption and Other Inputs	104,149	49,807	153,956
Benefit Payments	(169,569)	(81,092)	(250,661)
Net Changes	\$ (1,513,556)	\$ (514,798)	\$ (2,028,354)
Balance June 30, 2018	\$ 2,982,841	\$ 1,426,475	\$ 4,409,316

The Lauderdale County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lauderdale County School Department's proportionate share of the collective total OPEB liability was

based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized (\$120,399) in (negative) revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lauderdale County School Department's proportionate share of the collective OPEB liability was 67.649 percent and the State of Tennessee's share was 32.351 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized negative OPEB (negative) expense of (\$415,812), including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,035,728
Changes of Assumptions/Inputs	94,135	162,400
Changes in Proportions	0	132,745
Benefits Paid After the Measurement Date of June 30, 2018	<u>163,177</u>	<u>0</u>
Total	<u>\$ 257,312</u>	<u>\$ 1,330,873</u>

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

Year Ending June 30	School Department
2020	\$ (134,592)
2021	(120,470)
2022	(120,470)
2023	(120,470)
2024	(120,470)
Thereafter	(501,643)

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

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

<u>Discount Rate</u>	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,191,661	\$ 2,982,841	\$ 2,783,266
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 5.75 to 2.85%	Current Rates 6.75 to 3.85%	1% Increase 7.75 to 4.85%
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Proportionate Share of the Collective Total OPEB Liability	\$ 2,656,500	\$ 2,982,841	\$ 3,368,538
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H. **Purchasing Laws**

Office of County Mayor

Purchasing procedures for the County Mayor's Office 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 Highway Commissioner

Purchasing procedures for the highway department are governed by Chapter 304, Private Acts of 1929 and provisions of Section 54-7-113, *TCA* (Uniform Road Law), which 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 discretely presented Lauderdale County 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.

VI. OTHER NOTES – LAUDERDALE COUNTY AMBULANCE AUTHORITY (SPECIAL REVENUE FUND)

A. Summary of Significant Accounting Policies

The Lauderdale County Ambulance Authority is a special revenue fund of Lauderdale County, Tennessee. Financial statements of the authority are consolidated into the financial statements of Lauderdale County, Tennessee. The authority is governed by a committee of the Lauderdale County Commission and provides ambulance services to the citizens of Lauderdale County.

The accounting and reporting policies of the authority relating to the activities included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, along with the subsequent GASB pronouncements (Statements and Interpretations), and constitutes GAAP for governmental units. The more significant accounting policies of the authority are described below:

1. Reporting Entity

The authority, for financial purposes, includes all the funds relevant to the operations of the Lauderdale County Ambulance Authority.

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

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 are both measurable and available. Revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Accounts receivable are reduced by an allowance for uncollectible accounts. The authority has one fund, which is a self-balancing account comprised of its assets, liabilities, fund equity, revenues, and expenditures.

B. **Cash and Investments**

Cash and cash equivalents consist of the following:

	Balance 6-30-19
Cash in Bank	\$ 70

Cash in bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Under the laws of Tennessee, the authority is authorized to invest with obligations of the United States or its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, and certificates of deposit insured by a Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2019, the authority did not own any types of securities other than those permitted by state statute.

C. **Capital Assets**

Capital assets are comprised of equipment purchased by the authority since 2004. All capital assets are capitalized and depreciated in the government-wide statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. Assets purchased prior to July 1, 2004, are reflected within the financial statements of Lauderdale County in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by Statement No. 37).

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.

Depreciation of capital assets is computed and recorded by the straight-line method over the estimated useful lives of the assets. Estimated useful lives of

the vehicles and equipment are five years. Total depreciation expense was \$121,218 for the year ended June 30, 2019.

Capital assets are summarized as follows:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Depreciated:			
Vehicles	\$ 726,924	\$ 252,751	\$ 979,675
Equipment	284,903	32,303	317,206
Total Capital Assets Being Depreciated	\$ 1,011,827	\$ 285,054	\$ 1,296,881
Less Accumulated Depreciation For:			
Vehicles	\$ 441,057	\$ 86,533	\$ 527,590
Equipment	133,331	34,685	168,016
Total Depreciation	\$ 574,388	\$ 121,218	\$ 695,606
Total Capital Assets, Net of Depreciation	\$ 437,430	\$ 163,836	\$ 601,275

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

D. Allowance for Uncollectible Accounts

The authority's allowance for estimated uncollectible receivables at June 30, 2019, was \$291,641.

E. Compensated Absences

The authority pays employees the value of all accumulated vacation and personal days prior to the end of the fiscal year. Therefore, no compensated absences are reflected within these statements.

F. Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

G. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the authority's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the authority's board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

When both restricted and unrestricted fund balances are available for use, it is the authority's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

H. Stewardship, Compliance, and Accountability

Budgetary information – An annual budget is adopted by the Ambulance Committee of the Lauderdale County Commission on a basis consistent with generally accepted accounting principles, and the budget is approved by the Lauderdale County Commission. Amendments require the approval of the county commission. All annual appropriations lapse at fiscal year-end.

I. Pension Plan

The Pension Fund of the Lauderdale County Ambulance Authority is included in the total retirement program for Lauderdale County, Tennessee, under the Tennessee Consolidated Retirement System. Five percent is deducted from the employees' checks, and the county pays a percentage match of four percent to fund the employees' retirement. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status and progress, actuarial determined contribution requirements and contributions made, and trend information, refer to Note V.F.

J. Risk Management

The authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The authority has purchased commercial insurance for all of the above risks. Settled claims have not exceeded this coverage in any of the past three years.

K. Concentration of Credit Risk

The authority receives its operating funds from governmental agencies, private insurance companies, and citizens served. While the authority has a broad consumer base, the ability to pay is dependent on the economic conditions of the area and the policies of the various governmental agencies and private insurance.

L. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were issued.

VII. OTHER NOTES – DISCRETELY PRESENTED LAUDERDALE COUNTY WATER SYSTEM

A. Reporting Entity

The Lauderdale County Water System was created in 1974. The Lauderdale County Commission appoints the system's five-member board, approves the system's operating budget, and is liable for any unpaid debt of the water system. The water system provides water service to unincorporated areas of Lauderdale County. Financial statements of the water system are incorporated into the financial statements of Lauderdale County, Tennessee, as a component unit.

B. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The financial statements of Lauderdale County Water System have been prepared in conformity with accounting principles applicable to governmental units, which are generally accepted in the United States of America. GASB is the accepted standard setting body for establishing accounting and financial reporting principles.

The Lauderdale County Water System is a proprietary fund; its operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives essentially equal values. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Lauderdale County Water System, the reporting entity. Revenues are reported when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Deposits and Investments

The water system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under the laws of Tennessee, the water system is authorized to invest in obligations of the United States or any of its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, certificates of deposit if insured by the Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2019, the water system did not own any types of securities other than those permitted by statute.

Investments for the water system are in the form of certificates of deposit and are reported at fair value.

Capital Assets

Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Utility Plant in Service	10 - 50
Equipment	5 - 10

Receivable

Accounts receivable arise from water services rendered to the customers of the water system. The board of directors authorizes write-downs of customer billings due to leaks and write-offs of accounts considered uncollectible. Amounts subsequently collected from a bad-debt write-off are recorded as income. At June 30, 2019, there are no discounts and allowances for doubtful accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Compensated Absences

The water system accrues vacation and compensated time for its employees to use in future periods.

Inventory

Inventory of supplies are recorded at historical cost using the first-in first-out method.

Risk Management

The water system is exposed to various risks or losses related to tort; theft of, damage to assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2019, the water system was covered by insurance for these various risks at a cost it considered to be economically justifiable. There were no significant reductions in coverage the past fiscal year and there were no settlements exceeding commercial insurance coverage in any of the past three years.

Net Position

Net position is reflected in three areas: Investment in Capital Assets, Restricted, and Unrestricted. When both restricted and unrestricted resources are available to use, it is the water system's policy to use restricted resources first, then unrestricted resources as they are needed.

Pensions

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

Subsequent Events

Management has evaluated subsequent events through the date the financial statement were available to be issued.

C. Deposits and Investments

The water system's deposits and investments at June 30, 2019, consisted of the following:

Deposits:

Cash on Hand	\$ 245
Cash in Bank	299,885
Cash on Deposit with County Trustee	<u>1,392,024</u>

Total Cash and Cash Equivalents	<u><u>\$ 1,692,154</u></u>
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Investments:

Certificates of Deposit Managed by County Trustee	<u><u>\$ 1,400,039</u></u>
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All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. 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.

Interest Rate Risk. To minimize exposure to declines in fair value, the certificates of deposit have staggering maturity rates with maturity dates of one year.

Custodial Credit Risk. The certificates of deposit are held in the Lauderdale County Trustee's Office name for the benefit of the water system and are not subject to custodial credit risk.

Concentrations of Credit Risk. The certificates of deposit are not subject to concentrations of credit risk as the custodial banks are either a member of the Tennessee Collateral Pool or provide securities held by the custodial bank as security for the funds invested.

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Total Capital Assets Not Depreciated	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Capital Assets Depreciated:				
Water Plant	\$ 9,326,873	\$ 67,040	\$ (66,893)	\$ 9,327,020
Plant Equipment	109,874	59,578	(19,760)	149,692
Office Equipment	42,367	14,074	0	56,441
Equipment	363,067	15,683	(21,226)	357,524
Total Capital Assets Depreciated	\$ 9,842,181	\$ 156,375	\$ (107,879)	\$ 9,890,677
Less Accumulated Depreciation:				
Water Plant	\$ 5,498,553	\$ 318,220	\$ (66,893)	\$ 5,749,880
Plant Equipment	66,377	8,910	(19,760)	55,527
Office Equipment	31,580	3,896	0	35,476
Equipment	282,362	25,543	(21,226)	286,679
Total Accumulated Depreciation	\$ 5,878,872	\$ 356,569	\$ (107,879)	\$ 6,127,562
Total Capital Assets Depreciated, Net	\$ 3,963,309	\$ (200,194)	\$ 0	\$ 3,763,115
Business-type Activities Capital Assets, Net	\$ 3,973,309	\$ (200,194)	\$ 0	\$ 3,773,115

E. Stewardship, Compliance, and Accountability

An annual budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Some expenditures exceeded appropriations.

F. Concentration of Credit Risk

The water system receives its operating funds from fees charged to water customers in Lauderdale County, Tennessee. While the water system has a broad consumer base, the ability of customers to pay their accounts is dependent on the economic conditions of the area.

G. Retirement Commitments

General Information About the Pension Plan

Plan Description. Employees of Lauderdale County, employees of the discretely presented Lauderdale County Water System, and non-certified employees of the discretely presented Lauderdale 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 57.89 percent, the discretely presented Lauderdale County Water System employees comprised 3.84 percent, and the non-certified employees of the discretely presented school department comprised 38.27 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	246
Inactive Employees Entitled to But Not Yet Receiving Benefits	262
Active Employees	<u>381</u>
Total	<u>889</u>

The numbers reflected above represent Lauderdale County as a whole. The water system employees are approximately three percent of the totals.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Lauderdale 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 Lauderdale County was \$419,814 (\$15,413 for the water system) based on a rate of four percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lauderdale County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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.

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

Pension Liabilities (Assets). At June 30, 2019, the water system reported an asset of \$132,770 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The water system's proportion of the net pension asset was based on the water system's share of contributions to the pension plan relative to the contributions of all of Lauderdale County. At June 30, 2019, the water system's proportion was 3.84 percent, which was a decrease of 2.87 percent from its proportion as of June 30, 2018.

Pension Expense. For the year ended June 30, 2019, the water system recognized (negative) pension expense of (\$1,051).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 39,753
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,143
Changes in Assumptions	20,252	
Changes in Proportionate Share Contributions Subsequent to the Measurement Date of June 30, 2018	\$ 15,413	0
		N/A
Total	\$ 35,665	\$ 44,896

The water system's employer contributions of \$15,413, 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, 2019. 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	\$ 411
2021	(5,621)
2022	(11,900)
2023	(7,534)
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	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all Lauderdale 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.

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

Water System's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability (Asset)	\$	30,319	\$	(132,770)	\$	(268,652)
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At June 30, 2019, the water system reported a payable of \$2,844 for the outstanding amount of contributions to the pension plan required at June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Lauderdale 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	\$ 715,057	\$ 747,212	\$ 754,353	\$ 801,459	\$ 875,549
Interest	2,148,509	2,231,075	2,279,069	2,323,707	2,413,533
Differences Between Actual and Expected Experience	(295,633)	(613,581)	(735,886)	(211,347)	(615,040)
Changes in Assumptions	0	0	0	878,992	0
Benefit Payments, Including Refunds of Employee Contributions	(1,459,681)	(1,538,723)	(1,925,132)	(1,573,793)	(1,545,328)
Net Change in Total Pension Liability	\$ 1,108,252	\$ 825,983	\$ 372,404	\$ 2,219,018	\$ 1,128,714
Total Pension Liability, Beginning	28,661,565	29,769,817	30,595,800	30,968,204	33,187,222
Total Pension Liability, Ending (a)	\$ 29,769,817	\$ 30,595,800	\$ 30,968,204	\$ 33,187,222	\$ 34,315,936
Plan Fiduciary Net Position					
Contributions - Employer	\$ 833,362	\$ 703,476	\$ 710,175	\$ 408,745	\$ 430,861
Contributions - Employee	489,533	471,377	477,341	511,796	538,808
Net Investment Income	4,540,036	973,579	849,172	3,644,863	2,918,513
Benefit Payments, Including Refunds of Employee Contributions	(1,459,681)	(1,538,723)	(1,925,132)	(1,573,793)	(1,545,328)
Administrative Expense	(14,296)	(17,434)	(25,913)	(30,728)	(35,036)
Other Charges	0	0	0	1,731	0
Net Change in Plan Fiduciary Net Position	\$ 4,388,954	\$ 592,275	\$ 85,643	\$ 2,962,614	\$ 2,307,818
Plan Fiduciary Net Position, Beginning	27,436,174	31,825,128	32,417,403	32,503,046	35,465,660
Plan Fiduciary Net Position, Ending (b)	\$ 31,825,128	\$ 32,417,403	\$ 32,503,046	\$ 35,465,660	\$ 37,773,478
Net Pension Liability (Asset), Ending (a - b)	\$ (2,055,311)	\$ (1,821,603)	\$ (1,534,842)	\$ (2,278,438)	\$ (3,457,542)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.90%	105.95%	104.96%	106.87%	110.08%
Covered Payroll	\$ 9,396,711	\$ 9,442,632	\$ 9,546,067	\$ 10,262,836	10,771,531
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.87)%	(19.29)%	(16.08)%	(22.20)%	(32.10)%

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, non-certified employees of the discretely presented school department, and employees of the discretely presented Lauderdale County Water System.

Exhibit F-2

Lauderdale 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	\$ 833,362	\$ 703,476	\$ 710,175	\$ 396,145	\$ 392,084	382,033
Less Contributions in Relation to the Actuarially Determined Contribution	(833,362)	(703,476)	(710,175)	(408,745)	(430,861)	(419,814)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (12,600)	\$ (38,777)	(37,781)
Covered Payroll	\$ 9,396,711	\$ 9,442,632	\$ 9,546,067	\$ 10,262,836	\$ 10,771,531	10,495,399
Contributions as a Percentage of Covered Payroll	8.87%	7.45%	7.44%	3.98%	4.00%	4.00%

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, non-certified employees of the discretely presented school department, and employees of the discretely presented Lauderdale County Water System.

Exhibit F-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 37,856	\$ 76,653	\$ 111,721	\$ 130,816	\$ 92,706
Less Contributions in Relation to the Contractually Required Contribution	(37,856)	(76,653)	(111,721)	(130,816)	(92,706)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 946,395	\$ 1,916,302	\$ 2,594,309	\$ 3,240,364	\$ 4,778,660
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.31%	4.04%	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 1.78% of covered payroll into the Pension Stabilization Reserve Trust.

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,527,707	\$ 1,455,379	\$ 1,367,183	\$ 1,300,579	\$ 1,263,092	\$ 1,379,135
Less Contributions in Relation to the Contractually Required Contribution	(1,527,707)	(1,455,379)	(1,367,183)	(1,300,579)	(1,263,092)	(1,379,135)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,203,910	\$ 16,099,321	\$ 15,123,706	\$ 14,585,594	\$ 13,940,724	\$ 13,189,548
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	8.92%	9.06%	10.46%

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

Exhibit F-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.446092%	0.435522%	0.425546%	0.374239%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (18,324)	\$ (45,339)	\$ (112,275)	\$ (169,728)
Covered Payroll	\$ 946,395	\$ 1,916,302	\$ 2,594,309	\$ 3,240,364
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.33)%	(5.24)%
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 F-6

Lauderdale County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Lauderdale 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)	0.438317%	0.430060%	0.418963%	0.406991%	0.397259%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (71,224)	\$ 176,167	\$ 2,618,284	\$ (133,160)	\$ (1,397,919)
Covered Payroll	\$ 17,203,910	\$ 16,099,321	\$ 15,123,706	\$ 14,585,594	\$ 13,940,724
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.91)%	(10.03)%
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 F-7

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 430,253	\$ 399,530
Interest	194,096	238,943
Changes in Benefit Terms	0	(876,203)
Differences Between Actual and Expected Experience	0	(1,693,919)
Changes in Assumptions or Other Inputs	(300,080)	153,956
Benefit Payments	(206,927)	(250,661)
Net Change in Total OPEB Liability	\$ 117,342	(2,028,354)
Total OPEB Liability, Beginning	6,320,328	6,437,670
Total OPEB Liability, Ending	<u>\$ 6,437,670</u>	<u>4,409,316</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,941,273	\$ 1,426,475
Employer Proportionate Share of the Total OPEB Liability	4,496,397	2,982,841
Covered Employee Payroll	\$ 20,821,086	\$ 22,509,453
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.60%	13.25%

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

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

2017	2.92%
2018	3.56%
2019	3.62%

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the county's ambulance service.

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

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

Capital Projects Funds

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

Education Capital Projects Fund – The Educational Capital Projects Fund is used to account for federal grant funds received for vocational equipment and for debt issued by Lauderdale County that is subsequently contributed to the discretely presented Lauderdale County School Department for technology equipment.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for federal grant funds received for the purchase of equipment and various construction projects.

Exhibit G-1

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

	Special Revenue Funds				
	Law Library	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 70	\$ 0	\$ 1,212	\$ 1,282
Equity in Pooled Cash and Investments	2,233	0	102,929	0	105,162
Accounts Receivable	0	597,318	0	0	597,318
Allowance for Uncollectibles	0	(291,641)	0	0	(291,641)
Total Assets	<u>\$ 2,233</u>	<u>\$ 305,747</u>	<u>\$ 102,929</u>	<u>\$ 1,212</u>	<u>\$ 412,121</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 12,827	\$ 0	\$ 0	\$ 12,827
Accrued Payroll	0	15,922	0	0	15,922
Cash Overdraft	0	4,536	0	0	4,536
Due to Other Funds	0	0	0	1,212	1,212
Total Liabilities	<u>\$ 0</u>	<u>\$ 33,285</u>	<u>\$ 0</u>	<u>\$ 1,212</u>	<u>\$ 34,497</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 102,929	\$ 0	\$ 102,929
Restricted for Public Health and Welfare	0	272,462	0	0	272,462
Restricted for Social, Cultural, and Recreational Services	2,233	0	0	0	2,233
Total Fund Balances	<u>\$ 2,233</u>	<u>\$ 272,462</u>	<u>\$ 102,929</u>	<u>\$ 0</u>	<u>\$ 377,624</u>
Total Liabilities and Fund Balances	<u>\$ 2,233</u>	<u>\$ 305,747</u>	<u>\$ 102,929</u>	<u>\$ 1,212</u>	<u>\$ 412,121</u>

(Continued)

Exhibit G-1

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

	Capital Projects Fund		Total Nonmajor Governmental Funds
	Education Capital Projects		
<u>ASSETS</u>			
Cash	\$	0	\$ 1,282
Equity in Pooled Cash and Investments		100,360	205,522
Accounts Receivable		0	597,318
Allowance for Uncollectibles		0	(291,641)
Total Assets	\$	100,360	\$ 512,481
<u>LIABILITIES</u>			
Accounts Payable	\$	0	\$ 12,827
Accrued Payroll		0	15,922
Cash Overdraft		0	4,536
Due to Other Funds		100,360	101,572
Total Liabilities	\$	100,360	\$ 134,857
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$	0	\$ 102,929
Restricted for Public Health and Welfare		0	272,462
Restricted for Social, Cultural, and Recreational Services		0	2,233
Total Fund Balances	\$	0	\$ 377,624
Total Liabilities and Fund Balances	\$	100,360	\$ 512,481

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds
	Law Library	Ambulance Service	Drug Control	Total	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,041	\$ 0	\$ 0	\$ 1,041	\$ 0
Fines, Forfeitures, and Penalties	0	0	2,095	2,095	0
Charges for Current Services	0	1,017,061	0	1,017,061	0
Federal Government	0	0	0	0	358,953
Other Governments and Citizens Groups	0	285,055	0	285,055	0
Total Revenues	\$ 1,041	\$ 1,302,116	\$ 2,095	\$ 1,305,252	\$ 358,953
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 3,775	\$ 3,775	\$ 0
Public Health and Welfare	0	1,481,502	0	1,481,502	0
Social, Cultural, and Recreational Services	1,861	0	0	1,861	0
Capital Projects	0	0	0	0	358,953
Total Expenditures	\$ 1,861	\$ 1,481,502	\$ 3,775	\$ 1,487,138	\$ 358,953
Excess (Deficiency) of Revenues Over Expenditures	\$ (820)	\$ (179,386)	\$ (1,680)	\$ (181,886)	\$ 0
Net Change in Fund Balances	\$ (820)	\$ (179,386)	\$ (1,680)	\$ (181,886)	\$ 0
Fund Balance, July 1, 2018	3,053	451,848	104,609	559,510	0
Fund Balance, June 30, 2019	\$ 2,233	\$ 272,462	\$ 102,929	\$ 377,624	\$ 0

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects -	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 1,041
Fines, Forfeitures, and Penalties	0	0	2,095
Charges for Current Services	0	0	1,017,061
Federal Government	540,567	899,520	899,520
Other Governments and Citizens Groups	0	0	285,055
Total Revenues	<u>\$ 540,567</u>	<u>\$ 899,520</u>	<u>\$ 2,204,772</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 0	\$ 0	\$ 3,775
Public Health and Welfare	0	0	1,481,502
Social, Cultural, and Recreational Services	0	0	1,861
Capital Projects	540,567	899,520	899,520
Total Expenditures	<u>\$ 540,567</u>	<u>\$ 899,520</u>	<u>\$ 2,386,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (181,886)</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ (181,886)
Fund Balance, July 1, 2018	0	0	559,510
Fund Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 377,624</u>

Exhibit G-3

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,041	\$ 1,000	\$ 1,000	\$ 41
Total Revenues	\$ 1,041	\$ 1,000	\$ 1,000	\$ 41
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 1,861	\$ 1,520	\$ 2,020	\$ 159
Total Expenditures	\$ 1,861	\$ 1,520	\$ 2,020	\$ 159
Excess (Deficiency) of Revenues Over Expenditures	\$ (820)	\$ (520)	\$ (1,020)	\$ 200
Net Change in Fund Balance	\$ (820)	\$ (520)	\$ (1,020)	\$ 200
Fund Balance, July 1, 2018	3,053	2,888	2,888	165
Fund Balance, June 30, 2019	\$ 2,233	\$ 2,368	\$ 1,868	\$ 365

Exhibit G-4

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service 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	\$ 1,017,061	\$ 1,350,000	\$ 1,350,000	\$ (332,939)
State of Tennessee	0	315,000	315,000	(315,000)
Other Governments and Citizens Groups	285,055	0	0	285,055
Total Revenues	<u>\$ 1,302,116</u>	<u>\$ 1,665,000</u>	<u>\$ 1,665,000</u>	<u>\$ (362,884)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,481,502	\$ 1,656,125	\$ 1,656,125	\$ 174,623
Total Expenditures	<u>\$ 1,481,502</u>	<u>\$ 1,656,125</u>	<u>\$ 1,656,125</u>	<u>\$ 174,623</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (179,386)</u>	<u>\$ 8,875</u>	<u>\$ 8,875</u>	<u>\$ (188,261)</u>
Net Change in Fund Balance	\$ (179,386)	\$ 8,875	\$ 8,875	\$ (188,261)
Fund Balance, July 1, 2018	<u>451,848</u>	<u>523,740</u>	<u>523,740</u>	<u>(71,892)</u>
Fund Balance, June 30, 2019	<u>\$ 272,462</u>	<u>\$ 532,615</u>	<u>\$ 532,615</u>	<u>\$ (260,153)</u>

Exhibit G-5

Lauderdale 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	\$ 2,095	\$ 10,100	\$ 10,100	\$ (8,005)
Total Revenues	\$ 2,095	\$ 10,100	\$ 10,100	\$ (8,005)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,775	\$ 11,600	\$ 14,100	\$ 10,325
Total Expenditures	\$ 3,775	\$ 11,600	\$ 14,100	\$ 10,325
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,680)	\$ (1,500)	\$ (4,000)	\$ 2,320
Net Change in Fund Balance	\$ (1,680)	\$ (1,500)	\$ (4,000)	\$ 2,320
Fund Balance, July 1, 2018	104,609	94,905	94,905	9,704
Fund Balance, June 30, 2019	\$ 102,929	\$ 93,405	\$ 90,905	\$ 12,024

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 H

Lauderdale 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	\$ 200,418	\$ 196,498	\$ 196,498	\$ 3,920
Licenses and Permits	122	91	91	31
Other Governments and Citizens Groups	1,936,695	1,360,810	1,499,340	437,355
Total Revenues	<u>\$ 2,137,235</u>	<u>\$ 1,557,399</u>	<u>\$ 1,695,929</u>	<u>\$ 441,306</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 65,000	\$ 65,000	\$ 65,000	\$ 0
Education	1,292,287	1,157,432	1,329,878	37,591
<u>Interest on Debt</u>				
General Government	8,186	18,350	18,350	10,164
Education	165,449	200,360	166,444	995
<u>Other Debt Service</u>				
General Government	104,823	125,315	125,315	20,492
Education	2,238	3,019	3,019	781
Total Expenditures	<u>\$ 1,637,983</u>	<u>\$ 1,569,476</u>	<u>\$ 1,708,006</u>	<u>\$ 70,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 499,252</u>	<u>\$ (12,077)</u>	<u>\$ (12,077)</u>	<u>\$ 511,329</u>
Net Change in Fund Balance	\$ 499,252	\$ (12,077)	\$ (12,077)	\$ 511,329
Fund Balance, July 1, 2018	<u>3,358,470</u>	<u>3,142,320</u>	<u>3,142,320</u>	<u>216,150</u>
Fund Balance, June 30, 2019	<u><u>\$ 3,857,722</u></u>	<u><u>\$ 3,130,243</u></u>	<u><u>\$ 3,130,243</u></u>	<u><u>\$ 727,479</u></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.

Local Sales Tax Fund – The Local Sales Tax Fund is used to account for certain local option sales tax collections that are to be used for the retirement of school debt.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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

Exhibit I-1

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

	Agency Funds				
	Cities - Sales Tax	Constitu - tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,032,162	\$ 0	\$ 0	\$ 1,032,162
Equity in Pooled Cash and Investments	2,117,658	0	125,083	184,847	2,427,588
Accounts Receivable	0	8,873	0	0	8,873
Due from Other Governments	413,437	0	0	0	413,437
Cash Shortage	0	1,012	0	0	1,012
Total Assets	<u>\$ 2,531,095</u>	<u>\$ 1,042,047</u>	<u>\$ 125,083</u>	<u>\$ 184,847</u>	<u>\$ 3,883,072</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 583	\$ 0	\$ 583
Due to Cities	190,732	0	0	0	190,732
Due to Other Taxing Units	2,340,363	0	0	0	2,340,363
Due to Litigants, Heirs, and Others	0	1,042,047	0	184,847	1,226,894
Due to Joint Ventures	0	0	124,500	0	124,500
Total Liabilities	<u>2,531,095</u>	<u>\$ 1,042,047</u>	<u>\$ 125,083</u>	<u>\$ 184,847</u>	<u>\$ 3,883,072</u>

Exhibit I-2

Lauderdale County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency FundsFor the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Local Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,697,265	\$ 2,300,360	\$ 1,879,967	\$ 2,117,658
Due from Other Governments	385,643	413,437	385,643	413,437
Total Assets	\$ 2,082,908	\$ 2,713,797	\$ 2,265,610	\$ 2,531,095
<u>Liabilities</u>				
Due to Cities	\$ 179,899	\$ 190,732	\$ 179,899	\$ 190,732
Due to Other Taxing Units	1,903,009	2,523,065	2,085,711	2,340,363
Total Liabilities	\$ 2,082,908	\$ 2,713,797	\$ 2,265,610	\$ 2,531,095
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 728,172	\$ 5,035,428	\$ 4,731,438	\$ 1,032,162
Accounts Receivable	8,516	8,873	8,516	8,873
Cash Shortage	0	1,012	0	1,012
Total Assets	\$ 736,688	\$ 5,045,313	\$ 4,739,954	\$ 1,042,047
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 736,688	\$ 5,045,313	\$ 4,739,954	\$ 1,042,047
Total Liabilities	\$ 736,688	\$ 5,045,313	\$ 4,739,954	\$ 1,042,047
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 181,003	\$ 152,685	\$ 208,605	\$ 125,083
Total Assets	\$ 181,003	\$ 152,685	\$ 208,605	\$ 125,083
<u>Liabilities</u>				
Accounts Payable	\$ 1,029	\$ 583	\$ 1,029	\$ 583
Due to Joint Ventures	179,974	152,102	207,576	124,500
Total Liabilities	\$ 181,003	\$ 152,685	\$ 208,605	\$ 125,083

(Continued)

Exhibit I-2

Lauderdale County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 178,781	\$ 22,127	\$ 16,061	\$ 184,847
Due from Other Governments	0	0	0	0
Total Assets	<u>\$ 178,781</u>	<u>\$ 22,127</u>	<u>\$ 16,061</u>	<u>\$ 184,847</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 178,781	\$ 22,127	\$ 16,061	\$ 184,847
Total Liabilities	<u>\$ 178,781</u>	<u>\$ 22,127</u>	<u>\$ 16,061</u>	<u>\$ 184,847</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 728,172	\$ 5,035,428	\$ 4,731,438	\$ 1,032,162
Equity in Pooled Cash and Investments	2,057,049	2,475,172	2,104,633	2,427,588
Accounts Receivable	8,516	8,873	8,516	8,873
Due from Other Governments	385,643	413,437	385,643	413,437
Cash Shortage	0	1,012	0	1,012
Total Assets	<u>\$ 3,179,380</u>	<u>\$ 7,933,922</u>	<u>\$ 7,230,230</u>	<u>\$ 3,883,072</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,029	\$ 583	\$ 1,029	\$ 583
Due to Cities	179,899	190,732	179,899	190,732
Due to Other Taxing Units	1,903,009	2,523,065	2,085,711	2,340,363
Due to Litigants, Heirs, and Others	915,469	5,067,440	4,756,015	1,226,894
Due to Joint Ventures	179,974	152,102	207,576	124,500
Total Liabilities	<u>\$ 3,179,380</u>	<u>\$ 7,933,922</u>	<u>\$ 7,230,230</u>	<u>\$ 3,883,072</u>

Lauderdale County School Department

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 22,935,677	\$ 3,657	\$ 3,585,196	\$ 650,000	\$ (18,696,824)
Support Services	12,058,828	36,071	1,464,247	114,864	(10,443,646)
Operation of Non-instructional Services	4,150,434	227,999	3,548,092	0	(374,343)
Total Governmental Activities	\$ 39,144,939	\$ 267,727	\$ 8,597,535	\$ 764,864	\$ (29,514,813)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,467,498
Local Option Sales Taxes					1,936,433
Wheel Tax					176,509
Grants and Contributions Not Restricted for Specific Programs					25,878,158
Unrestricted Investment Income					170,804
Miscellaneous					62,451
Total General Revenues					\$ 31,691,853
Change in Net Position					\$ 2,177,040
Net Position, July 1, 2018					22,619,650
Net Position, June 30, 2019					\$ 24,796,690

Exhibit J-2

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 8,042,856	\$ 453,119	\$ 8,495,975
Due from Other Governments	426,511	356,489	783,000
Due from Other Funds	0	78,569	78,569
Property Taxes Receivable	3,571,527	0	3,571,527
Allowance for Uncollectible Property Taxes	(36,154)	0	(36,154)
Cash Shortage	29,687	0	29,687
Restricted Assets	89,723	0	89,723
Total Assets	<u>\$ 12,124,150</u>	<u>\$ 888,177</u>	<u>\$ 13,012,327</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 78,384	\$ 2,000	\$ 80,384
Payroll Deductions Payable	1,256,946	128,549	1,385,495
Contracts Payable	408,308	0	408,308
Due to Other Funds	78,569	0	78,569
Other Current Liabilities	0	92	92
Total Liabilities	<u>\$ 1,822,207</u>	<u>\$ 130,641</u>	<u>\$ 1,952,848</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,362,358	\$ 0	\$ 3,362,358
Deferred Delinquent Property Taxes	166,030	0	166,030
Other Deferred/Unavailable Revenue	167,031	0	167,031
Total Deferred Inflows of Resources	<u>\$ 3,695,419</u>	<u>\$ 0</u>	<u>\$ 3,695,419</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 9,318	\$ 169,688	\$ 179,006
Restricted for Operation of Non-instructional Services	0	487,848	487,848
Restricted for Hybrid Retirement Stabilization Funds	89,723	0	89,723
Committed:			
Committed for Instruction	330,851	0	330,851
Assigned:			
Assigned for Education	844,777	100,000	944,777
Unassigned	5,331,855	0	5,331,855
Total Fund Balances	<u>\$ 6,606,524</u>	<u>\$ 757,536</u>	<u>\$ 7,364,060</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,124,150</u>	<u>\$ 888,177</u>	<u>\$ 13,012,327</u>

Exhibit J-3

Lauderdale County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Lauderdale 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 J-2)		\$	7,364,060
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,389,574	
Add: construction in progress		374,922	
Add: buildings and improvements net of accumulated depreciation		13,664,639	
Add: infrastructure net of accumulated depreciation		579,012	
Add: other capital assets net of accumulated depreciation		<u>2,497,240</u>	18,505,387
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for capital leases	\$	(408,042)	
Less: net OPEB liability		<u>(2,982,841)</u>	(3,390,883)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,994,816	
Less: deferred inflows of resources related to pensions		(2,827,039)	
Add: deferred outflows of resources related to OPEB		257,312	
Less: deferred inflows of resources related to OPEB		<u>(1,330,873)</u>	(905,784)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	1,323,202	
Add: net pension asset - teacher retirement plan		169,728	
Add: net pension asset - teacher legacy pension plan		<u>1,397,919</u>	2,890,849
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>333,061</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>24,796,690</u></u>

Exhibit J-4

Lauderdale County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds

Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2019

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 5,700,255	\$ 0	\$ 5,700,255
Licenses and Permits	3,666	0	3,666
Fines, Forfeitures, and Penalties	238	0	238
Charges for Current Services	37,126	227,999	265,125
Other Local Revenues	239,690	8,423	248,113
State of Tennessee	27,622,846	23,810	27,646,656
Federal Government	233,516	6,431,524	6,665,040
Other Governments and Citizens Groups	804,816	0	804,816
Total Revenues	\$ 34,642,153	\$ 6,691,756	\$ 41,333,909
<u>Expenditures</u>			
Current:			
Instruction	\$ 19,788,042	\$ 2,717,403	\$ 22,505,445
Support Services	11,636,093	899,153	12,535,246
Operation of Non-Instructional Services	1,180,137	3,029,278	4,209,415
Capital Outlay	1,255,407	0	1,255,407
Debt Service:			
Other Debt Service	1,338,530	0	1,338,530
Total Expenditures	\$ 35,198,209	\$ 6,645,834	\$ 41,844,043
Excess (Deficiency) of Revenues Over Expenditures	\$ (556,056)	\$ 45,922	\$ (510,134)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 20,509	\$ 0	\$ 20,509
Transfers In	37,522	0	37,522
Transfers Out	0	(37,522)	(37,522)
Total Other Financing Sources (Uses)	\$ 58,031	\$ (37,522)	\$ 20,509
Net Change in Fund Balances	\$ (498,025)	\$ 8,400	\$ (489,625)
Fund Balance, July 1, 2018	7,104,549	749,136	7,853,685
Fund Balance, June 30, 2019	\$ 6,606,524	\$ 757,536	\$ 7,364,060

Exhibit J-5

Lauderdale County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Lauderdale 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 J-4)		\$	(489,625)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,248,560	
Less: current-year depreciation expense		<u>(1,360,723)</u>	(112,163)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	333,061	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(344,991)</u>	(11,930)
(3) The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contributions on capital leases to the primary government			134,856
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension asset - agent plan	\$	445,548	
Change in net pension asset - teacher retirement plan		57,453	
Change in net pension asset - teacher legacy pension plan		1,264,759	
Change in deferred outflows related to pensions		(62,708)	
Change in deferred inflows related to pensions		492,260	
Change in net OPEB liability		1,513,556	
Change in deferred outflows related to OPEB		87,275	
Change in deferred inflows related to OPEB		<u>(1,142,241)</u>	<u>2,655,902</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,177,040</u>

Exhibit J-6

Lauderdale County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lauderdale 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	\$ 168,506	\$ 284,613	\$ 453,119
Due from Other Governments	148,370	208,119	356,489
Due from Other Funds	78,569	0	78,569
Total Assets	<u>\$ 395,445</u>	<u>\$ 492,732</u>	<u>\$ 888,177</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,000	\$ 0	\$ 2,000
Payroll Deductions Payable	123,757	4,792	128,549
Other Current Liabilities	0	92	92
Total Liabilities	<u>\$ 125,757</u>	<u>\$ 4,884</u>	<u>\$ 130,641</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 169,688	\$ 0	\$ 169,688
Restricted for Operation of Non-instructional Services	0	487,848	487,848
Assigned:			
Assigned for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 269,688</u>	<u>\$ 487,848</u>	<u>\$ 757,536</u>
Total Liabilities and Fund Balances	<u>\$ 395,445</u>	<u>\$ 492,732</u>	<u>\$ 888,177</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School		Nonmajor
	Federal	Central	Governmental
	Projects	Cafeteria	Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 227,999	\$ 227,999
Other Local Revenues	0	8,423	8,423
State of Tennessee	0	23,810	23,810
Federal Government	3,859,358	2,572,166	6,431,524
Total Revenues	<u>\$ 3,859,358</u>	<u>\$ 2,832,398</u>	<u>\$ 6,691,756</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,717,403	\$ 0	\$ 2,717,403
Support Services	899,153	0	899,153
Operation of Non-Instructional Services	68,892	2,960,386	3,029,278
Total Expenditures	<u>\$ 3,685,448</u>	<u>\$ 2,960,386</u>	<u>\$ 6,645,834</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 173,910</u>	<u>\$ (127,988)</u>	<u>\$ 45,922</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	<u>\$ (37,522)</u>	<u>\$ 0</u>	<u>\$ (37,522)</u>
Total Other Financing Sources (Uses)	<u>\$ (37,522)</u>	<u>\$ 0</u>	<u>\$ (37,522)</u>
Net Change in Fund Balances	\$ 136,388	\$ (127,988)	\$ 8,400
Fund Balance, July 1, 2018	<u>133,300</u>	<u>615,836</u>	<u>749,136</u>
Fund Balance, June 30, 2019	<u>\$ 269,688</u>	<u>\$ 487,848</u>	<u>\$ 757,536</u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,700,255	\$ 0	\$ 0	\$ 5,700,255	\$ 5,695,964	\$ 5,695,964	\$ 4,291
Licenses and Permits	3,666	0	0	3,666	3,800	3,800	(134)
Fines, Forfeitures, and Penalties	238	0	0	238	1,000	1,000	(762)
Charges for Current Services	37,126	0	0	37,126	25,000	25,000	12,126
Other Local Revenues	239,690	0	0	239,690	193,000	215,410	24,280
State of Tennessee	27,622,846	0	0	27,622,846	25,967,779	28,377,825	(754,979)
Federal Government	233,516	0	0	233,516	226,500	333,874	(100,358)
Other Governments and Citizens Groups	804,816	0	0	804,816	900,000	1,074,120	(269,304)
Total Revenues	\$ 34,642,153	\$ 0	\$ 0	\$ 34,642,153	\$ 33,013,043	\$ 35,726,993	\$ (1,084,840)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 16,013,801	\$ (43,200)	\$ 130,596	\$ 16,101,197	\$ 16,142,396	\$ 16,361,399	\$ 260,202
Special Education Program	2,642,337	(1,500)	54,672	2,695,509	2,908,109	2,854,709	159,200
Career and Technical Education Program	1,131,904	0	2,712	1,134,616	1,083,250	1,185,180	50,564
<u>Support Services</u>							
Attendance	27,506	0	0	27,506	33,264	26,264	(1,242)
Health Services	281,315	0	0	281,315	160,844	284,944	3,629
Other Student Support	990,950	0	0	990,950	1,015,310	1,080,380	89,430
Regular Instruction Program	975,209	0	0	975,209	813,093	1,041,761	66,552
Special Education Program	468,530	0	4,900	473,430	490,056	544,232	70,802
Career and Technical Education Program	119,242	0	0	119,242	125,549	127,249	8,007
Technology	221,923	0	0	221,923	246,913	226,913	4,990
Other Programs	84,365	0	0	84,365	120,000	120,000	35,635
Board of Education	340,088	0	0	340,088	392,967	372,967	32,879
Director of Schools	450,656	0	0	450,656	432,005	466,457	15,801
Office of the Principal	2,649,101	0	0	2,649,101	2,523,709	2,631,709	(17,392)
Fiscal Services	212,954	0	0	212,954	210,264	213,939	985
Human Services/Personnel	125,707	0	0	125,707	131,961	128,861	3,154

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 2,244,665	\$ 0	\$ 0	\$ 2,244,665	\$ 2,278,057	\$ 2,309,057	\$ 64,392
Maintenance of Plant	785,802	0	24,289	810,091	654,305	793,305	(16,786)
Transportation	1,657,968	0	524	1,658,492	1,703,390	1,722,585	64,093
Central and Other	112	0	0	112	0	0	(112)
<u>Operation of Non-Instructional Services</u>							
Community Services	229,532	0	0	229,532	24,000	234,109	4,577
Early Childhood Education	950,605	(8,929)	8,538	950,214	0	952,119	1,905
<u>Capital Outlay</u>							
Regular Capital Outlay	1,255,407	(178,136)	618,546	1,695,817	340,000	2,172,875	477,058
<u>Principal on Debt</u>							
Education	0	0	0	0	140,000	0	0
<u>Other Debt Service</u>							
Education	1,338,530	0	0	1,338,530	1,200,000	1,340,000	1,470
Total Expenditures	\$ 35,198,209	\$ (231,765)	\$ 844,777	\$ 35,811,221	\$ 33,169,442	\$ 37,191,014	\$ 1,379,793
Excess (Deficiency) of Revenues Over Expenditures	\$ (556,056)	\$ 231,765	\$ (844,777)	\$ (1,169,068)	\$ (156,399)	\$ (1,464,021)	\$ 294,953
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 20,509	\$ 0	\$ 0	\$ 20,509	\$ 0	\$ 0	\$ 20,509
Transfers In	37,522	0	0	37,522	14,000	0	37,522
Transfers Out	0	0	0	0	0	(400)	400
Total Other Financing Sources	\$ 58,031	\$ 0	\$ 0	\$ 58,031	\$ 14,000	\$ (400)	\$ 58,431
Net Change in Fund Balance	\$ (498,025)	\$ 231,765	\$ (844,777)	\$ (1,111,037)	\$ (142,399)	\$ (1,464,421)	\$ 353,384
Fund Balance, July 1, 2018	7,104,549	(231,765)	0	6,872,784	5,332,185	5,332,185	1,540,599
Fund Balance, June 30, 2019	\$ 6,606,524	\$ 0	\$ (844,777)	\$ 5,761,747	\$ 5,189,786	\$ 3,867,764	\$ 1,893,983

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,859,358	\$ 0	\$ 0	\$ 3,859,358	\$ 2,830,904	\$ 4,405,417	\$ (546,059)
Total Revenues	\$ 3,859,358	\$ 0	\$ 0	\$ 3,859,358	\$ 2,830,904	\$ 4,405,417	\$ (546,059)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,679,432	\$ (2,536)	\$ 52,208	\$ 1,729,104	\$ 1,424,948	\$ 1,911,883	\$ 182,779
Special Education Program	993,243	0	0	993,243	1,115,167	1,247,021	253,778
Career and Technical Education Program	44,728	(291)	15,791	60,228	60,968	61,401	1,173
<u>Support Services</u>							
Other Student Support	496,469	0	1,300	497,769	45,577	603,335	105,566
Regular Instruction Program	362,418	(600)	0	361,818	150,244	402,359	40,541
Special Education Program	35,423	0	0	35,423	13,500	45,500	10,077
Career and Technical Education Program	4,000	0	0	4,000	4,000	4,000	0
Board of Education	90	0	0	90	0	90	0
Transportation	753	0	0	753	0	797	44
<u>Operation of Non-Instructional Services</u>							
Food Service	441	0	0	441	0	450	9
Community Services	68,451	0	0	68,451	0	87,315	18,864
Total Expenditures	\$ 3,685,448	\$ (3,427)	\$ 69,299	\$ 3,751,320	\$ 2,814,404	\$ 4,364,151	\$ 612,831
Excess (Deficiency) of Revenues Over Expenditures	\$ 173,910	\$ 3,427	\$ (69,299)	\$ 108,038	\$ 16,500	\$ 41,266	\$ 66,772
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (37,522)	\$ 0	\$ 0	\$ (37,522)	\$ (16,500)	\$ (41,266)	\$ 3,744
Total Other Financing Sources	\$ (37,522)	\$ 0	\$ 0	\$ (37,522)	\$ (16,500)	\$ (41,266)	\$ 3,744
Net Change in Fund Balance	\$ 136,388	\$ 3,427	\$ (69,299)	\$ 70,516	\$ 0	\$ 0	\$ 70,516
Fund Balance, July 1, 2018	133,300	(3,427)	0	129,873	161,876	161,876	(32,003)
Fund Balance, June 30, 2019	\$ 269,688	\$ 0	\$ (69,299)	\$ 200,389	\$ 161,876	\$ 161,876	\$ 38,513

Exhibit J-10

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lauderdale 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	\$ 227,999	\$ 262,500	\$ 273,480	\$ (45,481)
Other Local Revenues	8,423	450	750	7,673
State of Tennessee	23,810	25,000	25,000	(1,190)
Federal Government	2,572,166	2,861,938	2,770,850	(198,684)
Total Revenues	<u>\$ 2,832,398</u>	<u>\$ 3,149,888</u>	<u>\$ 3,070,080</u>	<u>\$ (237,682)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,960,386	\$ 3,352,396	\$ 3,132,616	\$ 172,230
Total Expenditures	<u>\$ 2,960,386</u>	<u>\$ 3,352,396</u>	<u>\$ 3,132,616</u>	<u>\$ 172,230</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (127,988)</u>	<u>\$ (202,508)</u>	<u>\$ (62,536)</u>	<u>\$ (65,452)</u>
Net Change in Fund Balance	\$ (127,988)	\$ (202,508)	\$ (62,536)	\$ (65,452)
Fund Balance, July 1, 2018	615,836	503,954	503,954	111,882
Fund Balance, June 30, 2019	<u><u>\$ 487,848</u></u>	<u><u>\$ 301,446</u></u>	<u><u>\$ 441,418</u></u>	<u><u>\$ 46,430</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Lauderdale County, Tennessee
Schedule of Changes in Long-term Other Loans, Bonds, and Capital Leases
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
OTHER LOANS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Public Works Projects	\$ 1,000,000	Variable %	1-28-09	5-25-25	\$ 493,000	\$ 65,000	\$ 428,000
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-7-10	9-15-27	1,447,220	157,431	1,289,789
Total Other Loans Payable					<u>\$ 1,940,220</u>	<u>\$ 222,431</u>	<u>\$ 1,717,789</u>
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
G.O. School Refunding, Series 2012	9,230,000	2 to 2.25	4-18-12	4-1-22	\$ 3,745,000	\$ 1,000,000	\$ 2,745,000
Total Bonds Payable					<u>\$ 3,745,000</u>	<u>\$ 1,000,000</u>	<u>\$ 2,745,000</u>
CAPITAL LEASES PAYABLE							
<u>Contributions Due by School Department from the General Purpose</u>							
<u>School and School Federal Projects Funds to the General Debt</u>							
<u>Service Fund</u>							
Laptop Computers	546,751	0.90	8-15-17	8-15-20	\$ 408,221	\$ 134,856	\$ 273,365
Tablets	203,357	1.99	5-15-18	7-15-20	134,677	0	134,677
Total Capital Leases Payable					<u>\$ 542,898</u>	<u>\$ 134,856</u>	<u>\$ 408,042</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

Exhibit K-2

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

Year Ending June 30	Other Loans			
	Principal	Interest (1)	Other Fees	Total
2020	\$ 224,431	\$ 128,704	\$ 5,825	\$ 358,960
2021	225,431	127,675	5,377	358,483
2022	227,431	126,647	4,928	359,006
2023	229,431	125,589	4,467	359,487
2024	231,431	124,507	3,994	359,932
2025	234,431	123,381	3,418	361,230
2026	157,431	122,315	2,018	281,764
2027	172,928	122,315	2,018	297,261
2028	14,844	12,045	505	27,394
Total	\$ 1,717,789	\$ 1,013,178	\$ 32,550	\$ 2,763,517

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,000,000	\$ 58,044	\$ 1,058,044
2021	975,000	38,044	1,013,044
2022	770,000	17,323	787,323
Total	\$ 2,745,000	\$ 113,411	\$ 2,858,411

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2020	\$ 202,745	\$ 5,140	\$ 207,885
2021	205,297	2,589	207,886
Total	\$ 408,042	\$ 7,729	\$ 415,771

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Lauderdale County, Tennessee
Schedule of Transfers
Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 37,522</u>
Total Transfers Discretely Presented Lauderdale County School Department			<u><u>\$ 37,522</u></u>

Exhibit K-4

Lauderdale County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lauderdale 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> , and County Commission	\$ 87,858 (1)	\$ 400,000	Tennessee Risk Management Trust
Highway Commissioner	Chapter 304, Private Acts of 1929, as amended, and County Commission	83,746	400,000	"
Director of Schools	State Board of Education and County Board of Education	125,848 (2)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	76,069	1,255,205	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,069	400,000	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, <i>TCA</i>	76,069	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	76,069	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	76,069	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	76,069	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	83,676 (3)	400,000	"
Employees Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			400,000	"

(1) Does not include a travel allowance of \$18,400.

(2) Includes a chief executive officer training supplement of \$1,000. Does not include a travel allowance of \$7,800.

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

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,786,707	\$ 0	\$ 0	\$ 0	\$ 778,700	\$ 165,130
Trustee's Collections - Prior Year	234,683	0	0	0	31,226	5,203
Circuit Clerk/Clerk and Master Collections - Prior Years	116,625	0	0	0	15,942	2,646
Interest and Penalty	47,642	0	0	0	6,402	1,206
Payments in-Lieu-of Taxes - T.V.A.	604	0	0	0	81	17
Payments in-Lieu-of Taxes - Local Utilities	65,727	0	0	0	8,845	1,873
Payments in-Lieu-of Taxes - Other	95,295	0	0	0	12,823	2,716
<u>County Local Option Taxes</u>						
Hotel/Motel Tax	15,944	0	0	0	0	0
Wheel Tax	882,774	0	0	0	88,369	0
Litigation Tax - General	50,816	0	0	0	0	0
Litigation Tax - Special Purpose	11,347	1,041	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	998	0	0	0	0	20,877
Litigation Tax - Courthouse Security	10	0	0	0	0	0
Business Tax	140,419	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	28,404	0	0	0	3,542	750
Wholesale Beer Tax	37,028	0	0	0	0	0
Total Local Taxes	\$ 7,515,023	\$ 1,041	\$ 0	\$ 0	\$ 945,930	\$ 200,418
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 5,671	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	4,256	0	0	0	573	122

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				Debt Service Fund
		Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 712	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	11,297	0	0	0	0	0
Other Permits	9,550	0	0	0	0	0
Total Licenses and Permits	<u>\$ 31,486</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>573</u>	<u>122</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 5,641	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,505	0	0	0	0	0
Drug Control Fines	380	0	0	256	0	0
Drug Court Fees	810	0	0	0	0	0
Jail Fees	4,018	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Data Entry Fee - Circuit Court	1,626	0	0	0	0	0
Victims Assistance Assessments	4,605	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	570	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	24,664	0	0	0	0	0
Fines for Littering	522	0	0	0	0	0
Officers Costs	16,800	0	0	0	0	0
Game and Fish Fines	428	0	0	0	0	0
Drug Control Fines	1,376	0	0	902	0	0
Drug Court Fees	1,078	0	0	0	0	0
Jail Fees	10,829	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 3,579	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - General Sessions Court	7,990	0	0	0	0	0
Victims Assistance Assessments	11,362	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,957	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,440	0	0	0	0	0
Data Entry Fee - Chancery Court	3,009	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	937	0	0
Total Fines, Forfeitures, and Penalties	\$ 110,759	\$ 0	\$ 0	\$ 2,095	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 0	\$ 0	\$ 1,017,061	\$ 0	\$ 0	0
<u>Fees</u>						
Subdivision Lot Fees	619	0	0	0	0	0
Copy Fees	1,028	0	0	0	0	0
Library Fees	4,147	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	97,956	0	0	0	0	0
Data Processing Fee - Register	5,812	0	0	0	0	0
Data Processing Fee - Sheriff	1,045	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,750	0	0	0	0	0
Data Processing Fee - County Clerk	2,459	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	690	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 3,797	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TBI Criminal Background Fee	210	0	0	0	0	0
Other Charges for Services	150	0	0	0	0	0
Total Charges for Current Services	<u>\$ 121,713</u>	<u>\$ 0</u>	<u>\$ 1,017,061</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Commissary Sales	\$ 44,327	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Maps	250	0	0	0	0	0
Miscellaneous Refunds	29,166	0	0	0	23,638	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	16,554	0
Sale of Property	56,135	0	0	0	0	0
Damages Recovered from Individuals	1,260	0	0	0	0	0
Total Other Local Revenues	<u>\$ 131,138</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,192</u>	<u>\$ 0</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 289,725	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	81,400	0	0	0	0	0
General Sessions Court Clerk	131,743	0	0	0	0	0
Clerk and Master	74,681	0	0	0	0	0
Register	68,223	0	0	0	0	0
Sheriff	14,836	0	0	0	0	0
Trustee	372,789	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,033,397</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				Debt Service Fund
		Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 11,700	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	4,886	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	17,400	0	0	0	0	0
Safe and Drug-Free Schools and Communities	66,242	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	141,692	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	816,724	0
State Aid Program	0	0	0	0	241,743	0
Litter Program	37,305	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	8,557	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	6,717	0	0	0	0	0
Alcoholic Beverage Tax	72,587	0	0	0	0	0
State Revenue Sharing - T.V.A.	145,800	0	0	0	76,371	0
State Revenue Sharing - Telecommunications	42,388	0	0	0	0	0
Contracted Prisoner Boarding	800,982	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	3,133,909	0
Petroleum Special Tax	0	0	0	0	20,069	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	99,438	0	0	0	0	0
Other State Revenues	9,292	0	0	0	150,000	0
Total State of Tennessee	\$ 1,498,109	\$ 0	\$ 0	\$ 0	\$ 4,438,816	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Law Library	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Civil Defense Reimbursement	32,000	0	0	0	0	0
Homeland Security Grants	16,006	0	0	0	0	0
Law Enforcement Grants	13,095	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	4,900	0	0	0	0	0
Total Federal Government	<u>\$ 75,001</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 220,360	\$ 0	\$ 285,055	\$ 0	\$ 0	\$ 1,936,695
Contracted Services	70,748	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	700	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 291,808</u>	<u>\$ 0</u>	<u>\$ 285,055</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,936,695</u>
Total	<u>\$ 10,808,434</u>	<u>\$ 1,041</u>	<u>\$ 1,302,116</u>	<u>\$ 2,095</u>	<u>\$ 5,425,511</u>	<u>\$ 2,137,235</u>

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>		
	<u>Education</u>	<u>Other</u>	
	<u>Capital</u>	<u>Capital</u>	
	<u>Projects</u>	<u>Projects -</u>	<u>Total</u>
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 0	\$ 6,730,537
Trustee's Collections - Prior Year	0	0	271,112
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	135,213
Interest and Penalty	0	0	55,250
Payments in-Lieu-of Taxes - T.V.A.	0	0	702
Payments in-Lieu-of Taxes - Local Utilities	0	0	76,445
Payments in-Lieu-of Taxes - Other	0	0	110,834
<u>County Local Option Taxes</u>			
Hotel/Motel Tax	0	0	15,944
Wheel Tax	0	0	971,143
Litigation Tax - General	0	0	50,816
Litigation Tax - Special Purpose	0	0	12,388
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	21,875
Litigation Tax - Courthouse Security	0	0	10
Business Tax	0	0	140,419
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	0	32,696
Wholesale Beer Tax	0	0	37,028
Total Local Taxes	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,662,412</u>
<hr/>			
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 0	\$ 5,671
Cable TV Franchise	0	0	4,951

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>		
	<u>Education</u>	<u>Other</u>	
	<u>Capital</u>	<u>Capital</u>	
	<u>Projects</u>	<u>Projects -</u>	<u>Total</u>
<hr/>			
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$ 0	\$ 0	\$ 712
Building Permits	0	0	11,297
Other Permits	0	0	9,550
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,181</u>
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 5,641
Officers Costs	0	0	7,505
Drug Control Fines	0	0	636
Drug Court Fees	0	0	810
Jail Fees	0	0	4,018
DUI Treatment Fines	0	0	570
Data Entry Fee - Circuit Court	0	0	1,626
Victims Assistance Assessments	0	0	4,605
<u>Criminal Court</u>			
DUI Treatment Fines	0	0	570
<u>General Sessions Court</u>			
Fines	0	0	24,664
Fines for Littering	0	0	522
Officers Costs	0	0	16,800
Game and Fish Fines	0	0	428
Drug Control Fines	0	0	2,278
Drug Court Fees	0	0	1,078
Jail Fees	0	0	10,829

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	Education Capital Projects	Other Capital Projects -	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
DUI Treatment Fines	\$ 0	\$ 0	\$ 3,579
Data Entry Fee - General Sessions Court	0	0	7,990
Victims Assistance Assessments	0	0	11,362
<u>Juvenile Court</u>			
Fines	0	0	1,957
<u>Chancery Court</u>			
Officers Costs	0	0	1,440
Data Entry Fee - Chancery Court	0	0	3,009
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	937
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 112,854
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	\$ 0	\$ 0	\$ 1,017,061
<u>Fees</u>			
Subdivision Lot Fees	0	0	619
Copy Fees	0	0	1,028
Library Fees	0	0	4,147
Greenbelt Late Application Fee	0	0	50
Telephone Commissions	0	0	97,956
Data Processing Fee - Register	0	0	5,812
Data Processing Fee - Sheriff	0	0	1,045
Sexual Offender Registration Fee - Sheriff	0	0	3,750
Data Processing Fee - County Clerk	0	0	2,459
Vehicle Insurance Coverage and Reinstatement Fees	0	0	690

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	Education Capital Projects	Other Capital Projects -	Total
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges</u>			
Tuition - Other	\$ 0	\$ 0	\$ 3,797
TBI Criminal Background Fee	0	0	210
Other Charges for Services	0	0	150
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,138,774</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Commissary Sales	\$ 0	\$ 0	\$ 44,327
Sale of Maps	0	0	250
Miscellaneous Refunds	0	0	52,804
<u>Nonrecurring Items</u>			
Sale of Equipment	0	0	16,554
Sale of Property	0	0	56,135
Damages Recovered from Individuals	0	0	1,260
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 171,330</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 289,725
Circuit Court Clerk	0	0	81,400
General Sessions Court Clerk	0	0	131,743
Clerk and Master	0	0	74,681
Register	0	0	68,223
Sheriff	0	0	14,836
Trustee	0	0	372,789
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,033,397</u>

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	Education Capital Projects	Other Capital Projects -	Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 11,700
Other General Government Grants	0	0	4,886
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	17,400
Safe and Drug-Free Schools and Communities	0	0	66,242
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	141,692
<u>Public Works Grants</u>			
Bridge Program	0	0	816,724
State Aid Program	0	0	241,743
Litter Program	0	0	37,305
<u>Other State Revenues</u>			
Income Tax	0	0	8,557
Beer Tax	0	0	17,959
Vehicle Certificate of Title Fees	0	0	6,717
Alcoholic Beverage Tax	0	0	72,587
State Revenue Sharing - T.V.A.	0	0	222,171
State Revenue Sharing - Telecommunications	0	0	42,388
Contracted Prisoner Boarding	0	0	800,982
Gasoline and Motor Fuel Tax	0	0	3,133,909
Petroleum Special Tax	0	0	20,069
Registrar's Salary Supplement	0	0	15,164
Other State Grants	0	0	99,438
Other State Revenues	0	0	159,292
Total State of Tennessee	\$ 0	\$ 0	\$ 5,936,925

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	Education Capital Projects	Other Capital Projects -	Total
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	\$ 0	\$ 0	\$ 9,000
Community Development	358,953	540,567	899,520
Civil Defense Reimbursement	0	0	32,000
Homeland Security Grants	0	0	16,006
Law Enforcement Grants	0	0	13,095
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue	0	0	4,900
Total Federal Government	<u>\$ 358,953</u>	<u>\$ 540,567</u>	<u>\$ 974,521</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 0	\$ 2,442,110
Contracted Services	0	0	70,748
<u>Citizens Groups</u>			
Donations	0	0	700
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,513,558</u>
Total	<u><u>\$ 358,953</u></u>	<u><u>\$ 540,567</u></u>	<u><u>\$ 20,575,952</u></u>

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,266,253	\$ 0	\$ 0	\$ 3,266,253
Trustee's Collections - Prior Year	129,823	0	0	129,823
Circuit Clerk/Clerk and Master Collections - Prior Years	64,444	0	0	64,444
Interest and Penalty	26,558	0	0	26,558
Payments in-Lieu-of Taxes - T.V.A.	341	0	0	341
Payments in-Lieu-of Taxes - Local Utilities	37,093	0	0	37,093
Payments in-Lieu-of Taxes - Other	53,779	0	0	53,779
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,929,135	0	0	1,929,135
Wheel Tax	176,509	0	0	176,509
Mixed Drink Tax	1,465	0	0	1,465
<u>Statutory Local Taxes</u>				
Bank Excise Tax	14,855	0	0	14,855
Total Local Taxes	<u>\$ 5,700,255</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,700,255</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,264	\$ 0	\$ 0	\$ 1,264
Cable TV Franchise	2,402	0	0	2,402
Total Licenses and Permits	<u>\$ 3,666</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,666</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 238	\$ 0	\$ 0	\$ 238
Total Fines, Forfeitures, and Penalties	<u>\$ 238</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 238</u>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 1,255	\$ 0	\$ 0	\$ 1,255
Lunch Payments - Children	0	0	4,616	4,616
Lunch Payments - Adults	0	0	43,666	43,666
Income from Breakfast	0	0	3,464	3,464
Special Milk Sales	0	0	618	618
A la Carte Sales	0	0	134,262	134,262
Other Charges for Services	35,871	0	41,373	77,244
Total Charges for Current Services	<u>\$ 37,126</u>	<u>\$ 0</u>	<u>\$ 227,999</u>	<u>\$ 265,125</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 168,995	\$ 0	\$ 1,809	\$ 170,804
Lease/Rentals	783	0	0	783
E-Rate Funding	6,352	0	0	6,352
Miscellaneous Refunds	37,262	0	6,614	43,876
<u>Nonrecurring Items</u>				
Sale of Equipment	11,001	0	0	11,001
Damages Recovered from Individuals	45	0	0	45
Contributions and Gifts	14,801	0	0	14,801
<u>Other Local Revenues</u>				
Other Local Revenues	451	0	0	451
Total Other Local Revenues	<u>\$ 239,690</u>	<u>\$ 0</u>	<u>\$ 8,423</u>	<u>\$ 248,113</u>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		
		School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 84,365	\$ 0	\$ 0	\$ 84,365
<u>State Education Funds</u>				
Basic Education Program	25,282,000	0	0	25,282,000
Early Childhood Education	952,116	0	0	952,116
School Food Service	0	0	23,810	23,810
Other State Education Funds	584,619	0	0	584,619
Coordinated School Health	112,703	0	0	112,703
Family Resource Centers	29,612	0	0	29,612
Career Ladder Program	98,102	0	0	98,102
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	472,113	0	0	472,113
Other State Revenues	7,216	0	0	7,216
Total State of Tennessee	<u>\$ 27,622,846</u>	<u>\$ 0</u>	<u>\$ 23,810</u>	<u>\$ 27,646,656</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,516,966	\$ 1,516,966
USDA - Commodities	0	0	215,277	215,277
Breakfast	0	0	772,026	772,026
USDA - Other	0	0	67,897	67,897
Vocational Education - Basic Grants to States	0	94,131	0	94,131
Title I Grants to Local Education Agencies	0	1,783,318	0	1,783,318
Special Education - Grants to States	24,934	987,576	0	1,012,510
Special Education Preschool Grants	44,241	35,296	0	79,537

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
English Language Acquisition Grants	\$ 0	\$ 28,409	\$ 0	\$ 28,409
Rural Education	0	78,569	0	78,569
Eisenhower Professional Development State Grants	0	202,514	0	202,514
Other Federal through State	0	649,545	0	649,545
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	49,477	0	0	49,477
Tax Credit Bond Rebate	114,864	0	0	114,864
Total Federal Government	<u>\$ 233,516</u>	<u>\$ 3,859,358</u>	<u>\$ 2,572,166</u>	<u>\$ 6,665,040</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 650,000	\$ 0	\$ 0	\$ 650,000
<u>Citizens Groups</u>				
Donations	154,816	0	0	154,816
Total Other Governments and Citizens Groups	<u>\$ 804,816</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 804,816</u>
Total	<u>\$ 34,642,153</u>	<u>\$ 3,859,358</u>	<u>\$ 2,832,398</u>	<u>\$ 41,333,909</u>

Exhibit K-7

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	40,775	
Social Security		2,487	
Pensions		355	
Employer Medicare		582	
Audit Services		10,570	
Dues and Memberships		2,862	
Travel		3,772	
Workers' Compensation Insurance		82	
Total County Commission			\$ 61,485

County Mayor/Executive

County Official/Administrative Officer	\$	87,858	
Accountants/Bookkeepers		70,173	
Salary Supplements		4,000	
Part-time Personnel		21,093	
In-service Training		500	
Social Security		11,899	
Pensions		7,237	
Employee and Dependent Insurance		20,458	
Employer Medicare		2,783	
Other Fringe Benefits		18,400	
Communication		1,352	
Contracts with Private Agencies		11,719	
Dues and Memberships		2,420	
Postal Charges		12,500	
Travel		2,848	
Office Supplies		3,475	
Other Supplies and Materials		316	
Medical Claims		7,540	
Workers' Compensation Insurance		283	
Land		35,960	
Office Equipment		407	
Total County Mayor/Executive			323,221

County Attorney

Legal Services	\$	7,262	
Total County Attorney			7,262

Election Commission

County Official/Administrative Officer	\$	68,462	
Deputy(ies)		25,183	
Clerical Personnel		8,220	
Other Salaries and Wages		840	
Election Commission		3,900	
Election Workers		18,865	
Social Security		5,846	
Pensions		3,779	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employee and Dependent Insurance	\$	28,882	
Employer Medicare		1,404	
Communication		2,921	
Contracts with Private Agencies		26,536	
Dues and Memberships		350	
Legal Notices, Recording, and Court Costs		2,643	
Travel		2,543	
Data Processing Supplies		941	
Electricity		3,573	
Natural Gas		1,217	
Office Supplies		2,700	
Water and Sewer		904	
Medical Claims		6,608	
Workers' Compensation Insurance		181	
In Service/Staff Development		475	
Office Equipment		2,648	
Total Election Commission			\$ 219,621

Register of Deeds

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		31,945	
Social Security		6,300	
Pensions		4,320	
Employee and Dependent Insurance		14,544	
Employer Medicare		1,474	
Communication		1,334	
Contracts with Other Public Agencies		9,836	
Dues and Memberships		722	
Travel		1,000	
Office Supplies		3,148	
Medical Claims		641	
Workers' Compensation Insurance		193	
Total Register of Deeds			151,526

Development

Consultants	\$	50,000	
Contracts with Government Agencies		35,000	
Other Charges		35,813	
Total Development			120,813

Planning

Materials Supervisor	\$	10,111	
Salary Supplements		2,585	
Board and Committee Members Fees		720	
Social Security		832	
Employer Medicare		195	
Advertising		79	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Planning (Cont.)

Communication	\$	1,873	
Contracts with Private Agencies		5,000	
Office Supplies		192	
Workers' Compensation Insurance		232	
Other Charges		25	
Total Planning			\$ 21,844

County Buildings

Custodial Personnel	\$	25,612	
Maintenance Personnel		45,900	
Part-time Personnel		1,788	
Overtime Pay		6,426	
Social Security		4,607	
Pensions		3,133	
Employee and Dependent Insurance		15,479	
Employer Medicare		1,077	
Maintenance and Repair Services - Buildings		519,918	
Custodial Supplies		5,991	
Electricity		25,241	
Water and Sewer		6,532	
Building and Contents Insurance		30,375	
Medical Claims		1,439	
Workers' Compensation Insurance		1,720	
Heating and Air Conditioning Equipment		4,125	
Total County Buildings			699,363

Other General Administration

Other Salaries and Wages	\$	4,286	
Social Security		266	
Employer Medicare		62	
Total Other General Administration			4,614

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		67,878	
Part-time Personnel		1,104	
Board and Committee Members Fees		945	
Social Security		7,995	
Pensions		5,758	
Employee and Dependent Insurance		34,766	
Employer Medicare		1,870	
Communication		1,334	
Contracts with Government Agencies		8,814	
Contracts with Other Public Agencies		3,000	
Contracts with Private Agencies		28,624	
Dues and Memberships		1,650	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Travel	\$	1,134	
Office Supplies		3,270	
Medical Claims		9,921	
Workers' Compensation Insurance		1,123	
Total Property Assessor's Office			\$ 255,255

County Trustee's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		66,194	
Board and Committee Members Fees		225	
In-service Training		1,000	
Social Security		8,325	
Pensions		5,730	
Employee and Dependent Insurance		20,512	
Employer Medicare		1,947	
Communication		2,085	
Contracts with Government Agencies		2,935	
Contracts with Private Agencies		15,577	
Dues and Memberships		837	
Legal Notices, Recording, and Court Costs		262	
Travel		2,664	
Office Supplies		2,309	
Medical Claims		1,978	
Premiums on Corporate Surety Bonds		13,032	
Workers' Compensation Insurance		229	
Office Equipment		1,194	
Total County Trustee's Office			223,104

County Clerk's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		144,465	
Part-time Personnel		3,485	
Social Security		13,196	
Pensions		8,821	
Employee and Dependent Insurance		23,600	
Employer Medicare		3,086	
Communication		2,236	
Contracts with Other Public Agencies		17,528	
Dues and Memberships		762	
Travel		480	
Office Supplies		5,366	
Medical Claims		2,693	
Workers' Compensation Insurance		311	
Office Equipment		38	
Total County Clerk's Office			302,136

(Continued)

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		64,234	
Attendants		8,087	
Jury and Witness Expense		8,948	
Social Security		8,568	
Pensions		5,612	
Employee and Dependent Insurance		20,614	
Employer Medicare		2,004	
Communication		1,709	
Contracts with Other Public Agencies		18,516	
Contracts with Private Agencies		5,226	
Dues and Memberships		807	
Maintenance and Repair Services - Equipment		384	
Postal Charges		1,500	
Travel		552	
Remittance of Revenue Collected		787	
Office Supplies		8,831	
Medical Claims		4,884	
Workers' Compensation Insurance		336	
Other Charges		1,014	
Office Equipment		8,654	
Total Circuit Court			\$ 247,336

General Sessions Judge

Judge(s)	\$	86,812	
Social Security		5,223	
Pensions		3,472	
Employee and Dependent Insurance		5,838	
Employer Medicare		1,221	
Dues and Memberships		475	
Travel		1,272	
Workers' Compensation Insurance		186	
Total General Sessions Judge			104,499

General Sessions Court Clerk

Clerical Personnel	\$	158,203	
Attendants		70,392	
Part-time Personnel		990	
Social Security		13,475	
Pensions		6,310	
Employee and Dependent Insurance		26,675	
Employer Medicare		3,151	
Communication		1,909	
Evaluation and Testing		1,200	
Remittance of Revenue Collected		1,078	
Medical Claims		6,731	
Workers' Compensation Insurance		1,651	
Total General Sessions Court Clerk			291,765

(Continued)

Exhibit K-7

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

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

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		28,386	
Salary Supplements		500	
Attendants		10,586	
Part-time Personnel		14,996	
Social Security		7,680	
Pensions		4,198	
Employee and Dependent Insurance		14,475	
Employer Medicare		1,796	
Communication		1,857	
Contracts with Private Agencies		10,422	
Dues and Memberships		707	
Legal Notices, Recording, and Court Costs		1,015	
Office Supplies		1,848	
Medical Claims		8,022	
Workers' Compensation Insurance		452	
Total Chancery Court			\$ 183,009

Juvenile Court

County Official/Administrative Officer	\$	52,648
Judge(s)		86,812
Deputy(ies)		155,484
Investigator(s)		76,121
Probation Officer(s)		31,945
Youth Service Officer(s)		39,969
Salary Supplements		1,500
Secretary(ies)		58,956
Attendants		25,789
Part-time Personnel		1,945
Overtime Pay		2,644
In-service Training		2,350
Other Per Diem and Fees		950
Social Security		31,064
Pensions		19,434
Employee and Dependent Insurance		73,805
Employer Medicare		7,265
Communication		9,513
Contracts with Private Agencies		31,379
Dues and Memberships		295
Evaluation and Testing		4,425
Maintenance and Repair Services - Equipment		3,730
Maintenance and Repair Services - Vehicles		4,521
Travel		6,848
Gasoline		12,570
Office Supplies		1,999
Other Supplies and Materials		6,303
Medical Claims		17,579

(Continued)

Exhibit K-7

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

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

Vehicle and Equipment Insurance	\$	4,433	
Workers' Compensation Insurance		6,371	
Total Juvenile Court			\$ 778,647

Other Administration of Justice

Social Workers	\$	28,055	
Secretary(ies)		5,457	
Social Security		2,001	
Handling Charges and Administrative Costs		5,987	
Pensions		1,580	
Employee and Dependent Insurance		14,475	
Employer Medicare		468	
Communication		547	
Maintenance and Repair Services - Equipment		2,975	
Postal Charges		180	
Data Processing Supplies		500	
Office Supplies		500	
Testing		1,100	
Other Supplies and Materials		2,952	
Workers' Compensation Insurance		513	
In Service/Staff Development		10	
Other Charges		649	
Total Other Administration of Justice			67,949

Victim Assistance Programs

Remittance of Revenue Collected	\$	15,000	
Total Victim Assistance Programs			15,000

Public SafetySheriff's Department

County Official/Administrative Officer	\$	83,676	
Assistant(s)		50,410	
Deputy(ies)		590,048	
Investigator(s)		159,417	
Accountants/Bookkeepers		33,435	
Salary Supplements		17,700	
Dispatchers/Radio Operators		233,334	
Guards		29,686	
Clerical Personnel		31,844	
Part-time Personnel		48,455	
Overtime Pay		73,141	
Other Salaries and Wages		12,987	
In-service Training		4,903	
Social Security		82,155	
Pensions		50,833	
Employee and Dependent Insurance		171,702	
Unemployment Compensation		7,249	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employer Medicare	\$	19,214	
Other Fringe Benefits		32,532	
Communication		16,221	
Confidential Drug Enforcement Payments		200	
Dues and Memberships		2,415	
Maintenance and Repair Services - Equipment		15,465	
Maintenance and Repair Services - Vehicles		27,466	
Postal Charges		3,719	
Towing Services		1,357	
Travel		6,862	
Data Processing Supplies		3,245	
Electricity		90,514	
Gasoline		103,860	
Law Enforcement Supplies		13,500	
Natural Gas		20,917	
Office Supplies		10,491	
Tires and Tubes		8,700	
Uniforms		8,079	
Water and Sewer		44,572	
Other Supplies and Materials		4,726	
Liability Insurance		19,907	
Medical Claims		40,559	
Vehicle and Equipment Insurance		16,951	
Workers' Compensation Insurance		22,045	
Other Charges		5,839	
Motor Vehicles		143,572	
Office Equipment		13,842	
Total Sheriff's Department			\$ 2,377,745

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	846	
Total Administration of the Sexual Offender Registry			846

Jail

Captain(s)	\$	55,682	
Lieutenant(s)		91,390	
Sergeant(s)		206,188	
Accountants/Bookkeepers		29,281	
Salary Supplements		6,900	
Guards		518,328	
Part-time Personnel		22,287	
Overtime Pay		13,904	
Other Salaries and Wages		300	
Social Security		55,815	
Pensions		31,226	
Employee and Dependent Insurance		112,114	
Employer Medicare		13,054	

(Continued)

Exhibit K-7

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

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

Communication	\$	2,785	
Maintenance Agreements		8,878	
Medical and Dental Services		367,589	
Travel		4,151	
Other Contracted Services		989	
Custodial Supplies		13,560	
Drugs and Medical Supplies		1,444	
Food Supplies		273,761	
Office Supplies		9,838	
Prisoners Clothing		6,118	
Uniforms		4,109	
Other Supplies and Materials		12,812	
Medical Claims		20,543	
Workers' Compensation Insurance		18,239	
In Service/Staff Development		325	
Other Charges		21,700	
Communication Equipment		2,070	
Office Equipment		561	
Plant Operation Equipment		18,610	
Total Jail			\$ 1,944,551

Fire Prevention and Control

Part-time Personnel	\$	16,719	
Social Security		1,037	
Employer Medicare		242	
Contracts with Government Agencies		2,000	
Gasoline		1,991	
Utilities		5,710	
Other Supplies and Materials		34,896	
Building and Contents Insurance		1,030	
Vehicle and Equipment Insurance		4,552	
Workers' Compensation Insurance		1,036	
Other Charges		10,369	
Total Fire Prevention and Control			79,582

Civil Defense

Other Equipment	\$	15,071	
Total Civil Defense			15,071

Rescue Squad

Building and Contents Insurance	\$	1,268	
Vehicle and Equipment Insurance		2,699	
Total Rescue Squad			3,967

Other Emergency Management

Supervisor/Director	\$	52,929	
Social Security		2,963	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Pensions	\$	2,117	
Employee and Dependent Insurance		14,383	
Employer Medicare		693	
Communication		3,484	
Dues and Memberships		52	
Maintenance and Repair Services - Vehicles		274	
Gasoline		3,146	
Office Supplies		293	
Other Supplies and Materials		374	
Medical Claims		4,721	
Vehicle and Equipment Insurance		1,645	
Workers' Compensation Insurance		963	
Other Charges		2,548	
Total Other Emergency Management			\$ 90,585

Public Health and WelfareLocal Health Center

Communication	\$	3,356	
Janitorial Services		10,500	
Maintenance and Repair Services - Buildings		4,227	
Other Contracted Services		16,982	
Drugs and Medical Supplies		1,669	
Office Supplies		565	
Utilities		18,355	
Total Local Health Center			55,654

Rabies and Animal Control

Part-time Personnel	\$	58,202	
Social Security		3,608	
Pensions		1,056	
Employee and Dependent Insurance		14	
Employer Medicare		844	
Communication		1,609	
Maintenance and Repair Services - Vehicles		1,720	
Veterinary Services		2,746	
Animal Food and Supplies		4,898	
Custodial Supplies		2,833	
Gasoline		4,237	
Utilities		10,906	
Other Supplies and Materials		3,267	
Vehicle and Equipment Insurance		416	
Workers' Compensation Insurance		758	
Other Equipment		884	
Total Rabies and Animal Control			97,998

Dental Health Program

Medical Personnel	\$	32,954	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Dental Health Program (Cont.)

Clerical Personnel	\$	21,809	
Educational Assistants		34,243	
Social Security		4,838	
Pensions		3,521	
Employee and Dependent Insurance		25,363	
Employer Medicare		1,131	
Travel		3,390	
Medical Claims		2,423	
Workers' Compensation Insurance		585	
Total Dental Health Program			\$ 130,257

Alcohol and Drug Programs

Other Salaries and Wages	\$	6,000	
Social Security		364	
Pensions		240	
Employer Medicare		85	
Communication		748	
Contracts with Private Agencies		34,320	
Dues and Memberships		485	
Postal Charges		120	
Printing, Stationery, and Forms		486	
Rentals		3,600	
Travel		2,872	
Instructional Supplies and Materials		14,897	
Office Supplies		2,000	
Total Alcohol and Drug Programs			66,217

Other Local Health Services

Contracts with Government Agencies	\$	4,172	
Contracts with Other Public Agencies		28,600	
Contributions		1,271	
Other Contracted Services		24,960	
Total Other Local Health Services			59,003

Sanitation Education/Information

Guards	\$	28,698	
Clerical Personnel		1,000	
Social Security		1,546	
Pensions		1,188	
Employee and Dependent Insurance		14,391	
Employer Medicare		362	
Contracts with Other Public Agencies		10,854	
Workers' Compensation Insurance		519	
Other Charges		679	
Total Sanitation Education/Information			59,237

(Continued)

Exhibit K-7

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesLibraries

Librarians	\$	83,553	
Temporary Personnel		968	
Social Security		4,773	
Pensions		3,342	
Employee and Dependent Insurance		17,533	
Employer Medicare		1,116	
Communication		660	
Contributions		24,308	
Maintenance and Repair Services - Buildings		8,117	
Travel		1,190	
Library Books/Media		3,205	
Office Supplies		2,386	
Utilities		11,098	
Medical Claims		2,002	
Workers' Compensation Insurance		87	
Office Equipment		10,488	
Total Libraries			\$ 174,826

Parks and Fair Boards

Contributions	\$	39,100	
Total Parks and Fair Boards			39,100

Agriculture and Natural ResourcesAgricultural Extension Service

Part-time Personnel	\$	3,236	
Social Security		201	
Employer Medicare		47	
Communication		2,884	
Contracts with Government Agencies		18,227	
Dues and Memberships		310	
Maintenance and Repair Services - Buildings		1,080	
Maintenance and Repair Services - Equipment		3,473	
Matching Share		63,154	
Travel		2,389	
Other Contracted Services		4,032	
Electricity		5,283	
Natural Gas		1,130	
Water and Sewer		1,725	
Workers' Compensation Insurance		96	
Total Agricultural Extension Service			107,267

Soil Conservation

Assessment Personnel	\$	73,573	
Secretary(ies)		27,632	
Social Security		5,723	
Pensions		2,732	
Employee and Dependent Insurance		22,732	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation (Cont.)

Employer Medicare	\$	1,339	
Medical Claims		2,662	
Workers' Compensation Insurance		<u>1,055</u>	
Total Soil Conservation	\$		137,448

Other OperationsVeterans' Services

Supervisor/Director	\$	15,320	
Social Security		950	
Employer Medicare		222	
Communication		928	
Office Supplies		758	
Workers' Compensation Insurance		<u>20</u>	
Total Veterans' Services			18,198

Other Charges

Liability Insurance	\$	56,678	
Trustee's Commission		149,390	
Other Charges		<u>14,348</u>	
Total Other Charges			220,416

Contributions to Other Agencies

Contributions	\$	<u>251,093</u>	
Total Contributions to Other Agencies			251,093

Employee Benefits

Medical Claims	\$	<u>9,342</u>	
Total Employee Benefits			9,342

Miscellaneous

Advertising	\$	2,996	
Other Contracted Services		2,085	
Other Charges		<u>3,049</u>	
Total Miscellaneous			<u>8,130</u>

Total General Fund \$ 10,024,982

Law Library FundSocial, Cultural, and Recreational ServicesLibraries

Library Books/Media	\$	1,850	
Trustee's Commission		<u>11</u>	
Total Libraries			<u>\$ 1,861</u>

Total Law Library Fund 1,861

(Continued)

Exhibit K-7

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

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Medical Personnel	\$	781,028	
In-service Training		3,105	
Social Security		56,537	
Pensions		24,113	
Medical Insurance		99,835	
Communication		8,041	
Debt Collection Services		73,102	
Dues and Memberships		363	
Licenses		2,203	
Maintenance and Repair Services - Buildings		1,430	
Maintenance and Repair Services - Equipment		10,904	
Travel		646	
Other Contracted Services		6,400	
Data Processing Supplies		330	
Diesel Fuel		35,540	
Drugs and Medical Supplies		36,652	
Office Supplies		3,304	
Uniforms		3,416	
Utilities		8,222	
Liability Insurance		37,639	
Specialized Medical Treatment		2,966	
Health Equipment		285,726	
Total Ambulance/Emergency Medical Services			\$ 1,481,502

Total Ambulance Service Fund \$ 1,481,502

Drug Control FundPublic SafetyDrug Enforcement

Communication	\$	1,289	
Office Equipment		2,486	
Total Drug Enforcement			\$ 3,775

Total Drug Control Fund 3,775

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	83,746	
Accountants/Bookkeepers		65,711	
Communication		7,152	
Data Processing Services		11,723	
Dues and Memberships		4,587	
Legal Notices, Recording, and Court Costs		883	
Maintenance and Repair Services - Equipment		80	
Postal Charges		605	
Printing, Stationery, and Forms		458	

(Continued)

Exhibit K-7

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

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

Travel	\$	1,873	
Other Contracted Services		7,358	
Custodial Supplies		1,460	
Data Processing Supplies		116	
Drugs and Medical Supplies		605	
Electricity		11,079	
Natural Gas		5,767	
Office Supplies		784	
Water and Sewer		5,617	
Other Charges		312	
Total Administration			\$ 209,916

Highway and Bridge Maintenance

Foremen	\$	91,109	
Equipment Operators		587,189	
Truck Drivers		64,285	
Laborers		21,330	
Overtime Pay		4,379	
Other Contracted Services		1,458	
Asphalt - Cold Mix		9,800	
Asphalt - Liquid		201,424	
Crushed Stone		235,880	
General Construction Materials		2,021	
Other Road Materials		532	
Pipe - Metal		56,653	
Road Signs		7,001	
Small Tools		217	
Wood Products		9,715	
Chemicals		49,938	
Other Supplies and Materials		1,315	
Total Highway and Bridge Maintenance			1,344,246

Operation and Maintenance of Equipment

Mechanic(s)	\$	82,467	
Laundry Service		10,012	
Maintenance and Repair Services - Equipment		21,852	
Other Contracted Services		1,240	
Diesel Fuel		111,305	
Equipment and Machinery Parts		98,889	
Garage Supplies		4,290	
Gasoline		24,132	
Lubricants		6,781	
Small Tools		3,957	
Tires and Tubes		22,216	
Other Supplies and Materials		1,397	
Other Charges		5,300	
Total Operation and Maintenance of Equipment			393,838

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Building and Contents Insurance	\$	40,460	
Liability Insurance		1,830	
Trustee's Commission		42,367	
Workers' Compensation Insurance		47,682	
Total Other Charges			\$ 132,339

Employee Benefits

Social Security	\$	69,392	
Pensions		39,961	
Employee and Dependent Insurance		201,377	
Other Fringe Benefits		1,950	
Medical Claims		25,134	
Total Employee Benefits			337,814

Capital Outlay

Engineering Services	\$	54,165	
Bridge Construction		1,412,614	
Communication Equipment		5,334	
Highway Construction		448,258	
Highway Equipment		379,577	
State Aid Projects		1,019,352	
Total Capital Outlay			3,319,300

Total Highway/Public Works Fund \$ 5,737,453

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Other Loans	\$	65,000	
Total General Government			\$ 65,000

Education

Principal on Bonds	\$	1,000,000	
Principal on Capital Leases		134,856	
Principal on Other Loans		157,431	
Total Education			1,292,287

Interest on DebtGeneral Government

Interest on Other Loans	\$	8,186	
Total General Government			8,186

Education

Interest on Bonds	\$	78,044	
Interest on Capital Leases		3,674	
Interest on Other Loans		83,731	
Total Education			165,449

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Contributions	\$	97,015	
Trustee's Commission		3,580	
Other Debt Issuance Charges		<u>4,228</u>	
Total General Government			\$ 104,823

Education

Other Debt Issuance Charges	\$	2,018	
Other Debt Service		<u>220</u>	
Total Education			<u>2,238</u>

Total General Debt Service Fund \$ 1,637,983

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Vocational Instruction Equipment	\$	<u>358,953</u>	
Total Education Capital Projects			<u>\$ 358,953</u>

Total Education Capital Projects Fund 358,953

Other Capital Projects Fund

Capital Projects

Public Health and Welfare Projects

Other Capital Outlay	\$	<u>309,060</u>	
Total Public Health and Welfare Projects			\$ 309,060

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$	<u>231,507</u>	
Total Social, Cultural, and Recreation Projects			<u>231,507</u>

Total Other Capital Projects Fund 540,567

Total Governmental Funds - Primary Government \$ 19,787,076

Exhibit K-8

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

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,524,341	
Career Ladder Program	55,500	
Clerical Personnel	30,720	
Educational Assistants	653,781	
Other Salaries and Wages	5,380	
Non-certified Substitute Teachers	212,071	
Social Security	670,939	
Pensions	993,223	
Medical Insurance	2,190,590	
Unemployment Compensation	7,050	
Employer Medicare	158,690	
Other Contracted Services	189,665	
Instructional Supplies and Materials	166,372	
Textbooks - Bound	56,589	
Other Supplies and Materials	47,584	
Regular Instruction Equipment	51,306	
Total Regular Instruction Program		\$ 16,013,801

Special Education Program

Teachers	\$ 1,567,715	
Career Ladder Program	6,000	
Homebound Teachers	23,711	
Educational Assistants	199,725	
Speech Pathologist	49,928	
Other Salaries and Wages	35,790	
Social Security	108,486	
Pensions	172,932	
Medical Insurance	419,275	
Employer Medicare	25,608	
Instructional Supplies and Materials	27,514	
Other Supplies and Materials	5,653	
Total Special Education Program		2,642,337

Career and Technical Education Program

Teachers	\$ 775,962	
Career Ladder Program	2,000	
Social Security	45,668	
Pensions	75,707	
Medical Insurance	129,697	
Employer Medicare	10,680	
Other Contracted Services	72,024	
Instructional Supplies and Materials	4,859	
Other Supplies and Materials	15,307	
Total Career and Technical Education Program		1,131,904

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support ServicesAttendance

Supervisor/Director	\$	13,800	
Social Security		838	
Pensions		1,444	
Medical Insurance		2,407	
Employer Medicare		192	
Travel		3,825	
Other Contracted Services		5,000	
Total Attendance			\$ 27,506

Health Services

Supervisor/Director	\$	49,640	
Medical Personnel		93,995	
Other Salaries and Wages		23,063	
Social Security		9,211	
Pensions		6,668	
Medical Insurance		55,133	
Employer Medicare		2,154	
Communication		480	
Travel		6,198	
Other Supplies and Materials		34,773	
Total Health Services			281,315

Other Student Support

Supervisor/Director	\$	20,801	
Career Ladder Program		3,000	
Guidance Personnel		539,815	
Other Salaries and Wages		37,508	
Social Security		34,811	
Pensions		60,455	
Medical Insurance		108,546	
Employer Medicare		8,141	
Evaluation and Testing		10,678	
Travel		579	
Other Contracted Services		164,730	
Other Supplies and Materials		1,886	
Total Other Student Support			990,950

Regular Instruction Program

Supervisor/Director	\$	156,642	
Career Ladder Program		3,000	
Librarians		312,621	
Materials Supervisor		86,271	
Other Salaries and Wages		210	
Social Security		30,144	
Pensions		53,956	
Medical Insurance		92,723	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Employer Medicare	\$	7,307	
Travel		16,300	
Other Contracted Services		51,130	
Library Books/Media		4,829	
In Service/Staff Development		32,256	
Administration Equipment		127,820	
Total Regular Instruction Program			\$ 975,209

Special Education Program

Supervisor/Director	\$	83,205	
Career Ladder Program		1,000	
Psychological Personnel		59,882	
Secretary(ies)		32,765	
Speech Pathologist		22,950	
Social Security		10,859	
Pensions		15,809	
Medical Insurance		27,166	
Employer Medicare		2,540	
Travel		11,051	
Other Contracted Services		153,744	
Other Supplies and Materials		14,921	
In Service/Staff Development		11,514	
Other Equipment		21,124	
Total Special Education Program			468,530

Career and Technical Education Program

Supervisor/Director	\$	93,350	
Career Ladder Program		3,000	
Social Security		5,838	
Pensions		10,078	
Medical Insurance		5,323	
Employer Medicare		1,365	
Travel		288	
Total Career and Technical Education Program			119,242

Technology

Supervisor/Director	\$	4,800	
Instructional Computer Personnel		131,419	
Social Security		7,907	
Pensions		5,741	
Medical Insurance		31,295	
Employer Medicare		1,849	
Maintenance and Repair Services - Equipment		3,956	
Internet Connectivity		33,884	
Travel		1,072	
Total Technology			221,923

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Programs

On-behalf Payments to OPEB	\$	84,365	
Total Other Programs			\$ 84,365

Board of Education

Board and Committee Members Fees	\$	12,287	
Social Security		762	
Pensions		224	
Employer Medicare		178	
Audit Services		5,825	
Dues and Memberships		16,994	
Legal Services		8,474	
Travel		11,074	
Liability Insurance		60,279	
Premiums on Corporate Surety Bonds		2,354	
Trustee's Commission		154,223	
Workers' Compensation Insurance		58,277	
Other Charges		9,137	
Total Board of Education			340,088

Director of Schools

County Official/Administrative Officer	\$	124,848	
Assistant(s)		92,763	
Career Ladder Program		1,000	
Clerical Personnel		37,384	
Social Security		14,928	
Pensions		24,362	
Medical Insurance		33,044	
Employer Medicare		3,539	
Other Fringe Benefits		7,490	
Communication		96,965	
Postal Charges		3,813	
Travel		4,029	
Remittance of Revenue Collected		486	
Office Supplies		6,005	
Total Director of Schools			450,656

Office of the Principal

Principals	\$	653,963	
Career Ladder Program		3,000	
Assistant Principals		725,910	
Secretary(ies)		473,834	
Clerical Personnel		44,046	
Social Security		109,595	
Pensions		164,228	
Medical Insurance		407,404	
Employer Medicare		25,631	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Office of the Principal (Cont.)

Travel	\$	6,923	
Administration Equipment		34,567	
Total Office of the Principal			\$ 2,649,101

Fiscal Services

Supervisor/Director	\$	79,812	
Accountants/Bookkeepers		67,705	
Social Security		8,261	
Pensions		5,901	
Medical Insurance		26,912	
Employer Medicare		1,932	
Travel		2,773	
Other Contracted Services		19,658	
Total Fiscal Services			212,954

Human Services/Personnel

Supervisor/Director	\$	69,186	
Clerical Personnel		28,667	
Social Security		5,804	
Pensions		3,301	
Medical Insurance		5,428	
Employer Medicare		1,357	
Travel		6,044	
Other Supplies and Materials		5,920	
Total Human Services/Personnel			125,707

Operation of Plant

Supervisor/Director	\$	68,940	
Custodial Personnel		155,667	
Social Security		12,772	
Pensions		8,418	
Medical Insurance		58,883	
Employer Medicare		2,987	
Other Contracted Services		684,126	
Electricity		845,531	
Natural Gas		274,834	
Building and Contents Insurance		132,507	
Total Operation of Plant			2,244,665

Maintenance of Plant

Maintenance Personnel	\$	191,256	
Social Security		11,213	
Pensions		7,650	
Medical Insurance		24,242	
Employer Medicare		2,622	
Maintenance and Repair Services - Buildings		67,769	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Maintenance of Plant (Cont.)

Maintenance and Repair Services - Equipment	\$	107,018	
Other Contracted Services		174,837	
Other Supplies and Materials		156,397	
Maintenance Equipment		42,798	
Total Maintenance of Plant			\$ 785,802

Transportation

Supervisor/Director	\$	62,403	
Mechanic(s)		137,880	
Bus Drivers		605,657	
Other Salaries and Wages		83,639	
Social Security		54,049	
Pensions		15,143	
Medical Insurance		64,488	
Employer Medicare		12,640	
Other Fringe Benefits		8,194	
Travel		18,955	
Gasoline		171,304	
Tires and Tubes		18,914	
Vehicle Parts		88,560	
Other Supplies and Materials		8,145	
Vehicle and Equipment Insurance		35,511	
Transportation Equipment		272,486	
Total Transportation			1,657,968

Central and Other

Clerical Personnel	\$	100	
Social Security		6	
Pensions		4	
Employer Medicare		2	
Total Central and Other			112

Operation of Non-Instructional ServicesCommunity Services

Teachers	\$	147,952	
Other Salaries and Wages		13,950	
Social Security		10,038	
Pensions		15,035	
Employer Medicare		2,363	
Travel		383	
Other Contracted Services		1,545	
Instructional Supplies and Materials		2,101	
Other Supplies and Materials		26,492	
In Service/Staff Development		969	
Other Charges		8,704	
Total Community Services			229,532

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education

Supervisor/Director	\$	70,114	
Teachers		384,995	
Educational Assistants		162,381	
Non-certified Substitute Teachers		6,000	
Social Security		36,116	
Pensions		47,642	
Medical Insurance		134,698	
Employer Medicare		8,446	
Communication		1,223	
Travel		22,634	
Other Contracted Services		14,520	
Food Supplies		625	
Instructional Supplies and Materials		25,620	
Other Supplies and Materials		18,913	
In Service/Staff Development		9,153	
Other Charges		2,686	
Regular Instruction Equipment		2,559	
Other Equipment		2,280	
Total Early Childhood Education			\$ 950,605

Capital OutlayRegular Capital Outlay

Building Improvements	\$	1,244,481	
Land		10,926	
Total Regular Capital Outlay			1,255,407

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	1,338,530	
Total Education			1,338,530

Total General Purpose School Fund \$ 35,198,209

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	750,011	
Educational Assistants		185,574	
Non-certified Substitute Teachers		86,317	
Social Security		54,199	
Pensions		82,621	
Medical Insurance		210,926	
Employer Medicare		12,676	
Other Contracted Services		111,965	
Instructional Supplies and Materials		182,282	
Other Charges		1,523	
Regular Instruction Equipment		1,338	
Total Regular Instruction Program			\$ 1,679,432

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program

Educational Assistants	\$	665,060	
Speech Pathologist		28,800	
Social Security		38,461	
Pensions		24,828	
Medical Insurance		168,720	
Employer Medicare		8,897	
Instructional Supplies and Materials		44,538	
Other Supplies and Materials		13,939	
Total Special Education Program			\$ 993,243

Career and Technical Education Program

Other Contracted Services	\$	1,045	
Instructional Supplies and Materials		2,085	
Other Supplies and Materials		3,773	
Vocational Instruction Equipment		37,825	
Total Career and Technical Education Program			44,728

Support ServicesOther Student Support

Supervisor/Director	\$	60,204	
Social Workers		108,202	
Clerical Personnel		20,621	
Other Salaries and Wages		3,725	
Non-certified Substitute Teachers		10,000	
Social Security		11,123	
Pensions		7,939	
Medical Insurance		45,155	
Employer Medicare		2,601	
Communication		2,547	
Travel		22,450	
Other Contracted Services		15,961	
Other Supplies and Materials		115,936	
In Service/Staff Development		62,093	
Other Charges		5,155	
Other Equipment		2,757	
Total Other Student Support			496,469

Regular Instruction Program

Supervisor/Director	\$	82,414	
Secretary(ies)		13,098	
Other Salaries and Wages		141,952	
Social Security		13,380	
Pensions		23,289	
Medical Insurance		54,191	
Employer Medicare		3,129	
Travel		166	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

In Service/Staff Development	\$	30,606	
Other Charges		193	
Total Regular Instruction Program			\$ 362,418

Special Education Program

In Service/Staff Development	\$	24,548	
Other Equipment		10,875	
Total Special Education Program			35,423

Career and Technical Education Program

Travel	\$	1,000	
In Service/Staff Development		3,000	
Total Career and Technical Education Program			4,000

Board of Education

Criminal Investigation of Applicants - TBI	\$	90	
Total Board of Education			90

Transportation

Bus Drivers	\$	700	
Social Security		43	
Employer Medicare		10	
Total Transportation			753

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	441	
Total Food Service			441

Community Services

Teachers	\$	56,120	
Social Security		3,479	
Pensions		5,825	
Employer Medicare		814	
Other Supplies and Materials		414	
In Service/Staff Development		484	
Other Charges		1,315	
Total Community Services			68,451

Total School Federal Projects Fund \$ 3,685,448

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	76,402	
Accountants/Bookkeepers		29,289	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Cafeteria Personnel	\$	887,254	
Other Salaries and Wages		6,572	
Social Security		57,896	
Pensions		40,707	
Medical Insurance		183,828	
Employer Medicare		13,540	
Maintenance and Repair Services - Equipment		5,863	
Payments to Schools - Other		1,250	
Transportation - Other than Students		16,109	
Travel		1,912	
Other Contracted Services		63,219	
Food Supplies		1,201,889	
Uniforms		9,302	
Utilities		75,526	
USDA - Commodities		215,277	
Other Supplies and Materials		10,430	
Trustee's Commission		18	
Workers' Compensation Insurance		45,000	
In Service/Staff Development		3,512	
Food Service Equipment		15,591	
Total Food Service			\$ 2,960,386

Total Central Cafeteria Fund	\$ 2,960,386
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Total Governmental Funds - Lauderdale County School Department	\$ 41,844,043
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Exhibit K-9

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

	<u>Local Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,300,360
Total Cash Receipts	<u>\$ 2,300,360</u>
<u>Cash Disbursements</u>	
Contributions:	
General Debt Service Fund	\$ 160,810
General Purpose School Fund	650,000
Remittance of Revenues Collected	1,046,153
Trustee's Commission	23,004
Total Cash Disbursements	<u>\$ 1,879,967</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 420,393
Cash Balance, July 1, 2018	<u>1,697,265</u>
Cash Balance, June 30, 2019	<u><u>\$ 2,117,658</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

Lauderdale County Mayor and
Board of County Commissioners
Lauderdale 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements, and have issued our report thereon dated February 7, 2020. Our report includes a reference to other auditors who audited the financial statements of the Lauderdale County Ambulance Authority (a nonmajor special revenue fund) and the discretely presented Lauderdale County Water System, as described in our report on Lauderdale County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lauderdale 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 Lauderdale County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lauderdale 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. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2019-003.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2019-001, 2019-004, 2019-005(C), 2019-007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale 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: 2019-002, 2019-005(A,B), 2019-006, and 2019-008.

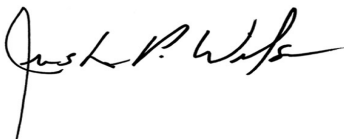
Lauderdale County's Responses to the Findings

Lauderdale County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lauderdale 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 Lauderdale County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 7, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale 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.

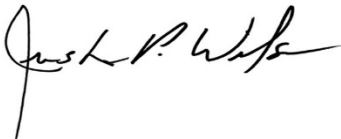
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements. We issued our report thereon dated February 7, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 7, 2020

JPW/yu

Lauderdale County, Tennessee, and the Lauderdale County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6)
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 Education:				
Child Nutrition Cluster: (3)				
School Breakfast Program	10.553	N/A	\$ 772,026	
National School Lunch Program	10.555	N/A	1,543,341	(5)
Fresh Fruit and Vegetable Program	10.582	N/A	41,522	
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (3)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	215,277	(5)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Woman, Infants, and Children	10.557	GG1959494	17,237	
Direct Program:				
Soil and Water Conservation	10.902	68-4741-4-030	9,000	
Total U.S. Department of Agriculture			<u>\$ 2,598,403</u>	
U.S. Department of Housing and Urban Development:				
Passed through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	(4)	\$ 668,013	
CDBG - Disaster Recovery Grants - Pub. L. 113-2 Cluster:(3)				
National Disaster Resilient Competition	14.272	33004-23817	231,507	
Total U.S. Department of Housing and Urban Development			<u>\$ 899,520</u>	
U.S. Department of the Interior:				
Direct Program:				
Payments in-Lieu-of Taxes	15.226	N/A	\$ 94,979	
Total U.S. Department of the Interior			<u>\$ 94,979</u>	
U.S. Department of Justice:				
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-49345	\$ 9,000	
Total U.S. Department of Justice			<u>\$ 9,000</u>	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	154AL-12-64	\$ 13,095	
Total U.S. Department of Transportation			<u>\$ 13,095</u>	
U.S. Institute of Museum and Library Services:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	30504-00517-59	\$ 4,886	
Total U.S. Institute of Museum and Library Services			<u>\$ 4,886</u>	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,734,064	
Special Education Cluster: (3)				
Special Education - Grants to States	84.027	N/A	1,019,805	
Special Education - Preschool Grants	84.173	N/A	79,537	
Career and Technical Education - Basic Grants to States	84.048	N/A	77,562	
Twenty-first Century Community Learning Centers	84.287	N/A	79,051	
English Language Acquisition State Grants	84.365	N/A	28,399	
Supporting Effective Instruction State Grant	84.367	N/A	218,270	
Total U.S. Department of Education			<u>\$ 3,236,688</u>	

(Continued)

Lauderdale County, Tennessee, and the Lauderdale County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG1959494	\$ 10,964
Medicaid Cluster: (3)			
Medical Assistance Program	93.778	GG1959494	9,331
Maternal, Infant, and Early Childhood Visiting Cluster:			
Maternal, Infant, and Early Childhood Home Visiting	93.870	GG1959494	70
Block Grants for Prevention and Treatment of Substance Abuse	93.959	54986	66,242
Maternal and Child Health Services Block Grant to the States	93.994	GG1959494	6,985
Passed-through State Department of Human Services:			
Substance Abuse and Mental Health Services -			
Projects of Regional and National Significance	93.243	(4)	464,691
CCDF Cluster: (3)			
Child Care and Developmental Block Grant	93.575	(4)	149,295
Total U.S. Department of Health and Human Services			<u>\$ 707,578</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 32,000
Homeland Security Grant Program	97.067	(4)	16,006
Total U.S. Department of Homeland Security			<u>\$ 48,006</u>
Total Expenditures of Federal Awards			<u>\$ 7,612,155</u>
		Contract Number	
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	GG1959494	\$ 97,105
Litter Grant - State Department of Transportation	N/A	(4)	37,305
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(4)	77,938
Clear Air Grant - State Department of Environment and Conservation	N/A	(4)	1,500
Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	2,700
Tourism Enhancement Grant - State Department of Tourist Development	N/A	(4)	20,000
Agriculture Resources Conservation Fund Program - State			
Soil Conservation District	N/A	(4)	9,000
Early Childhood Education - State Department of Education	N/A	(4)	952,116
Family Resource Center - State Department of Education	N/A	(4)	29,612
Supporting Postsecondary Access in Rural Counties - State			
Department of Education	N/A	(4)	75,000
Safe Schools - State Department of Education	N/A	(4)	178,950
Lottery for Education After School Programs - State Department of Education	N/A	(4)	205,327
Coordinated School Health - State Department of Education	N/A	(4)	112,703
Youth Risk Behavior Survey - State Department of Education	N/A	(4)	2,034
Select Tennessee Development Grant - State Department of Economic and Community Development	N/A	(4)	150,000
Total State Grants			<u>\$ 1,951,290</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) Lauderdale County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$2,530,644; CDBG - Disaster Recovery Grants - Pub. L. 113-2 Cluster total \$231,507;
Special Education Cluster total \$1,099,342; Medicare Cluster total \$9,331; CCDF Cluster total \$149,295.
- (4) Information not available.
- (5) Total for CFDA No. 10.555 is \$1,758,618.

Lauderdale County, Tennessee, and the Lauderdale County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

(6) SUBRECIPIENTS			
Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
English Language Acquisition State Grants	84.365	\$1,024	Decatur County
"	"	4,193	Fayette County
"	"	2,175	Hardeman County
"	"	6,781	Haywood County
"	"	6,203	Tipton County

Lauderdale 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 Lauderdale 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>OFFICE OF COUNTY MAYOR</u>					
2018	201	2018-001	Bid Specifications Applied Only to One Brand	N/A	Corrected
<u>OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS</u>					
2018	202	2018-002	Lease-Purchase Agreements were not Issued in Compliance with State Statutes	N/A	Corrected
<u>OFFICE OF SHERIFF</u>					
2018	203	2018-003	Receipts were not Issued at the Time of Collection	N/A	Corrected

Prior-year Federal Awards Findings

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

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2019-001 **THE AMBULANCE SERVICE FUND HAD A CASH OVERDRAFT OF \$4,536 AT JUNE 30, 2019**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Ambulance Service Fund had a cash overdraft of \$4,536 at June 30, 2019. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the bank. Sound business practices dictate that disbursements be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2019.

RECOMMENDATION

The Ambulance Service should not issue checks exceeding cash on deposit with the bank.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We will make sure the Ambulance Service has sufficient cash to cover all checks.

OFFICES OF COUNTY MAYOR AND SHERIFF

FINDING 2019-002 **DEFICIENCIES WERE NOTED IN THE ACCRUAL AND PAYMENT OF ANNUAL, COMPENSATORY, AND SICK LEAVE**
(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies related to the accrual and payment of annual, compensatory, and sick leave. These deficiencies exist due to a lack of management oversight and the failure to comply with personnel policies.

- A. An employee of the sheriff's department received payments for 904 hours of annual leave and 338.75 hours of compensatory time and another employee received payment for 388 hours of annual leave. The Lauderdale County Sheriff's Personnel Policy and Procedure Manual (personnel policy) states, "All accumulated annual leave over 20 days will be converted to accrued sick leave." The personnel policy further states, "Employees can accumulate

compensatory leave up to 240 hours.” Payments in excess of maximum amounts provided by the personnel policy resulted in unauthorized compensation.

- B. An employee of the sheriff’s department was out for an extended period of time and received payment for 337.5 hours after sick, annual, and compensatory leave had been exhausted. The personnel policy states, “Time off from duty in which the member does not have enough earned leave time, may be charged to the member as sick leave without pay.” The employee returned and worked 115 hours without pay leaving an overpayment of 222.5 hours.

RECOMMENDATION

Officials should adhere to the personnel policy when paying individuals for their accrued annual, sick and compensatory time. Amounts should not accrue in excess of the balances allowed by the personnel policy. Employees should not be paid once all leave balances have been exhausted. Officials should determine the propriety of these payments and determine if adjustments or repayments are appropriate.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

The office will monitor and follow the personnel policies as noted above.

MANAGEMENT’S RESPONSE – SHERIFF

We concur with this finding.

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2019-003

THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2019, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments totaling \$225,261 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the highway department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department’s financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The highway department should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – HIGHWAY COMMISSIONER

We concur with this finding. We will implement the appropriate processes to ensure that the general ledger account balances are materially correct.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2019-004

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As a part of our auditing procedures for determining reasonable assurance that payroll was properly documented and approved, we selected a sample of 23 payroll disbursements to examine time sheets and other supporting documentation. The supervisor had not signed the employees' time sheets in five instances, and a signature stamp was used for supervisory approval in two instances. Sound business practices dictate that payroll time sheets should be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed. *Tennessee Code Annotated* does not provide authority for the use of a signature stamp. If time sheets are not reviewed for accuracy, risks increase that time will be reported and paid incorrectly. These deficiencies are the result of a lack of management oversight and a lack of understanding of internal controls and sound business practices.

RECOMMENDATION

Employees and supervisors should sign the employees' time and attendance records as evidence of accuracy, review, and approval. The office should discontinue the use of the signature stamp.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

In the future, all time sheets will be signed and confirmed by department heads. In accordance with this finding, no signature stamps will be used in confirming accuracy of time sheets. New procedures will be written for correct submission of time sheets to the payroll department which will require only live signatures. Department heads and payroll employees will be trained on new procedures and monitored for compliance.

FINDING 2019-005

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. and B. – Noncompliance Under *Government Auditing Standards*; C. – Internal Control – Significant Deficiency 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 the limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight.

- A. Expenditures exceeded appropriations approved by the county commission in four of 25 major appropriation categories (the legal level of control) of the General Purpose School Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Support Services - Attendance	\$ 1,242
Support Services - Office of the Principal	17,392
Support Services - Maintenance of Plant	16,786
Support Services - Central and Other	112

- B. Salaries exceeded appropriations in six of 64 salary line items of the General Purpose School Fund by amounts ranging from \$100 to \$15,910. 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.
- C. Two journal entries in the General Purpose School Fund totaling \$110,588 were posted to various line-items during the year in an attempt to keep expenditures from exceeding appropriations instead of requesting budget amendments from the county commission. These journal entries resulted in expenditures being coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool. Audit adjustments were made to reverse these journal entries to properly present the financial statements in this report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. When necessary, budget amendments should be submitted to the county commission for its consideration. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This was a first time procedural error at year end and management concurs with this finding. Four of the 25 appropriation categories were not amended as needed at year end. Budget/Finance employees will be notified in writing that journal entries should not be made in order to correct line items after the final budget amendment of the fiscal year.

FINDING 2019-006

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT (Noncompliance Under *Government Auditing Standards*)

The office did not deposit amounts withheld from contractor payments into an escrow account related to a \$893,471 construction contract for the roof replacement on a school building. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency is the result of a lack of management oversight. Also, this deficiency could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Although the correct amounts were withheld from contractor payments, they were not deposited into the correct escrow account as required. Management concurs with this finding and will ensure that future contractor payments are deposited into an escrow account when required. Budget/Finance employees are aware of the finding and will be properly trained on necessary procedures.

FINDING 2019-007

GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL PURPOSE SCHOOL AND CENTRAL CAFETERIA FUNDS (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and Central Cafeteria funds. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allowed errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and errors should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with this finding. New procedures will be developed to ensure that all payroll deduction accounts are reconciled as required and in a timely manner. Budget/Finance employees will be trained on the new procedures and monitored for compliance.

OFFICE OF GENERAL SESSIONS COURT CLERK

FINDING 2019-008

A CASH SHORTAGE OF \$1,012 EXISTED IN THE OFFICE OF GENERAL SESSIONS COURT CLERK AT JUNE 30, 2019

(Noncompliance Under *Government Auditing Standards*)

A cash shortage totaling \$1,012 existed in the Office of General Sessions Court Clerk at June 30, 2019. On April 25, 2019, the deputy clerk of the office was performing a cash count on all cash drawers in the office and noted the cash drawer of one employee was short by \$112. This employee was terminated immediately. The deputy clerk contacted representatives with the Comptroller's Office on April 26, 2019, and was advised to file a fraud reporting form. The deputy clerk later discovered that there was an additional \$800 missing from driving school collections that this employee had never receipted into the computer system. During the annual audit of the clerk's office, auditors expanded the examination and determined that an additional \$100 in driving school collections had not been receipted by this employee, resulting in a total cash shortage of \$1,012. This finding has been reviewed with the District Attorney General's Office.

RECOMMENDATION

The clerk should take steps to recover the cash shortage.

MANAGEMENT'S RESPONSE – GENERAL SESSIONS COURT CLERK

The findings of the audit were turned over to the District Attorney General for review. Management will review cash drawer logs and driving school logs monthly.

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.

Lauderdale 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 COUNTY MAYOR

2019-001	The Ambulance Service Fund had a Cash Overdraft of \$4,536 at June 30, 2019	214
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OFFICES OF COUNTY MAYOR AND SHERIFF

2019-002	Deficiencies were Noted in the Accrual and Payment of Annual, Compensatory, and Sick Leave - Mayor	214
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2019-002	Deficiencies were Noted in the Accrual and Payment of Annual, Compensatory, and Sick Leave - Sheriff	215
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OFFICE OF HIGHWAY COMMISSIONER

2019-003	The Highway/Public Works Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	216
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OFFICE OF DIRECTOR OF SCHOOLS

2019-004	The Office had Deficiencies in the Administration of Payroll	217
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2019-005	The Office had Deficiencies in Budget Operations	217
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2019-006	Amounts Withheld from Contractor Payments were not Deposited into an Escrow Account	218
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2019-007	General Ledger Payroll Deduction Accounts were not Reconciled with Payroll Reports and Payments in the General Purpose and Central Cafeteria Funds	218
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OFFICE OF GENERAL SESSIONS COURT CLERK

2019-008	A Cash Shortage of \$1,012 Existed in the Office of General Sessions Court Clerk at June 30, 2019	220
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MAURICE GAINES, JR.
County Mayor



WILLIAM DAN DOUGLAS
County Attorney

LAUDERDALE COUNTY GOVERNMENT

100 Court Square
Ripley, Tennessee 38063
Phone (731)635-3500 Fax (731) 635-9682
e-mail: mgaines@lctngov.com

FINDING: THE AMBULANCE SERVICE FUND HAD A CASH OVERDRAFT OF \$4,536 AT JUNE 30, 2019

Response and Corrective Action Plan Prepared by:
Maurice Gaines, Jr., County Mayor

Person Responsible for Implementing the Corrective Action:
Rives Seay, Ambulance Director

Anticipated Completion Date of Corrective Action:
February 6, 2020

Repeat Finding:
No

Planned Corrective Action:
Make sure they have sufficient cash to cover all warrants. It was a typo when posting revenue information, they will be more thorough in future. It was corrected immediately as soon as they found out what had happened.

FINDING: DEFICIENCIES WERE NOTED IN THE ACCRUAL AND PAYMENT OF ANNUAL, COMPENSATORY, AND SICK LEAVE

Response and Corrective Action Plan Prepared by:
Maurice Gaines, Jr., County Mayor

Person Responsible for Implementing the Corrective Action:
Sheriff Sanders

Anticipated Completion Date of Corrective Action:
February 10, 2020 (County Commission Meeting)

Repeat Finding:
No

Planned Corrective Action:
We will monitor and follow the Sheriff's personnel policies per deficiencies listed above.

Signature:



LAUDERDALE COUNTY SHERIFF'S DEPARTMENT

P.O. Box 30 • 675 Hwy. 51 South • Ripley, TN 38063

Steve Sanders, Sheriff

Corrective Action Plan

FINDING:

DEFICIENCIES WERE NOTED IN THE ACCRUAL AND PAYMENT OF ANNUAL, COMPENSATORY, AND SICK LEAVE

Response and Corrective Action Plan Prepared by:

Sherry Walding, Administrative Assistant

Person Responsible for Implementing the Corrective Action:

Steve Sanders, Sheriff

Anticipated Completion Date of Corrective Action:

July 1, 2020

Repeat Finding:

No

Planned Corrective Action:

A new policy and procedure was presented to the County Mayor and County Commissioners for the accrual of annual, compensatory and sick leave for approval. The compensatory leave had a change in the policy and procedure a few years ago with a tremendous change since being implemented, we only have two employees over as of this date 01/31/2020. As of this date we feel no change is needed on the compensatory since it seems to be under control. We are proposing a policy to start reducing the amount of annual leave for the employees we have that are over 160 hours. This would take affect the next budget year, 2020-2021. All employees over 160 hours would be limited to two (2) checks per year, but not to exceed the one hundred fifty (150) hours. Any employee under the 160 hours bank would not be eligible for a pay out, and can only receive the amount they are over 160 at the designated times to cash in. The sick leave that was donated to an employee was changed per Mayor Gaines and no other sick leave will be donated to any employee, unless a sick bank is implemented for the County.

Signature. _____

LAUDERDALE COUNTY HIGHWAY DEPARTMENT

Derek Kissell, P.E. Chief Hwy. Adm. Officer

888 ASBURY-GLIMP ROAD

RIPLEY, TN 38063

PHONE (731)635-9251

FAX (731)221-0718

Corrective Action Plan

**FINDING: THE HIGHWAY/PUBLIC WORKS FUND REQUIRED
MATERIAL AUDIT ADJUSTMENTS FOR PROPER
FINANCIAL STATEMENT PRESENTATION**

Response and Corrective Action Plan Prepared by:
Derek Kissell, Highway Commissioner

Person Responsible for Implementing the Corrective Action:
Kim Weeks, Office Manager

Anticipated Completion Date of Corrective Action:
2/4/2020

Repeat Finding:
No

Planned Corrective Action:
We will implement the appropriate processes to ensure that the general ledger account balances are materially correct.

Signature: _____





Mr. Shawn Kimble, Superintendent

BOARD MEMBERS:

Mr. Bob Ennis, Chairman

Mr. Wade Hendren, Vice-Chair

Mrs. Eva Drain

Dr. Roy Harkness

Mr. Robert Harris

Mrs. Melinda Hutcherson

Ms. Linda Jennings

Mr. Austin Thompson, Jr.

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL

Response and Corrective Action Plan Prepared by:
Shawn Kimble, Superintendent

Person Responsible for Implementing the Corrective Action:
Rick Gilliland, Director of Finance and Operations

Anticipated Completion Date of Corrective Action:
4-30-2020

Repeat Finding:
No

Planned Corrective Action:

In the future, all time sheets will be signed and confirmed by department heads. In accordance with this finding, no signature stamps will be used in confirming accuracy of time sheets. New procedures will be written for correct submission of time sheets to the payroll department which will require only live signatures. Department heads and payroll employees will be trained on new procedures and monitored for compliance.

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:
Shawn Kimble, Superintendent

Person Responsible for Implementing the Corrective Action:
Rick Gilliland, Director of Finance and Operations

Anticipated Completion Date of Corrective Action:
2-14-2020

Repeat Finding:
No

Planned Corrective Action:

This was a first time procedural error at year's end and management concurs with this finding. Four of the twenty five appropriation categories were not amended as needed at year's end. Budget/Finance employees will be notified in writing that journal entries should not be made in order to correct line items after the final budget amendment of the fiscal year.

FINDING: AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

Response and Corrective Action Plan Prepared by:

Shawn Kimble, Superintendent

Person Responsible for Implementing the Corrective Action:

Rick Gilliland, Director of Finance and Operations

Anticipated Completion Date of Corrective Action:

2-14-2020

Repeat Finding:

No

Planned Corrective Action:

Although the correct amounts were withheld from contractor payments, they were not deposited into the correct escrow account as required. Management concurs with this finding and will insure that future contractor payments are deposited into an escrow account when it is required. Budget/Finance employees are aware of the finding and will be properly trained on necessary procedures.

FINDING: GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL PURPOSE SCHOOL AND CENTRAL CAFETERIA FUNDS

Response and Corrective Action Plan Prepared by:

Shawn Kimble, Superintendent

Person Responsible for Implementing the Corrective Action:

Rick Gilliland, Director of Finance and Operations

Anticipated Completion Date of Corrective Action:

4-30-2020

Repeat Finding:

No

Planned Corrective Action:

Management concurs with this finding. New procedures will be developed for insuring that all payroll deduction accounts are reconciled as required and in a timely manner. Budget/Finance employees will be trained on the new procedures and monitored for compliance.



Signature: _____

Date: 1-30-2020



CIRCUIT COURT, LAUDERDALE COUNTY
RIPLEY, TENNESSEE 38063

Corrective Action Plan

FINDING: A CASH SHORTAGE OF \$1,012 EXISTED IN THE OFFICE
OF GENERAL SESSIONS COURT CLERK AT JUNE 30, 2019

Response and Corrective Action Plan Prepared by:
Richard Jennings, Clerk

Person Responsible for Implementing the Corrective Action:
Richard Jennings, Clerk

Anticipated Completion Date of Corrective Action:
3-4-20

Repeat Finding:
No

Planned Corrective Action:

All employees are to keep their cash boxes locked and their keys to the cash box in their possession at all times. The Chief Deputy Clerk shall audit cash boxes once a month and keep a log of the audits.

Driving School Collections are kept in a locked cash box, (the Chief Deputy Clerk has a key in her possession) and are counted and logged by the Chief Deputy Clerk and a deputy clerk the next business day after driving school. The funds are receipted in each defendant's case and an audit log is kept.

Signature:

A handwritten signature in cursive script that reads "Richard Jennings".

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 Lauderdale County.

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

Lauderdale 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.