

ANNUAL FINANCIAL REPORT
OBION COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



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

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

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

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

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

***MELISSA DARBY, CPA, CFE
KRYSTEN DAVENPORT
ELISHA CROWELL, CISA, CFE
State Auditors***

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

OBION COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Obion County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Position	A	14-15
Statement of Activities	B	16-17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	24-25
Highway/Public Works Fund	C-6	26
Proprietary Funds:		
Statement of Net Position	D-1	27
Statement of Revenues, Expenses, and Changes in Net Position	D-2	28-30
Statement of Cash Flows	D-3	31
Fiduciary Funds:		
Statement of Fiduciary Net Position	E-1	32
Statement of Changes in Fiduciary Net Position	E-2	33
Index and Notes to the Financial Statements		34-109
REQUIRED SUPPLEMENTARY INFORMATION:		110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	111
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	112
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Obion County School Department	F-3	113

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Obion County School Department	F-4	114
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Obion County School Department	F-5	115
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Obion County School Department	F-6	116
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan	F-7	117
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Obion County School Department	F-8	118
Notes to the Required Supplementary Information		119
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		120
Nonmajor Governmental Funds:		121
Combining Balance Sheet	G-1	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	123
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	G-3	124
Drug Control Fund	G-4	125
Major Governmental Fund:		126
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	127
Fiduciary Funds:		128
Combining Statement of Fiduciary Assets and Liabilities	I-1	129
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	130-131
Component Unit:		
Discretely Presented Obion County School Department:		132
Statement of Activities	J-1	133
Balance Sheet – Government Funds	J-2	134
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	135
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	136
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	137
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	139
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	140-141
School Federal Projects Fund	J-9	142-143
Central Cafeteria Fund	J-10	144

	Exhibit	Page(s)
Miscellaneous Schedules:		145
Schedule of Changes in Long-term Notes and Other Loan - Primary Government and Discretely Presented Obion County School Department	K-1	146
Schedule of Long-term Debt Requirements by Year – Primary Government and Discretely Presented Obion County School Department	K-2	147
Schedule of Investments	K-3	148
Schedule of Notes Receivable	K-4	149
Schedule of Transfers – Primary Government and Discretely Presented Obion County School Department	K-5	150
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Obion County School Department	K-6	151
Schedule of Detailed Revenues – All Governmental Fund Types	K-7	152-163
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Obion County School Department	K-8	164-167
Schedule of Detailed Expenditures – All Governmental Fund Types	K-9	168-183
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Obion County School Department	K-10	184-196
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-11	197
 <u>SINGLE AUDIT SECTION</u>		 198
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		199-200
Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		201-203
Schedule of Expenditures of Federal Awards and State Grants		204-205
Summary Schedule of Prior-year Findings		206
Schedule of Findings and Questioned Costs		207-209
Management's Corrective Action Plan		210
Best Practice		211

Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Obion County Officials
June 30, 2019

Officials

Benny McGuire, County Mayor
Gary Lofton, Highway Superintendent
Leah Watkins, Director of Schools
Tracey Westbrook, Trustee
Judy Smith, Assessor of Property
Crystal Crain, County Clerk
Harry Johnson, Circuit, General Sessions, and Juvenile Courts Clerk
Paula Rice, Clerk and Master
Cheryl Reddin, Register of Deeds
Karl Jackson, Sheriff

Board of County Commissioners

Ralph Puckett, Chairman	Steve Goodrich
Paul Albright	James Gray
Richard Arnold	Dwayne Hensley
Kenneth Barnes	Rob Holman
James Beasley	Eugene Hudgins
Jim Bondurant	Jerry Lamastus
Ricky Boyd	Allen Nohsey
Donnie Braswell	Terry Roberts
Blake Cheatham	Sam Sinclair, Jr.
Andy Crocker	Donnie Walton
Ryan Ellegood	

Highway Commission

Robert Nichols, Chairman
Larry Albright
Neil Dodson
Larry Gray
Lee Jay Hobbs
Jerry McCullough

Board of Education

Fritz Fussell, Chairman
Barry Adams
Kyle Baggett
Tim Britt
Keisha Hooper
Jared Poore
Brian Rainey

Audit Committee

John Fowler, Chairman
Jim Bondurant
John Miles
Ralph Puckett
Sam Sinclair, Jr.
James Thompson

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Obion County Mayor and
Board of County Commissioners
Obion 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 Obion 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 Obion County Nursing Home, a major fund and the entire business-type activities. 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 Obion County Nursing Home is based solely on the report of other auditors. 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 report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Obion County, Tennessee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of 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 Obion 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 Obion 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.

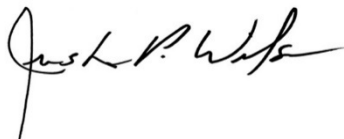
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Obion County School Department (a discretely presented component unit), schedule 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 Obion 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 December 19, 2019, on our consideration of Obion 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 Obion 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 Obion County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 19, 2019

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	Obion
	Activities	Activities		County
				School
				Department
<u>ASSETS</u>				
Cash	\$ 1,818	\$ 1,211,066	\$ 1,212,884	\$ 0
Equity in Pooled Cash and Investments	15,352,295	0	15,352,295	3,572,297
Inventories	0	30,105	30,105	0
Accounts Receivable	194,777	650,744	845,521	125,092
Due from Other Governments	807,106	0	807,106	1,198,628
Due from Primary Government	0	0	0	1,827
Property Taxes Receivable	5,464,765	0	5,464,765	4,436,541
Allowance for Uncollectible Property Taxes	(115,729)	0	(115,729)	(95,527)
Notes Receivable - Long-term	1,107,366	0	1,107,366	0
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	39,909
Net Pension Asset - Teacher Retirement Plan	0	0	0	86,110
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,256,164
Net Pension Asset - Agent Plan	97,053	26,832	123,885	80,782
Capital Assets:				
Assets Not Depreciated:				
Land	3,950,970	0	3,950,970	696,031
Construction in Progress	0	19,900	19,900	88,613
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	4,254,239	258,470	4,512,709	18,431,939
Infrastructure	8,403,003	0	8,403,003	435,023
Other Capital Assets	1,861,179	109,900	1,971,079	1,925,631
Total Assets	\$ 41,378,842	\$ 2,307,017	\$ 43,685,859	\$ 32,279,060
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 18,827	\$ 5,205	\$ 24,032	\$ 274,461
Pension Changes in Assumptions	299,559	82,818	382,377	995,297
Pension Changes in Proportion	0	24,132	24,132	51,605
Pension Contributions After Measurement Date	375,223	102,768	477,991	1,577,912
OPEB Changes in Assumptions	5,815	1,453	7,268	64,901
OPEB Changes in Proportion	0	28,731	28,731	10,981
OPEB Contributions After Measurement Date	4,278	1,070	5,348	181,394
Total Deferred Outflows of Resources	\$ 703,702	\$ 246,177	\$ 949,879	\$ 3,156,551
<u>LIABILITIES</u>				
Accounts Payable	\$ 242,323	\$ 0	\$ 242,323	\$ 26,243
Accrued Payroll	0	83,713	83,713	13,151
Payroll Deductions Payable	12,068	14,089	26,157	2,419
Accrued Leave	0	94,178	94,178	0
Due to Component Units	1,827	0	1,827	0
Due to State of Tennessee	74	0	74	382
Accrued Interest Payable	0	0	0	31
Patients' Trust Fund	0	17,325	17,325	0
Noncurrent Liabilities:				
Due Within One Year - Debt	698,984	0	698,984	41,666
Due Within One Year - Other	13,062	0	13,062	1,973
Due in More Than One Year - Debt	1,474,226	0	1,474,226	0
Due in More Than One Year - Other	386,780	34,667	421,447	2,350,287
Total Liabilities	\$ 2,829,344	\$ 243,972	\$ 3,073,316	\$ 2,436,152

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	Obion
	Activities	Activities		County
				School
				Department
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 5,204,866	\$ 0	\$ 5,204,866	\$ 4,219,851
Pension Changes in Experience	144,045	39,823	183,868	1,817,991
Pension Changes on Investment Earnings	56,588	15,645	72,233	325,359
Pension Changes in Proportion	0	9,237	9,237	64,156
OPEB Changes in Experience	111,548	27,887	139,435	475,750
OPEB Changes in Assumptions	9,836	2,460	12,296	99,749
Total Deferred Inflows of Resources	\$ 5,526,883	\$ 95,052	\$ 5,621,935	\$ 7,002,856
NET POSITION				
Net Investment in Capital Assets	\$ 18,416,181	\$ 388,270	\$ 18,804,451	\$ 21,535,571
Restricted for:				
General Government	6,292,824	0	6,292,824	0
Finance	2,482	0	2,482	0
Administration of Justice	59,802	0	59,802	0
Public Safety	285,069	0	285,069	0
Public Health and Welfare	512,662	0	512,662	0
Highway/Public Works	160,157	0	160,157	0
Debt Service	51,270	0	51,270	0
Social, Cultural and Recreation	5,339	0	5,339	0
Education	0	0	0	198,523
Operation of Non-instructional Services	0	0	0	509,700
Pensions	97,053	0	97,053	1,423,056
Hybrid Retirement Stabilization Funds	0	0	0	39,909
Unrestricted	7,843,478	1,825,900	9,669,378	2,289,844
Total Net Position	\$ 33,726,317	\$ 2,214,170	\$ 35,940,487	\$ 25,996,603

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

Exhibit B

Obion 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			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Obion County School Department
					Governmental Activities	Business- type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,355,829	\$ 673,473	\$ 0	\$ 158,218	\$ (1,524,138)	\$ 0	\$ (1,524,138)	\$ 0
Finance	795,886	908,674	0	0	112,788	0	112,788	0
Administration of Justice	1,226,610	596,547	4,500	0	(625,563)	0	(625,563)	0
Public Safety	4,115,664	1,150,627	51,577	28,792	(2,884,668)	0	(2,884,668)	0
Public Health and Welfare	608,781	230,993	131,828	0	(245,960)	0	(245,960)	0
Social, Cultural, and Recreational Services	449,595	0	0	28,800	(420,795)	0	(420,795)	0
Agriculture and Natural Resources	153,684	0	0	0	(153,684)	0	(153,684)	0
Highways/Public Works	4,043,915	11,614	7,738	658,262	(3,366,301)	0	(3,366,301)	0
Interest on Long-term Debt	231,131	0	0	0	(231,131)	0	(231,131)	0
Total Governmental Activities	\$ 13,981,095	\$ 3,571,928	\$ 195,643	\$ 874,072	\$ (9,339,452)	\$ 0	\$ (9,339,452)	\$ 0
Business-type Activities:								
Nursing Home	\$ 3,653,165	\$ 4,002,635	\$ 0	\$ 0	\$ 0	\$ 349,470	\$ 349,470	\$ 0
Total Primary Government	\$ 17,634,260	\$ 7,574,563	\$ 195,643	\$ 874,072	\$ (9,339,452)	\$ 349,470	\$ (8,989,982)	\$ 0
Component Unit:								
Obion County School Department	\$ 31,125,979	\$ 604,281	\$ 4,859,110	\$ 17,475	\$ 0	\$ 0	\$ 0	\$ (25,645,113)
Total Component Unit	\$ 31,125,979	\$ 604,281	\$ 4,859,110	\$ 17,475	\$ 0	\$ 0	\$ 0	\$ (25,645,113)

(Continued)

Exhibit B

Obion County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Obion County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 3,266,382	\$ 0	\$ 3,266,382	\$ 4,548,423
Property Taxes Levied for Debt Service					1,513,635	0	1,513,635	0
Local Option Sales Taxes					484,084	0	484,084	3,394,958
Wheel Tax					1,299,196	0	1,299,196	0
Litigation Tax					210,028	0	210,028	0
Business Tax					313,408	0	313,408	82,373
Other Local Taxes					95,182	0	95,182	2,066
Grants and Contributions Not Restricted to Specific Programs					3,632,651	0	3,632,651	18,265,035
Unrestricted Investment Income					637,708	8,005	645,713	0
Miscellaneous					2,100	0	2,100	46,021
Total General Revenues					\$ 11,454,374	\$ 8,005	\$ 11,462,379	\$ 26,338,876
Transfers					\$ 25,000	\$ (25,000)	\$ 0	0
Change in Net Position					\$ 2,139,922	\$ 332,475	\$ 2,472,397	\$ 693,763
Net Position, July 1, 2018					31,586,395	1,881,695	33,468,090	25,302,840
Net Position, June 30, 2019					\$ 33,726,317	\$ 2,214,170	\$ 35,940,487	\$ 25,996,603

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,818	\$ 1,818
Equity in Pooled Cash and Investments	7,984,252	4,173,462	2,757,719	436,862	15,352,295
Accounts Receivable	184,666	267	7,594	2,250	194,777
Due from Other Governments	354,641	451,217	1,248	0	807,106
Due from Other Funds	2,010	0	0	3,492	5,502
Property Taxes Receivable	2,984,144	381,216	2,099,405	0	5,464,765
Allowance for Uncollectible Property Taxes	(62,561)	(8,061)	(45,107)	0	(115,729)
Advances to Other Funds	5,108,000	0	0	0	5,108,000
Notes Receivable - Long-term	1,054,166	0	53,200	0	1,107,366
Total Assets	\$ 17,609,318	\$ 4,998,101	\$ 4,874,059	\$ 444,422	\$ 27,925,900
<u>LIABILITIES</u>					
Accounts Payable	\$ 29,347	\$ 211,214	\$ 0	\$ 1,762	\$ 242,323
Payroll Deductions Payable	0	12,068	0	0	12,068
Due to Other Funds	3,492	0	0	2,010	5,502
Due to Component Units	1,827	0	0	0	1,827
Due to State of Tennessee	0	74	0	0	74
Advances Payable to Other Funds	0	0	5,108,000	0	5,108,000
Total Liabilities	\$ 34,666	\$ 223,356	\$ 5,108,000	\$ 3,772	\$ 5,369,794
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,844,520	\$ 363,130	\$ 1,997,216	\$ 0	\$ 5,204,866
Deferred Delinquent Property Taxes	64,037	8,329	50,901	0	123,267
Other Deferred/Unavailable Revenue	42,743	217,231	369	0	260,343
Total Deferred Inflows of Resources	\$ 2,951,300	\$ 588,690	\$ 2,048,486	\$ 0	\$ 5,588,476

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 1,054,166	\$ 0	\$ 0	\$ 0	\$ 1,054,166
Advances to Other Funds	5,108,000				5,108,000
Restricted:					
Restricted for General Government	130,658	0	0	0	130,658
Restricted for Finance	2,482	0	0	0	2,482
Restricted for Administration of Justice	59,802	0	0	0	59,802
Restricted for Public Safety	23,750	0	0	261,319	285,069
Restricted for Public Health and Welfare	512,662	0	0	0	512,662
Restricted for Social, Cultural, and Recreational Services	5,339	0	0	0	5,339
Committed:					
Committed for General Government	325,758	0	0	0	325,758
Committed for Public Health and Welfare	0	0	0	179,331	179,331
Committed for Highways/Public Works	0	4,186,055	0	0	4,186,055
Unassigned	7,400,735	0	(2,282,427)	0	5,118,308
Total Fund Balances	<u>\$ 14,623,352</u>	<u>\$ 4,186,055</u>	<u>\$ (2,282,427)</u>	<u>\$ 440,650</u>	<u>\$ 16,967,630</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,609,318</u>	<u>\$ 4,998,101</u>	<u>\$ 4,874,059</u>	<u>\$ 444,422</u>	<u>\$ 27,925,900</u>

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

Exhibit C-2

Obion 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)		\$ 16,967,630
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,950,970	
Add: buildings and improvements net of accumulated depreciation	4,254,239	
Add: infrastructure net of accumulated depreciation	8,403,003	
Add: other capital assets net of accumulated depreciation	<u>1,861,179</u>	18,469,391
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (53,210)	
Less: other loan payable	(2,120,000)	
Less: net OPEB liability	(138,660)	
Less: compensated absences payable	<u>(261,182)</u>	(2,573,052)
(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	\$ 693,609	
Less: deferred inflows of resources related to pensions	(200,633)	
Add: deferred outflows of resources related to OPEB	10,093	
Less: deferred inflows of resources related to OPEB	<u>(121,384)</u>	381,685
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		97,053
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>383,610</u>
Net position of governmental activities (Exhibit A)		<u>\$ 33,726,317</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,918,211	\$ 1,727,634	\$ 1,618,523	\$ 0	\$ 7,264,368
Licenses and Permits	26,814	0	0	0	26,814
Fines, Forfeitures, and Penalties	88,042	0	0	14,106	102,148
Charges for Current Services	172,768	659	0	38,509	211,936
Other Local Revenues	1,171,583	49,014	0	43,715	1,264,312
Fees Received From County Officials	1,411,263	0	0	0	1,411,263
State of Tennessee	1,093,608	3,224,906	0	79,680	4,398,194
Federal Government	228,718	0	0	0	228,718
Other Governments and Citizens Groups	1,064,857	1,248	0	154,193	1,220,298
Total Revenues	\$ 9,175,864	\$ 5,003,461	\$ 1,618,523	\$ 330,203	\$ 16,128,051
<u>Expenditures</u>					
Current:					
General Government	\$ 1,256,549	\$ 0	\$ 0	\$ 0	\$ 1,256,549
Finance	674,542	0	0	0	674,542
Administration of Justice	1,032,148	0	0	1,280	1,033,428
Public Safety	3,230,821	0	0	243,931	3,474,752
Public Health and Welfare	196,695	0	0	293,635	490,330
Social, Cultural, and Recreational Services	434,771	0	0	0	434,771
Agriculture and Natural Resources	147,251	0	0	0	147,251
Other Operations	1,677,003	0	0	0	1,677,003
Highways	0	4,399,549	0	0	4,399,549
Instruction	75,175	0	0	0	75,175
Debt Service:					
Principal on Debt	0	0	1,130,347	0	1,130,347
Interest on Debt	0	0	231,131	0	231,131

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 67,518	\$ 0	\$ 67,518
Capital Projects	35,120	0	0	0	35,120
Total Expenditures	\$ 8,760,075	\$ 4,399,549	\$ 1,428,996	\$ 538,846	\$ 15,127,466
Excess (Deficiency) of Revenues Over Expenditures	\$ 415,789	\$ 603,912	\$ 189,527	\$ (208,643)	\$ 1,000,585
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 454,363	\$ 0	\$ 0	\$ 0	\$ 454,363
Insurance Recovery	5,878	0	0	0	5,878
Transfers In	25,000	0	0	0	25,000
Total Other Financing Sources (Uses)	\$ 485,241	\$ 0	\$ 0	\$ 0	\$ 485,241
Net Change in Fund Balances	\$ 901,030	\$ 603,912	\$ 189,527	\$ (208,643)	\$ 1,485,826
Fund Balance, July 1, 2018	13,722,322	3,582,143	(2,471,954)	649,293	15,481,804
Fund Balance, June 30, 2019	\$ 14,623,352	\$ 4,186,055	\$ (2,282,427)	\$ 440,650	\$ 16,967,630

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,485,826
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 1,282,038	
Less: current-year depreciation expense	<u>(1,577,548)</u>	(295,510)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: proceeds received on the disposal of capital assets		(3,208)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 383,610	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(412,436)</u>	(28,826)
<p>(4) The issuance of long-term debt (e.g., notes, other loans, and bonds) 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.</p>		
Add: principal payments on note	\$ 470,347	
Add: principal payments on other loan	660,000	
Less: note proceeds	<u>(454,363)</u>	675,984
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ 14,048	
Change in net pension asset	428,554	
Change in deferred outflows related to pensions	(81,108)	
Change in deferred inflows related to pensions	(99,488)	
Change in net OPEB liability	151,230	
Change in deferred outflows related to OPEB	(69)	
Change in deferred inflows related to OPEB	<u>(107,511)</u>	<u>305,656</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,139,922</u>

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

Exhibit C-5

Obion 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	
Revenues				
Local Taxes	\$ 3,918,211	\$ 3,795,038	\$ 3,795,038	\$ 123,173
Licenses and Permits	26,814	24,500	24,500	2,314
Fines, Forfeitures, and Penalties	88,042	89,000	89,000	(958)
Charges for Current Services	172,768	154,800	154,800	17,968
Other Local Revenues	1,171,583	780,450	780,450	391,133
Fees Received From County Officials	1,411,263	1,395,000	1,395,000	16,263
State of Tennessee	1,093,608	1,327,564	1,336,164	(242,556)
Federal Government	228,718	567,185	595,985	(367,267)
Other Governments and Citizens Groups	1,064,857	825,001	825,001	239,856
Total Revenues	\$ 9,175,864	\$ 8,958,538	\$ 8,995,938	\$ 179,926
Expenditures				
General Government				
County Commission	\$ 264,063	\$ 97,700	\$ 277,700	\$ 13,637
Board of Equalization	663	3,500	3,500	2,837
Beer Board	0	1,200	1,200	1,200
Budget and Finance Committee	8,100	14,200	14,200	6,100
Other Boards and Committees	1,400	6,400	6,400	5,000
County Mayor/Executive	248,576	264,142	264,142	15,566
Election Commission	236,910	267,234	267,234	30,324
Register of Deeds	155,125	174,386	174,386	19,261
County Buildings	328,936	661,610	661,610	332,674
Preservation of Records	12,776	60,000	60,000	47,224
Finance				
Property Assessor's Office	226,871	288,682	288,682	61,811
County Trustee's Office	181,882	192,439	192,439	10,557
County Clerk's Office	265,789	272,024	272,024	6,235
Administration of Justice				
Circuit Court	195,973	225,574	225,574	29,601
General Sessions Court	281,320	288,699	288,699	7,379
Chancery Court	156,957	181,609	181,609	24,652
Juvenile Court	149,754	164,602	164,811	15,057
Juvenile Court Clerk	60,305	61,821	61,821	1,516
Courtroom Security	187,839	226,987	226,987	39,148
Public Safety				
Sheriff's Department	1,804,601	2,016,074	2,067,074	262,473
Jail	1,295,002	1,683,436	1,683,436	388,434
Rescue Squad	24,000	24,000	24,000	0
Other Emergency Management	64,029	71,336	71,336	7,307
County Coroner/Medical Examiner	31,277	41,783	41,783	10,506
Public Safety Grants Program	11,912	15,000	15,000	3,088
Public Health and Welfare				
Local Health Center	98,419	141,510	143,910	45,491
Alcohol and Drug Programs	20,893	35,000	35,000	14,107
Other Local Health Services	2,500	2,500	2,500	0
Appropriation to State	74,583	74,583	74,583	0
General Welfare Assistance	300	1,500	1,500	1,200

(Continued)

Exhibit C-5

Obion 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>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	\$ 61,900	\$ 29,500	\$ 61,900	\$ 0
Libraries	371,871	371,871	371,871	0
Parks and Fair Boards	0	1,800	1,800	1,800
Other Social, Cultural, and Recreational	1,000	1,000	1,000	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	96,249	115,535	120,055	23,806
Soil Conservation	25,802	25,802	25,802	0
Flood Control	25,200	25,200	25,200	0
<u>Other Operations</u>				
Tourism	24,113	150,000	150,000	125,887
Industrial Development	95,106	30,107	105,107	10,001
Airport	20,000	20,000	20,000	0
Veterans' Services	45,505	52,030	52,030	6,525
Other Charges	246,364	290,636	290,636	44,272
Contributions to Other Agencies	51,674	51,674	51,674	0
Employee Benefits	1,087,883	1,083,300	1,175,300	87,417
Payments to Cities	23,333	23,334	23,334	1
Miscellaneous	83,025	127,600	127,600	44,575
<u>Instruction</u>				
Career and Technical Education Program	75,175	255,175	75,175	0
<u>Capital Projects</u>				
Other General Government Projects	35,120	512,685	512,685	477,565
Total Expenditures	\$ 8,760,075	\$ 10,726,780	\$ 10,984,309	\$ 2,224,234
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 415,789	\$ (1,768,242)	\$ (1,988,371)	\$ 2,404,160
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 454,363	\$ 745,000	\$ 791,000	\$ (336,637)
Insurance Recovery	5,878	22,500	22,500	(16,622)
Transfers In	25,000	0	0	25,000
Total Other Financing Sources	\$ 485,241	\$ 767,500	\$ 813,500	\$ (328,259)
Net Change in Fund Balance				
Fund Balance, July 1, 2018	\$ 13,722,322	\$ 7,746,761	\$ 7,746,761	\$ 5,975,561
Fund Balance, June 30, 2019	\$ 14,623,352	\$ 6,746,019	\$ 6,571,890	\$ 8,051,462

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

Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 1,727,634	\$ 0	\$ 1,727,634	\$ 1,825,245	\$ 1,825,245	\$ (97,611)
Charges for Current Services	659	0	659	500	500	159
Other Local Revenues	49,014	0	49,014	35,000	35,000	14,014
State of Tennessee	3,224,906	0	3,224,906	4,581,600	4,581,600	(1,356,694)
Federal Government	0	0	0	285,000	285,000	(285,000)
Other Governments and Citizens Groups	1,248	0	1,248	0	0	1,248
Total Revenues	\$ 5,003,461	\$ 0	\$ 5,003,461	\$ 6,727,345	\$ 6,727,345	\$ (1,723,884)
Expenditures						
Highways						
Administration	\$ 246,620	\$ 0	\$ 246,620	\$ 269,776	\$ 269,776	\$ 23,156
Highway and Bridge Maintenance	2,190,119	0	2,190,119	3,436,125	3,436,125	1,246,006
Operation and Maintenance of Equipment	373,173	0	373,173	630,850	630,850	257,677
Other Charges	194,650	0	194,650	235,200	235,200	40,550
Employee Benefits	307,434	0	307,434	375,500	375,500	68,066
Capital Outlay	1,087,553	399,421	1,486,974	2,657,500	2,657,500	1,170,526
Total Expenditures	\$ 4,399,549	\$ 399,421	\$ 4,798,970	\$ 7,604,951	\$ 7,604,951	\$ 2,805,981
Excess (Deficiency) of Revenues Over Expenditures	\$ 603,912	\$ (399,421)	\$ 204,491	\$ (877,606)	\$ (877,606)	\$ 1,082,097
Net Change in Fund Balance	\$ 603,912	\$ (399,421)	\$ 204,491	\$ (877,606)	\$ (877,606)	\$ 1,082,097
Fund Balance, July 1, 2018	3,582,143	0	3,582,143	2,002,625	2,002,625	1,579,518
Fund Balance, June 30, 2019	\$ 4,186,055	\$ (399,421)	\$ 3,786,634	\$ 1,125,019	\$ 1,125,019	\$ 2,661,615

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

Exhibit D-1

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

	Business-type Activities
	Major Enterprise Fund
	Nursing Home
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,211,066
Inventories	30,105
Accounts Receivable	650,744
Total Current Assets	<u>\$ 1,891,915</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Construction in Progress	\$ 19,900
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	258,470
Other Capital Assets	109,900
Net Pension Asset	26,832
Total Noncurrent Assets	<u>\$ 415,102</u>
Total Assets	<u>\$ 2,307,017</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 5,205
Pension Changes in Assumptions	82,818
Pension Changes in Proportion	24,132
Pension Contributions After Measurement Date	102,768
OPEB Changes in Assumptions	1,453
OPEB Changes in Proportion	28,731
OPEB Contributions After Measurement Date	1,070
Total Deferred Outflows	<u>\$ 246,177</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accrued Payroll	\$ 83,713
Payroll Deductions Payable	14,089
Accrued Leave	94,178
Patients' Trust Fund	17,325
Long-term Liabilities:	
Total OPEB Liability	34,667
Total Liabilities	<u>\$ 243,972</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 39,823
Pension Changes on Investment Earnings	15,645
Pension Changes in Proportion	9,237
OPEB Changes in Experience	27,887
OPEB Changes in Assumptions	2,460
Total Deferred Inflows	<u>\$ 95,052</u>
<u>NET POSITION</u>	
Investment in Capital Assets	\$ 388,270
Unrestricted	1,825,900
Total Net Position	<u>\$ 2,214,170</u>

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

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Nursing Home
<u>Operating Revenues</u>	
Medicaid Patients	\$ 2,664,207
Medicare Patients	974,003
Discounts and allowances	29,242
Private Patients	314,203
Hospice	19,494
Other Revenue	1,486
Total Operating Revenues	<u>\$ 4,002,635</u>
<u>Operating Expenses</u>	
General and Administrative Expenses:	
Salary - administrator	\$ 127,227
Salaries - administrative	85,258
Freight and postage	1,554
Office supplies and expense	32,760
Minor equipment	16,862
Conventions and seminars	1,505
Travel	7,305
Advisory board fees and expense	7,000
Employee insurance	175,542
Employee payroll taxes	139,052
Employee pension expense	49,793
Employee OPEB expense	8,141
Workers compensation insurance	24,173
Employee activities and awards	2,286
Extra labor	19,836
Liability insurance	67,444
Court reporter	1,100
Contract services	599
Taxes and licenses	240,562
Dues and subscriptions	7,729
Legal and audit fees	18,517
Advertising and promotion	11,968
Telephone	6,175
Uniforms	1,024
Total General and Administrative Expenses	<u>\$ 1,053,412</u>
Medical and Nursing:	
Salaries	\$ 1,157,443
Minor equipment	9,069
Training and seminars	520
Training supplies	282
Medical supplies	79,521
Medical director	21,600
Pharmacy consultant	1,344
Total Medical and Nursing Expenses	<u>\$ 1,269,779</u>

(Continued)

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Nursing Home
<u>Operating Expenses (Cont.)</u>	
Patient Activities:	
Salaries	\$ 44,377
Special events	8,258
Supplies	15,058
Total Patient Activities	<u>\$ 67,693</u>
Social Services:	
Salaries	<u>\$ 70,801</u>
Dietary:	
Salaries	\$ 187,945
Raw food	162,825
Training	75
Supplies	20,041
Consultant	5,280
Total Dietary Expenses	<u>\$ 376,166</u>
Housekeeping:	
Salaries	\$ 125,166
Supplies	8,396
Total Housekeeping Expenses	<u>\$ 133,562</u>
Laundry:	
Salaries	\$ 66,899
Minor equipment	140
Supplies	7,120
Linen and bedding	5,847
Total Laundry Expenses	<u>\$ 80,006</u>
Maintenance:	
Salaries	\$ 40,367
Repair and maintenance	47,875
Minor equipment	170
Supplies	1,053
Contract services	5,257
Pest control	1,408
Fuel and gas	33,015
Electricity	39,433
Waste disposal service	2,516
Water and sewage	4,335
Total Maintenance Expenses	<u>\$ 175,429</u>

(Continued)

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Nursing Home
<u>Operating Expenses (Cont.)</u>	
Other Operating Expenses:	
Skilled - pharmacy	\$ 44,507
Skilled - x-ray	9,895
Skilled - lab	2,482
PT - private	438
Physical therapy	136,546
Occupational therapy	121,176
Speech therapy	57,855
Total Other Operating Expenses	<u>\$ 372,899</u>
Depreciation	<u>\$ 53,418</u>
Total Operating Expenses	<u>\$ 3,653,165</u>
Operating Income (Loss)	<u>\$ 349,470</u>
<u>Nonoperating Revenues</u>	
Investment Income	<u>\$ 8,005</u>
Total Nonoperating Revenues	<u>\$ 8,005</u>
Income Before Transfers	\$ 357,475
Transfers In (Out)	<u>(25,000)</u>
Change in Net Position	\$ 332,475
Net Position, July 1, 2018	<u>1,881,695</u>
Net Position, June 30, 2019	<u><u>\$ 2,214,170</u></u>

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

Exhibit D-3

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

	Business-type Activities
	Major Enterprise Fund
	Nursing Home
<u>Cash Flows from Operating Activities</u>	
Cash Received from Patients	\$ 3,889,760
Cash Paid to Suppliers	(1,637,653)
Cash Paid to Employees	(1,874,716)
Cash Paid for Employees Pensions	(103,836)
Other Operating Revenue	1,486
Net Cash Provided By (Used In) Operating Activities	<u>\$ 275,041</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	\$ (193,190)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (193,190)</u>
<u>Cash Flows from Non-Capital Financing Activities</u>	
Transfer to General Fund	\$ (25,000)
Net Cash Provided By (Used In) Non-Capital Financing Activities	<u>\$ (25,000)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 8,005
Net Cash Provided By (Used In) Investing Activities	<u>\$ 8,005</u>
Increase (Decrease) in Cash	\$ 64,856
Cash, July 1, 2018	<u>1,146,210</u>
Cash, June 30, 2019	<u><u>\$ 1,211,066</u></u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 349,470
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	53,418
Deferred Outflows	22,315
Deferred Inflows	47,341
Allowance for bad debts	19,926
Changes in Assets and Liabilities:	
(Increase) Decrease in Inventories	(2,098)
(Increase) Decrease in Accounts Receivable	(136,704)
(Increase) Decrease in Net Pension Asset	(123,874)
Increase (Decrease) in Payroll Deductions Payable	872
Increase (Decrease) in Accrued Payroll	13,027
Increase (Decrease) in Accrued Leave	17,643
Increase (Decrease) in Net OPEB Liability	8,316
Increase (Decrease) in Patients' Trust Fund	5,389
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 275,041</u></u>

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

Exhibit E-1

Obion County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Other Trust Fund	
	Indigent Care Trust	Agency Funds
<u>ASSETS</u>		
Cash	\$ 3,782,433	\$ 1,889,204
Equity in Pooled Cash and Investments	0	240,472
Investments	255,747	0
Accounts Receivable	0	12,806
Due from Other Governments	0	1,118,408
Property Taxes Receivable	0	2,170,858
Allowance for Uncollectible Property Taxes	0	(46,960)
Notes Receivable - Long-term	0	211,058
Total Assets	<u>\$ 4,038,180</u>	<u>\$ 5,595,846</u>
<u>LIABILITIES</u>		
Due to Other Taxing Units	\$ 0	\$ 3,268,608
Due to Litigants, Heirs, and Others	0	2,113,068
Due to Joint Ventures	0	214,170
Total Liabilities	<u>\$ 0</u>	<u>\$ 5,595,846</u>
<u>NET POSITION</u>		
Held in Trust for Indigent Patients' Medical Claims	<u>\$ 4,038,180</u>	

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

Exhibit E-2

Obion County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2019

	Other Trust Fund
	<u>Indigent Care Trust</u>
<u>ADDITIONS</u>	
Investment Income	\$ 113,445
Contributions and Gifts	111,115
Total Additions	<u>\$ 224,560</u>
<u>DEDUCTIONS</u>	
Fiscal Agent Charges	\$ 7,726
Medical Claims	96,605
Total Deductions	<u>\$ 104,331</u>
Change in Net Position	\$ 120,229
Net Position, July 1, 2018	<u>3,917,951</u>
Net Position, June 30, 2019	<u><u>\$ 4,038,180</u></u>

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

OBION COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	35
B. Government-wide and Fund Financial Statements	36
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	39
2. Receivables and Payables	40
3. Restricted Assets	41
4. Capital Assets	41
5. Deferred Outflows/Inflows of Resources	42
6. Compensated Absences	42
7. Long-term Debt and Long-term Obligations	43
8. Net Position and Fund Balance	44
9. Stabilization Arrangement	45
E. Pension Plans	45
F. OPEB Plans	46
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	47
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	47
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	47
B. Fund Deficit	48
IV. Detailed Notes on All Funds	
A. Deposits and Investments	48
B. Notes Receivable	54
C. Capital Assets	55
D. Committed Construction	58
E. Interfund Receivables, Payables, and Transfers	58
F. Long-term Debt	59
G. Long-term Obligations	63
H. On-Behalf Payments	64
V. Other Information	
A. Risk Management	64
B. Accounting Changes	65
C. Contingent Liabilities	66
D. Changes in Administration	66
E. Joint Ventures	66
F. Jointly Governed Organization	68
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	68
2. Deferred Compensation	85
H. Other Postemployment Benefits (OPEB)	85
I. Purchasing Laws	95
J. Subsequent Events	95
VI. Other Notes - Obion County Nursing Home (Enterprise Fund)	96

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Obion 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 Obion County:

A. Reporting Entity

Obion County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Obion County (the primary government) and its component units. The financial statements of the Obion County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

Administrative Office:

Obion County Emergency Communications District
P.O. Box 866
Union City, TN 38281-0866

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Obion 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.

Obion County issues all debt for the discretely presented Obion 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 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 Obion 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. Obion County only reports one proprietary fund, an 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. Obion 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 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.

Obion 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.

Obion County reports the following major proprietary fund:

Nursing Home Fund – This fund accounts for the operations of the Obion County Nursing Home as an enterprise fund.

Additionally, Obion County reports the following fund types:

Other Trust Fund – The Indigent Care Trust Fund is used to account for a portion of the proceeds (corpus) received by the county from the sale of the county’s hospital. The income derived from the corpus is to be expended for medical claims of indigent patients of Obion County.

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 Obion County, property tax collections to be forwarded to the Town of Woodland Mills, assets held in a custodial capacity for a special school district, the city school system’s share of educational revenues, and state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Obion 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 Obion County School Department reports the following fund type:

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Nursing Home Fund) and the discretely presented Obion County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. In addition, investments are held separately by the county's Indigent Care Trust Fund. Obion County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State

statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances and long-term loans/notes receivable between funds, as reported in the General Fund financial statements, are offset by a nonspendable fund balance classification account to indicate that they are not available for appropriation and are not expendable from available financial resources.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.11 percent of the 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 Obion 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 Obion County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Obion 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 are defined by the government (except for the Nursing Home Fund) as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 15
Infrastructure:	
Roads	5 - 10
Bridges	15 - 30
Runways	25

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 pension changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportion, as well as 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 changes in proportion, 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

It is the policy of the Obion County general government to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation pay is accrued when incurred in the government-wide statements for the county. A liability for vacation benefits is reported in governmental

funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented Obion County School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). 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 department. Central office, bus garage, and maintenance employees are allowed to accumulate a limited amount of earned but unused vacation benefits, which will be paid to these employees upon separation of service. All vacation pay is accrued when incurred in the government-wide statements for the school department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and pension liabilities 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, Obion County had \$2,120,000 in outstanding debt for capital purposes for the discretely presented Obion County School Department. The debt is a liability of Obion County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Obion County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a)

externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

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

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

9. Stabilization Arrangement

Obion County sold its hospital in 1982. The county commission adopted a resolution to retain the principal intact and appropriate the interest income earned on the investment of these funds annually through the budgetary process. The principal balance in this stabilization arrangement totaled \$12,000,000 at June 30, 2019. As discussed in Note IV.B., \$6,162,166 of this amount has been loaned for various purposes and is presented in the General Fund as notes receivable (\$1,054,166) and advances to other funds (\$5,108,000), which is offset with nonspendable fund balance. The remainder is included in the General Fund’s unassigned fund balance account since this arrangement does not meet the criteria for restricted or committed fund balance as defined by GASB Statement No. 54.

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 Obion County’s

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

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Obion County School System

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Obion County School System. 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 Obion 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 change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Obion County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Budget and Finance Committee, Other Boards and Committees, 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, Obion County and the Obion County School Department reported the following outstanding encumbrances in budgeted funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Highway/Public Works	\$ <u>399,421</u>
Total	\$ <u>399,421</u>
Discretely Presented School Department:	
General Purpose School	\$ 223,607
School Federal Projects (nonmajor fund)	<u>10,878</u>
Total	\$ <u>234,485</u>

B. Fund Deficit

The General Debt Service Fund had a deficit in unrestricted net position of \$2,282,427 at June 30, 2019. This deficit resulted from an advance payable to the General Fund in the amount of \$5,108,000. For more information, see Note IV.E.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Obion County (excluding the Obion County Nursing Home) and the Obion County School Department participate in an internal cash and investment pool

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the

securities on the day of purchase.

Investment Balances. As of June 30, 2019, Obion County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles:

Investments	Maturity	Fair Value
Indigent Care Trust Fund:		
U.S. Treasury Notes	4-30-20	\$ 255,747
		Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>Investment by Fair Value Level</u>	<u>Fair Value 6-30-19</u>	
U.S. Treasury Notes	\$ 255,747	\$ 255,747

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

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

TCRS Stabilization Trust

Legal Provisions. The Obion 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 Obion 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 Obion 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	\$ 12,372
Developed Market International Equity	N/A	N/A	5,587
Emerging Market International Equity	N/A	N/A	1,596
U.S. Fixed Income	N/A	N/A	7,982
Real Estate	N/A	N/A	3,991
Short-term Securities	N/A	N/A	399
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	7,982
Total			<u>\$ 39,909</u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 12,372	\$ 12,372	0 \$	0 \$	0
Developed Market International Equity	5,587	5,587	0	0	0
Emerging Market International Equity	1,596	1,596	0	0	0
U.S. Fixed Income	7,982	0	7,982	0	0
Real Estate	3,991	0	0	3,991	0
Short-term Securities	399	0	399	0	0
Private Equity and Strategic Lending	7,982	0	0	0	7,982
Total	<u>\$ 39,909</u>	<u>\$ 19,555</u>	<u>\$ 8,381</u>	<u>\$ 3,991</u>	<u>7,982</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 Obion 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 Obion 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. Obion 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 Obion County School Department to pay retirement benefits of the school department employees.

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

B. Notes Receivable

General Fund

During the 2009-10 fiscal year, the Obion County Commission authorized up to a \$3 million loan to the discretely presented Obion County School Department for the construction of career technology centers at two high schools. The school department and Obion County signed an inter-departmental agreement for the repayment of the loan plus interest annually over a period of ten years. On May 21, 2012, the interest rate on this loan was established at .9 percent and can be re-negotiated annually. As of June 30, 2019, the Obion County School Department's General Purpose School Fund had an outstanding balance of \$41,666 due to the county under this agreement.

During the 2013-14 fiscal year, the Obion County Commission authorized a \$1,625,000 loan to the Union City Industrial Development Board for MIA Seating Corporation to purchase land and a building. The Union City Industrial Development Board signed a promissory note to repay Obion County the loan plus interest at one percent per annum over a period of ten years. The City of Union City has also agreed to annually contribute an amount equal to the principal requirement to the Union City Industrial Development Board in order to assist with the repayment. The outstanding balance was \$812,500 at June 30, 2019.

Also, during the 2013-14 fiscal year, the Obion County Commission authorized a \$400,000 loan to the Union City Industrial Development Board for MIA

Seating Corporation for building renovations. The Union City Industrial Development Board signed a promissory note to repay Obion County the loan plus interest at one percent per annum over a period of ten years. The outstanding balance was \$200,000 at June 30, 2019.

The total notes receivable of \$1,054,166 in the General Fund are presented on the balance sheet with a nonspendable fund balance.

General Debt Service Fund

During the 2012-13 fiscal year, the Obion County Commission authorized the county to issue a \$143,786 non-interest bearing capital outlay note to assist the Everett-Obion Regional Airport with construction of a runway extension project. The Everett-Obion Regional Airport has agreed to repay \$143,786 to the county over a period of ten years with no interest. This note receivable has a balance of \$53,200 at June 30, 2019.

Constitutional Officers – Agency Fund

Notes receivable in the Constitutional Officers - Agency Fund (fiduciary fund) consist of scholarship loans of \$211,058 in the Office of Clerk and Master.

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	\$ 3,950,970	\$ 0	\$ 0	\$ 3,950,970
Construction in Progress	1,259,750	0	(1,259,750)	0
Total Capital Assets Not Depreciated	<u>\$ 5,210,720</u>	<u>\$ 0</u>	<u>\$ (1,259,750)</u>	<u>\$ 3,950,970</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,723,800	\$ 101,560	\$ 0	\$ 13,825,360
Infrastructure	33,546,510	1,797,847	0	35,344,357
Other Capital Assets	9,930,850	642,381	(127,439)	10,445,792
Total Capital Assets Depreciated	<u>\$ 57,201,160</u>	<u>\$ 2,541,788</u>	<u>\$ (127,439)</u>	<u>\$ 59,615,509</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,075,461	\$ 495,660	\$ 0	\$ 9,571,121
Infrastructure	26,380,280	561,074	0	26,941,354
Other Capital Assets	8,188,030	520,814	(124,231)	8,584,613
Total Accumulated Depreciation	<u>\$ 43,643,771</u>	<u>\$ 1,577,548</u>	<u>\$ (124,231)</u>	<u>\$ 45,097,088</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,557,389</u>	<u>\$ 964,240</u>	<u>\$ (3,208)</u>	<u>\$ 14,518,421</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,768,109</u>	<u>\$ 964,240</u>	<u>\$ (1,262,958)</u>	<u>\$ 18,469,391</u>

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

General Administration	\$ 109,287
Finance	3,258
Administration of Justice	16,343
Public Safety	359,013
Public Health and Welfare	70,077
Social, Cultural, and Recreational Services	116,384
Other Operations - Airport	319,366
Highway/Public Works	<u>583,820</u>

Total Depreciation Expense -
Governmental Activities \$ 1,577,548

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

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 696,031	\$ 0	\$ 0	\$ 696,031
Construction in Progress	355,470	12,521	(279,378)	88,613
Total Capital Assets Not Depreciated	<u>\$ 1,051,501</u>	<u>\$ 12,521</u>	<u>\$ (279,378)</u>	<u>\$ 784,644</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 62,221,895	\$ 393,540	\$ 0	\$ 62,615,435
Infrastructure	1,374,882	18,201	0	1,393,083
Other Capital Assets	5,914,483	368,238	(383,001)	5,899,720
Total Capital Assets Depreciated	<u>\$ 69,511,260</u>	<u>\$ 779,979</u>	<u>\$ (383,001)</u>	<u>\$ 69,908,238</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 42,379,736	\$ 1,803,760	\$ 0	\$ 44,183,496
Infrastructure	893,192	64,868	0	958,060
Other Capital Assets	4,066,196	285,894	(378,001)	3,974,089
Total Accumulated Depreciation	<u>\$ 47,339,124</u>	<u>\$ 2,154,522</u>	<u>\$ (378,001)</u>	<u>\$ 49,115,645</u>
Total Capital Assets Depreciated, Net	<u>\$ 22,172,136</u>	<u>\$ (1,374,543)</u>	<u>\$ (5,000)</u>	<u>\$ 20,792,593</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,223,637</u>	<u>\$ (1,362,022)</u>	<u>\$ (284,378)</u>	<u>\$ 21,577,237</u>

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

Governmental Activities:

Instruction	\$ 1,436,008
Support Services	637,134
Operation of Non-instructional Services	<u>81,380</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,154,522</u></u>

D. Committed Construction

At June 30, 2019, the highway department had uncompleted construction contracts of \$356,967 for bridge construction. 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,010
Nonmajor governmental	General	3,492
Discretely Presented Obion County School Department:		
General Purpose School	Nonmajor governmental	40,607
Nonmajor governmental	General Purpose School	3,157

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department: General Purpose School	Primary Government: General	\$ 1,827

Advances to/from Funds

Receivable Fund	Payable Fund	Amount
General	General Debt Service	\$ 5,108,000

The balance of \$5,108,000 due to the General Fund from the General Debt Service Fund resulted from an advance to the General Debt Service Fund to retire Rural School Refunding Bonds, Series 2007.

Interfund Transfers:

Primary Government

Transfer Out	Transfer In General Fund	Purpose
Nursing Home	\$ 25,000	Excess funds

Discretely Presented Obion County School Department

Transfer Out	Transfer In General Purpose School Fund	Purpose
Nonmajor governmental funds	\$ 10,000	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. Long-term Debt

Primary Government

Notes and Other Loans

Direct Borrowing and Direct Placements - Obion County issues other loans to provide funds for the acquisition and construction of major capital facilities for the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. The capital outlay note and the other loan outstanding were issued for original terms of ten years for the

note and 18 years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and other loan included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

The capital outlay note and the other loan 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
Direct Borrowing and Direct Placement:				
Capital Outlay Note	0 %	9-13-22	\$ 143,786	\$ 53,210
Other Loan	variable	5-25-22	17,000,000	2,120,000

In a prior year, Obion County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$17 million to Obion County for various renovation and construction projects. This loan was partially refunded during a prior year. The 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 plus \$1,020 in annual administrative fees of the outstanding loan principal.

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

Year Ending June 30	Note - Direct Placement	
	Principal	Total
2020	\$ 15,984	\$ 15,984
2021	15,984	15,984
2022	15,984	15,984
2023	5,258	5,258
Total	\$ 53,210	\$ 53,210

Year Ending June 30	Other Loan - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 683,000	\$ 31,211	\$ 14,804	\$ 729,015
2021	706,000	20,852	10,335	737,187
2022	731,000	10,161	5,360	746,521
Total	<u>\$ 2,120,000</u>	<u>\$ 62,224</u>	<u>\$ 30,499</u>	<u>\$ 2,212,723</u>

Total debt per capita, including the note and the other loan, totaled \$68, based on the 2010 federal census.

Changes in Long-term Debt

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

	Notes - Direct Placement	Other Loan - Direct Placement
Balance, July 1, 2018	\$ 69,194	\$ 2,780,000
Additions	454,363	0
Reductions	(470,347)	(660,000)
Balance, June 30, 2019	<u>\$ 53,210</u>	<u>\$ 2,120,000</u>
Balance Due Within One Year	<u>\$ 15,984</u>	<u>\$ 683,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 2,173,210
Less: Balance Due Within One Year - Debt	<u>(698,984)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 1,474,226</u>

Discretely Presented Obion County School Department

Note

Direct Borrowing and Direct Placements - The county loaned funds to the school department for the construction of capital facilities (see Note IV.B.). The note included in long-term debt as of June 30, 2019, will be retired from the General Purpose School Fund.

The note outstanding as of June 30, 2019, for governmental activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
------	---------------	----------------	--------------------------	-----------------

Direct Borrowing and Direct Placement:

Note	variable	6-1-20	\$ 2,500,000	\$ 41,666
------	----------	--------	--------------	-----------

The annual requirements to amortize the note outstanding as of June 30, 2019, including interest payments, are presented in the following table:

Year Ending June 30	Note		
	Principal	Interest	Total
2020	\$ 41,666	\$ 375	\$ 42,041
Total	\$ 41,666	\$ 375	\$ 42,041

Changes in Long-term Debt

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

	Note - Direct Placement
Balance, July 1, 2018	\$ 291,666
Reductions	<u>(250,000)</u>
Balance, June 30, 2019	<u>\$ 41,666</u>
Balance Due Within One Year	<u>\$ 41,666</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 41,666
Less: Balance Due Within One Year - Debt	<u>(41,666)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 0</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

	Compensated Absences	Other Post- employment Benefits
Balance, July 1, 2018	\$ 275,230	\$ 289,890
Additions	248,232	39,248
Reductions	(262,280)	(190,478)
Balance, June 30, 2019	<u>\$ 261,182</u>	<u>\$ 138,660</u>
Balance Due Within One Year	<u>\$ 13,062</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities - Other - Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2019	\$ 399,842
Less: Balance Due Within One Year - Other	<u>(13,062)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 386,780</u>

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

Discretely Presented Obion County School Department

Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018	\$ 38,092	\$ 2,694,325
Additions	32,847	329,821
Reductions	(31,477)	(711,348)
Balance, June 30, 2019	<u>\$ 39,462</u>	<u>\$ 2,312,798</u>
Balance Due Within One Year	<u>\$ 1,973</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities - Other - Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2019	\$ 2,352,260
Less: Balance Due Within One Year - Other	<u>(1,973)</u>
Noncurrent Liabilities - Other - Due in More Than One Year - Exhibit A	<u>\$ 2,350,287</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

H. On-Behalf Payments - Discretely Presented Obion County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Obion 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 \$95,400. 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

Obion County and the discretely presented Obion County School Department are exposed to various risks related to general liability, property, casualty, workers' compensation, health, and accident. Obion County decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. Obion County and the school department

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

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

The discretely presented Obion County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Obion 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 or expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

The county and school department are involved in several pending lawsuits. Management estimates that any potential claims not covered by insurance resulting from such litigation should not materially affect the financial statements.

D. Changes in Administration

On June 30, 2018, Nancy Hamilton and Dale Hollowell (co-interim directors) left the Office of Director of Schools and were succeeded by Dr. Leah Watkins on July 9, 2018.

On August 31, 2018, Vicky Long left the Office of Register of Deeds and was succeeded by Cheryl Reddin on September 1, 2018.

On August 31, 2018, Jerry Vastbinder left the Office of Sheriff and was succeeded by Karl Jackson on September 1, 2018.

E. Joint Ventures

The Twenty-seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-seventh Judicial District, Obion and Weakley 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 the judicial district. Obion County made no contributions to the DTF for the year ended June 30, 2019, and does not have any equity interest in this joint venture.

Obion County is a participant with Dyer and Lake counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Obion County has control over budgeting and financing the joint venture only to the extent of representation by the two board members appointed. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38025.

Pursuant to a formal agreement between Obion and Weakley counties, a joint venture for the creation and operation of the Everett-Obion Regional Airport was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Obion County appropriated \$20,000 to the Everett-Obion Regional Airport during the year. On October 16, 2012, Obion County issued a \$143,786 capital outlay note to provide funds for airport improvement projects (see Note IV.B.). This note was issued with a zero percent interest rate and is to be retired with monthly payments of \$1,332 from the Everett-Obion Regional Airport to the Obion County General Debt Service Fund.

The Obion County Public Library is jointly owned by Obion County and Union City and is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Obion County Commission. The remaining three members are appointed by Union City. Obion County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Obion County contributed \$371,871 to the operations of the library during the year ended June 30, 2019.

Complete financial statements for the Twenty-seventh Judicial District Drug Task Force, Everett-Obion Regional Airport, and the Obion County Public Library can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-seventh Judicial District
P.O. Box 746
Union City, TN 38281-0746

Everett-Obion Regional Airport
1489 Airport Circle
Union City, TN 38261

Obion County Public Library
1221 E. Reelfoot Ave.
Union City, TN 38261

F. Jointly Governed Organization

The West Tennessee Railroad Authority (WTRA) was created by Gibson County in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the county mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley counties, and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Obion County, the Obion County Nursing Home (Enterprise Fund), and non-certified employees of the discretely presented Obion 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 47.42 percent, employees of the Obion County Nursing Home comprised 13.11 percent, and the non-certified employees of the discretely presented school department comprised 39.47 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-overnance/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	279
Inactive Employees Entitled to But Not Yet Receiving Benefits	320
Active Employees	370
 Total	 <u>969</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. Obion 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 Obion County was \$770,924 based on a rate of 7.24 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Obion 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)

Obion 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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69 %	31 %
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
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 Obion 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	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 29,704,275	\$ 28,983,308	\$ 720,967
Changes for the Year:			
Service Cost	\$ 825,229	\$ 0	\$ 825,229
Interest	2,153,153	0	2,153,153
Differences Between Expected and Actual Experience	(266,122)	0	(266,122)
Changes in Assumptions	0	0	0
Contributions-Employer	0	759,357	(759,357)
Contributions-Employees	0	524,802	(524,802)
Net Investment Income	0	2,388,667	(2,388,667)
Benefit Payments, Including Refunds of Employee Contributions	(1,661,686)	(1,661,686)	0
Administrative Expense	0	(34,932)	34,932
Other Changes	0	0	0
Net Changes	\$ 1,050,574	\$ 1,976,208	\$ (925,634)
Balance, June 30, 2018	\$ 30,754,849	\$ 30,959,516	\$ (204,667)

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	47.42%	\$ 14,583,949	\$ 14,681,002	\$ (97,053)
Nursing Home	13.11%	4,031,961	4,058,793	(26,832)
School Department	39.47%	12,138,939	12,219,721	(80,782)
Total		\$ 30,754,849	\$ 30,959,516	\$ (204,667)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Obion 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset) \$	3,129,007 \$	(204,667) \$	(3,016,375)

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

Pension Expense. For the year ended June 30, 2019, Obion County recognized pension expense of \$267,267.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Obion 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	\$ 39,702	\$ 303,764
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	119,334
Changes in Assumptions	631,715	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	770,924	N/A
Total	<u>\$ 1,442,341</u>	<u>\$ 423,098</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	\$ 693,609	\$ 200,633
Nursing Home (Enterprise Fund)	190,791	55,468
School Department	557,941	166,997
Total	<u>\$ 1,442,341</u>	<u>\$ 423,098</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	\$ 331,615
2021	123,926
2022	(146,759)
2023	(60,463)
2024	0
Thereafter	0

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

Discretely Presented Obion County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, Employees of Obion County, the Obion County Nursing Home (Enterprise Fund), and non-certified employees of the discretely presented Obion 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 47.42 percent, employees of

the Obion County Nursing Home comprised 13.11 percent, and the non-certified employees of the discretely presented school department comprised 39.47 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Obion 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 \$36,118, which is 1.94 percent of covered payroll. In addition, employer contributions of \$37,894, which is 2.06 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$86,110) 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 .189867 percent. The proportion as of June 30, 2017, was .203948 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$29,725.

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	\$ 4,877	\$ 3,430
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,864
Changes in Assumptions	4,062	0
Changes in Proportion of Net Pension Liability (Asset)	4,581	575
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	36,118	N/A
Total	<u>\$ 49,638</u>	<u>\$ 8,869</u>

The school department's employer contributions of \$36,118, 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	\$ (313)
2021	(468)
2022	(1,161)
2023	110
2024	758
Thereafter	5,725

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

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

Net Pension Liability (Asset) \$ 13,313 \$ (86,110) \$ (159,161)

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 Obion 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 Obion County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$1,248,861, 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 (\$1,256,164) 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 .356975 percent. The proportion measured at June 30, 2017, was .365009 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$373,311).

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	\$ 253,914	\$ 1,694,665
Changes in Assumptions	741,897	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	273,394
Changes in Proportion of Net Pension Liability (Asset)	47,024	63,581
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,248,861	N/A
Total	<u>\$ 2,291,696</u>	<u>\$ 2,031,640</u>

The school department's employer contributions of \$1,248,861 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 245,224
2021	(414,886)
2022	(697,529)
2023	(121,614)
2024	0
Thereafter	0

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

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

Net Pension Liability (Asset) \$ 9,683,304 \$ (1,256,164) \$ (10,307,050)

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 \$93,933 and teachers contributed \$4,083 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Obion County and the Obion County Nursing Home are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Obion 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 county, nursing home, and school department's total OPEB liability for each plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LGP and 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 .28% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

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

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

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

Local Government OPEB Plan (Primary Government)

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

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

Employees Covered by Benefit Terms

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

	<u>Obion County</u>
Retirees and Beneficiaries	1
Inactive, nonretired members	0
Active Members Eligible for Future Benefits	178
Active Members Not Eligible for Future Benefits	12
Total	<u><u>191</u></u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, the county and nursing home paid \$5,348 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	<u>\$ 289,890</u>
Changes for the Year:	
Service Cost	\$ 29,759
Interest	11,199
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	(155,462)
Changes in Assumption and Other Inputs	8,103
Benefit Payments	<u>(10,162)</u>
Net Changes	<u>\$ (116,563)</u>
Balance June 30, 2018	<u><u>\$ 173,327</u></u>

Allocation of the Total OPEB Liability

		Total OPEB Liability
Primary Government	80%	\$ 138,660
Nursing Home	20%	<u>34,667</u>
Total		<u>\$ 173,327</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county and nursing home recognized OPEB expense of \$24,189. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 139,435
Changes of Assumptions/Inputs	7,268	12,296
Net Difference Between Projected and Benefits Paid After the Measurement Date	<u>5,348</u>	<u>0</u>
Total	<u>\$ 12,616</u>	<u>\$ 151,731</u>

**Allocation of Deferred Outflows or Resources and
Deferred Inflows of Resources**

	Deferred Outflows	Deferred Inflows
Primary Government	\$ 10,093	\$ 121,384
Nursing Home	<u>2,523</u>	<u>30,347</u>
Total	<u>\$ 12,616</u>	<u>\$ 151,731</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:

<u>Year Ending June 30</u>	<u>Total Amount</u>
2020	\$ (16,769)
2021	(16,769)
2022	(16,769)
2023	(16,769)
2024	(16,769)
Thereafter	(60,618)

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

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

<u>Discount Rate</u>	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 188,017	\$ 173,327	\$ 159,954

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

<u>Discount Rate</u>	1% Decrease 5.75 to 2.81%	Current Trend Rate 6.75 to 3.81%	1% Increase 7.75 to 4.81%
Total OPEB Liability	\$ 151,885	\$ 173,327	\$ 199,261

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

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

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Retirees and Beneficiaries	26
Inactive, nonretired members	0
Active Members Eligible for Future Benefits	395
Active Members Not Eligible for Future Benefits	80
Total	<u><u>501</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$181,394 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Obion County School Department 65.857%</u>	<u>State of TN 34.143%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 2,694,325	\$ 1,418,759	\$ 4,113,084
Changes for the Year:			
Service Cost	\$ 145,342	\$ 75,351	\$ 220,693
Interest	98,304	50,964	149,268
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	(525,829)	(272,608)	(798,437)
Changes in Assumption and Other Inputs	71,733	37,189	108,922
Benefit Payments	(185,519)	(96,179)	(281,698)
Changes in Proportion	14,441	(14,441)	0
Net Changes	<u>\$ (381,527)</u>	<u>\$ (219,725)</u>	<u>\$ (601,252)</u>
Balance June 30, 2018	<u>\$ 2,312,798</u>	<u>\$ 1,199,034</u>	<u>\$ 3,511,832</u>

The Obion 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 Obion 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 \$96,431 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Obion County School Department's proportionate share of the collective OPEB liability was 65.857 percent and the State of Tennessee's share was 34.143 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$285,822, 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	\$ 475,750
Changes of Assumptions/Inputs	64,901	99,749
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	10,981	0
Benefits Paid After the Measurement Date of June 30, 2018	181,394	0
Total	<u>\$ 257,276</u>	<u>\$ 575,499</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	\$ (54,256)
2021	(54,256)
2022	(54,256)
2023	(54,256)
2024	54,256
Thereafter	(499,617)

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

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

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,471,606	\$ 2,312,798	\$ 2,161,360
--	--------------	--------------	--------------

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.

Healthcare Cost Trend Rate

	1% Decrease	Current Rate	1% Increase
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the
Collective Total OPEB
Liability

\$ 2,065,871 \$ 2,312,798 \$ 2,605,435

I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the provisions of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Superintendent

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

Office of Director of Schools

Purchasing procedures for the discretely presented Obion County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the 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 that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

J. Subsequent Event

On July 14, 2019, Dr. Leah Watkins left the Office of Director of Schools and was succeeded by Dr. Tim Watkins on July 15, 2019.

VI. **OTHER NOTES – OBION COUNTY NURSING HOME (ENTERPRISE FUND)**

A. **Summary of Significant Accounting Policies**

1. **Reporting Entity**

The Obion County Nursing Home is an enterprise fund of Obion County, Tennessee.

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

The Obion County Nursing Home accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector and are reported using the economic resources measurement focus, which reports all inflows, outflows, and balances affecting or reflecting an entity's net position. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the nursing home are charges for patient services. Operating expenses are those expenses that are essential to the primary operations of the fund and include depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The nursing home's board of directors approves a nonappropriatory budget annually as a management tool. Proprietary funds are not required to adopt annual budgets.

3. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position**

a. **Cash and Investments**

The nursing home's cash on hand and in bank is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the nursing home to invest in certificates of deposit; obligations of the U.S. Treasury, agencies, and instrumentalities; obligations by the U.S. government or its agencies; repurchase agreements as approved by the state Comptroller's Office; and the state's local government investment pool.

b. Accounts Receivable

An allowance for doubtful accounts has been recorded to properly reflect accounts receivable at its estimated realizable value. Accounts receivable in the Statement of Net Position is reported net of the balance in the allowance account as of June 30, 2019, which was \$48,029.

c. Inventory

At June 30, 2019, inventory was counted and valued at current replacement cost by management. Although this method is not recognized by generally accepted accounting principles, it does not materially distort the presentation of the financial statements.

d. Capital Assets

Capital assets are stated at cost, with the exception of the original building, which is recorded at estimated cost. The original building had an estimated cost of \$93,392, which was fully depreciated. The nursing home has defined capital assets as assets with an initial, individual cost of more than \$3,000. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 20 years.

e. Compensated Absences

Accumulated unpaid annual and sick leave are accrued at the end of year fiscal year. As of June 30, 2019, annual leave and sick leave totaled \$27,910 and \$66,268, respectively, for a total accrual of \$94,178. All accrued leave has been reported as a current liability in the Statement of Net Position.

f. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense)

until then. The nursing home has items related to pensions and other postemployment benefits that qualify for reporting in this category as of June 30, 2019. See the related disclosures in Note VI.D. for the details concerning these balances.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The nursing home has items related to pensions and other postemployment benefits that qualify for reporting in this category. See the related disclosures in Note VI.D. for the items that comprise this financial statement element.

g. 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 the Public Employee Retirement Plan administered by the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan's 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 Public Employee Retirement Plan. Investments are reported at fair value.

h. Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Local Government OPEB Plan administered by the Tennessee Department of Finance and Administration, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the state. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the Local Government OPEB Plan.

i. Net Position Flow Assumption

Sometimes the nursing home will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in

which the resources are considered to be applied. It is the nursing home's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

B. Detailed Notes

1. Deposits and Investments

As of June 30, 2019, all deposits for the nursing home were in interest-bearing checking accounts. There were no investments held by the nursing home at year end.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the nursing home's deposits may not be returned to it. The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws as described in Note VI.A.3.a. As of June 30, 2019, all bank deposits were fully insured and collateralized.

2. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets not Depreciated:			
Construction in Progress	\$ 500	\$ 19,400	\$ 19,900
Capital Assets Depreciated:			
Land Improvements	\$ 31,270	\$ 0	\$ 31,270
Buildings and Improvements	1,099,877	173,790	1,273,667
Furniture and Equipment	209,928	0	209,928
Departmental Equipment	233,523	0	233,523
Other Capital Assets	109,115	0	109,115
Total Capital Assets Depreciated	\$ 1,684,213	\$ 173,790	\$ 1,857,503
Less Accumulated Depreciation For:			
Land Improvements	\$ 15,241	\$ 926	\$ 16,167
Buildings and Improvements	995,816	19,381	1,015,197
Furniture and Equipment	160,870	15,406	176,276
Departmental Equipment	197,066	9,274	206,340
Other Capital Assets	66,722	8,431	75,153
Total Accumulated Depreciation	\$ 1,435,715	\$ 53,418	\$ 1,489,133
Total Capital Assets Depreciated, Net	\$ 248,498	\$ 100,972	\$ 388,270

C. Transfers

During the current year, the nursing home transferred \$25,000 to Obion County, which is shown as an interfund transfer in the financial statements.

D. Other Information

1. Pension Plan

Plan Description. Employees of Obion County Nursing Home, an enterprise fund of Obion County, Tennessee, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The nursing home employees comprised 13.11 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 at age 55 and vested. 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.

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. Obion 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, employer contributions for Obion County Nursing Home were \$102,768 based on a rate of 7.24 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Obion 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.

Information about Collective Net Pension Liability

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.

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

Mortality rates were based on actual experience including 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 historical 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 investment 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 asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	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 three 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 Obion County Nursing Home 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 nursing home's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the nursing home'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:

Obion County Nursing Home's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
---	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset) \$ 410,213 \$ (26,832) \$ (395,477)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Asset. The nursing home's proportion of the net pension asset as of June 30, 2018, was based on the nursing home's proportion of contributions relative to all contributions made under Obion County's plan. At the June 30, 2018, measurement date, the nursing home's proportion was 13.11 percent. The proportion as of June 30, 2017, was 13.46 percent.

Pension Expense. For the year ended June 30, 2019, the Obion County Nursing Home recognized pension expense of \$49,793.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the Obion County Nursing Home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,205	\$ 39,823
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	15,645
Change in assumptions	82,818	0
Changes in Proportion of Net Pension Liability (Asset)	24,132	9,237
Contributions Subsequent to the Measurement Date of June 30, 2018	102,768	N/A
Total	<u>\$ 214,923</u>	<u>\$ 64,705</u>

The amount shown above for contributions subsequent to the measurement date will be recognized as a reduction (increase) in net pension liability (asset) in the following measurement period. Other

amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense in the following measurement periods:

Year Ending June 30	Amount
2020	\$ 58,228
2021	16,916
2022	(19,768)
2023	(7,926)

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

2. Other Postemployment Benefits

Plan Description. Employees of Obion County Nursing Home are provided with pre-65 retiree health insurance benefits through Obion County’s participation in the closed Local Government OPEB Plan (LGP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). All eligible pre-65 retired employees and disability participants of local governments who choose coverage participate in the LGP.

The Tennessee Department of Finance and Administration issues a publicly available financial report that can be obtained by writing to Tennessee Department of Financial and Administration, 312 Rosa L. Parks Avenue, Nashville, Tennessee 37243, or it may be found at the Tennessee Department of Finance and Administration website at www.tn.gov.

Benefits Provided. Obion County Nursing Home offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP 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 the

retiree premiums. Obion County Nursing Home does not directly subsidize their pre-65 retiree insurance premiums and, therefore, are only subject to the implicit subsidy. The LGP 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.

An insurance committee created in accordance with *TCA 8-27-701* establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, Obion County Nursing Home paid \$1,070 to the LGP for OPEB benefits as they came due.

Total OPEB Liability OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, Obion County Nursing Home reported a liability of \$34,667 for its proportionate share of Obion County's total OPEB liability. The total OPEB liability was measured as of June 30, 2018, determined by an actuarial valuation as of that date. Obion County Nursing Home's proportion of the total OPEB liability was based on the number of employees in each entity compared to the total number of employees in Obion County's census data. At June 30, 2018, Obion County Nursing Home's proportion was 20 percent. Their proportion at June 30, 2017 was 9.09 percent.

For the year ended June 30, 2019, Obion County Nursing Home recognized OPEB expense of \$8,141.

At June 30, 2019, Obion County Nursing Home reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 27,887
Change in Assumptions	1,453	2,460
Changes in Proportion and Differences Between Actual Payments and Proportionate Share of Payments	28,731	0
Contributions Subsequent to the Measurement Date	1,070	0
Total	<u>\$ 31,254</u>	<u>\$ 30,347</u>

The amount reported above as deferred outflows of resources related to OPEB resulting from employer payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the following measurement year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the following measurement periods:

Year Ending June 30	Amount
2020	\$ (51)
2021	(51)
2022	(51)
2023	(51)
2024	(51)
Thereafter	92

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

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 3.44% to 8.72% Based on Age, Including Inflation, Averaging 4%
Healthcare Cost Trend Rates	6.75%, decreasing annually over a 32-year period to rate of 3.81%
Retiree's share of benefit-related costs	Member's are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used with weights derived from the current distribution of members amount plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuation were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012, through 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 two percent load for males and a negative three 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 ten percent load.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.62 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds prevailing on the measurement date with an average rating of AA/Aa, as shown on the Fidelity 20-year Municipal GO AA index.

Changes in Assumptions. The discount rate was changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of June 30, 2018. This change in assumption decreased the total OPEB liability.

Sensitivity of Obion County Nursing Home's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents Obion County Nursing Home's proportionate share of the total OPEB liability, as well as what the proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62 percent) or one percentage point higher (4.62 percent) than the current discount rate:

	<u>Rates</u>		<u>Liability</u>
1% decrease	2.62%	\$	37,603
Current rates	3.62%		34,667
1% increase	4.62%		31,991

Sensitivity of Obion County Nursing Home's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents Obion County Nursing Home's proportionate share of the total OPEB liability, as well as what the proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>Rates</u>		<u>Liability</u>
1% decrease	5.75% decreasing to 2.81%	\$	30,377
Current rates	6.75% decreasing to 3.81%		34,667
1% increase	8.75% decreasing to 4.81%		39,852

3. **Risk Management**

It is the policy of the nursing home to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and automobile coverage, and fidelity position bonds. Employee health and accident insurance is purchased through the county's commercial insurance policy. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The nursing home carries its workers' compensation coverage through the Tennessee Health Care Association (THCA), a self-insured trust fund. The THCA was established to be self-sustaining through member premiums. All members of the THCA must be approved for coverage and are jointly and severally liable for all claims of the association.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Obion 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	\$ 740,405	\$ 767,064	\$ 754,101	\$ 838,246	\$ 825,229
Interest	1,814,383	1,882,009	1,966,027	2,066,532	2,153,153
Differences Between Actual and Expected Experience	(340,205)	(84,495)	99,255	(145,456)	(266,122)
Changes in Assumptions	0	0	0	1,052,859	0
Benefit Payments, Including Refunds of Employee Contributions	(1,296,482)	(1,382,645)	(1,480,106)	(1,646,830)	(1,661,686)
Net Change in Total Pension Liability	\$ 918,101	\$ 1,181,933	\$ 1,339,277	\$ 2,165,351	\$ 1,050,574
Total Pension Liability, Beginning	24,099,613	25,017,714	26,199,647	27,538,924	29,704,275
Total Pension Liability, Ending (a)	\$ 25,017,714	\$ 26,199,647	\$ 27,538,924	\$ 29,704,275	\$ 30,754,849
Plan Fiduciary Net Position					
Contributions - Employer	\$ 656,331	\$ 639,778	\$ 625,101	\$ 764,612	\$ 759,357
Contributions - Employee	509,826	514,367	506,143	530,998	524,802
Net Investment Income	3,640,606	783,557	687,794	2,971,442	2,388,667
Benefit Payments, Including Refunds of Employee Contributions	(1,296,482)	(1,382,645)	(1,480,106)	(1,646,830)	(1,661,686)
Administrative Expense	(14,773)	(19,957)	(28,631)	(31,163)	(34,932)
Other	0	0	4,670	0	0
Net Change in Plan Fiduciary Net Position	\$ 3,495,508	\$ 535,100	\$ 314,971	\$ 2,589,059	\$ 1,976,208
Plan Fiduciary Net Position, Beginning	22,048,670	25,544,178	26,079,278	26,394,249	28,983,308
Plan Fiduciary Net Position, Ending (b)	\$ 25,544,178	\$ 26,079,278	\$ 26,394,249	\$ 28,983,308	\$ 30,959,516
Net Pension Liability (Asset), Ending (a - b)	\$ (526,464)	\$ 120,369	\$ 1,144,675	\$ 720,967	\$ (204,667)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.10%	99.54%	95.84%	97.57%	100.67%
Covered Payroll	\$ 10,223,211	\$ 10,252,583	\$ 10,018,715	\$ 10,281,227	\$ 10,488,347
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(5.15)%	1.17%	11.43%	7.01%	(1.95)%

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

Note: The agent plan is a single plan under one account with the Tennessee Consolidated Retirement System. The plan covers employees of the primary government and the Obion County Nursing Home and noncertified employees of the discretely presented Obion County School Department.

Exhibit F-2

Obion 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 Required Contribution	\$ 656,331	\$ 639,778	\$ 625,101	\$ 641,549	\$ 759,357	\$ 770,924
Less Contributions in Relation to the Actuarially Required Contribution	(656,331)	(639,778)	(625,101)	(764,612)	(759,357)	(770,924)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (123,063)	\$ 0	\$ 0
Covered Payroll	\$ 10,223,211	\$ 10,252,583	\$ 10,018,715	\$ 10,281,227	\$ 10,488,347	\$ 10,648,122
Contributions as a Percentage of Covered Payroll	6.42%	6.24%	6.24%	7.44%	7.24%	7.24%

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

Note: The agent plan is a single plan under one account with the Tennessee Consolidated Retirement System. The plan covers employees of the primary government and the Obion County Nursing Home and noncertified employees of the discretely presented Obion County School Department.

Exhibit F-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 16,192	\$ 37,914	\$ 53,544	\$ 27,058	\$ 36,118
Less Contributions in Relation to the Contractually Required Contribution	(16,192)	(37,914)	(53,544)	(66,369)	(36,118)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (39,311)</u>	<u>\$ 0</u>
Covered Payroll	\$ 404,806	\$ 947,869	\$ 1,328,869	\$ 1,659,206	\$ 1,861,753
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.03%	4.00%	1.94%

* In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,238,767	\$ 1,211,251	\$ 1,161,083	\$ 1,166,422	\$ 1,135,009	\$ 1,248,861
Less Contributions in Relation to the Contractually Required Contribution	(1,238,767)	(1,211,251)	(1,161,083)	(1,166,422)	(1,135,009)	(1,248,861)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,950,084	\$ 13,398,880	\$ 12,843,839	\$ 12,912,635	\$ 12,500,079	\$ 11,939,398
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.03%	9.08%	10.46%

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

Exhibit F-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.194831%	0.215420%	0.203948%	0.189867%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,838) \$	(22,426) \$	(53,810) \$	(86,110)
Covered Payroll	\$ 404,806 \$	947,869 \$	1,328,869 \$	1,659,206
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.05)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit F-6

Obion County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Obion 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)	0.355417%	0.357921%	0.355805%	0.365009%	0.356975%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (57,754)	\$ 146,617	\$ 2,223,582	\$ (119,425)	\$ (1,256,164)
Covered Payroll	\$ 13,950,084	\$ 13,398,880	\$ 12,843,839	\$ 12,912,635	\$ 12,500,079
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094247%	17.31%	(0.92)%	(10.05)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit F-7

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

Obion County Plan

	2017	2018
Total OPEB Liability		
Service Cost	\$ 30,318	\$ 29,759
Interest	8,787	11,199
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(155,462)
Changes in Assumptions or Other Inputs	(15,450)	8,103
Benefit Payments	(8,765)	(10,162)
Net Change in Total OPEB Liability	\$ 14,890	\$ (116,563)
Total OPEB Liability, Beginning	275,000	289,890
Total OPEB Liability, Ending	<u>\$ 289,890</u>	<u>\$ 173,327</u>
Covered Employee Payroll	\$ 4,973,086	\$ 6,602,077
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.83%	2.63%

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%

Exhibit F-8

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 239,048	\$ 220,693
Interest	125,822	149,268
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(798,437)
Changes in Assumptions or Other Inputs	(188,405)	108,922
Benefit Payments	(266,633)	(281,698)
Net Change in Total OPEB Liability	\$ (90,168)	\$ (601,252)
Total OPEB Liability, Beginning	4,203,252	4,113,084
Total OPEB Liability, Ending	<u>\$ 4,113,084</u>	<u>\$ 3,511,832</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,418,759	\$ 1,199,034
Employer Proportionate Share of the Total OPEB Liability	2,694,325	2,312,798
Covered Employee Payroll	\$ 18,297,549	\$ 18,055,230
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.73%	12.81%

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%

OBION 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Obion County’s waste tire disposal operations and recycling center.

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

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

Exhibit G-1

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

	Special Revenue Funds			Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,818	\$ 1,818
Equity in Pooled Cash and Investments	175,518	261,344	0	436,862
Accounts Receivable	2,058	0	192	2,250
Due from Other Funds	3,492	0	0	3,492
Total Assets	<u>\$ 181,068</u>	<u>\$ 261,344</u>	<u>\$ 2,010</u>	<u>\$ 444,422</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,737	\$ 25	\$ 0	\$ 1,762
Due to Other Funds	0	0	2,010	2,010
Total Liabilities	<u>\$ 1,737</u>	<u>\$ 25</u>	<u>\$ 2,010</u>	<u>\$ 3,772</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 261,319	\$ 0	\$ 261,319
Committed:				
Committed for Public Health and Welfare	179,331	0	0	179,331
Total Fund Balances	<u>\$ 179,331</u>	<u>\$ 261,319</u>	<u>\$ 0</u>	<u>\$ 440,650</u>
Total Liabilities and Fund Balances	<u>\$ 181,068</u>	<u>\$ 261,344</u>	<u>\$ 2,010</u>	<u>\$ 444,422</u>

Exhibit G-2

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 14,106	\$ 0	\$ 14,106
Charges for Current Services	37,229	0	1,280	38,509
Other Local Revenues	43,715	0	0	43,715
State of Tennessee	43,729	35,951	0	79,680
Other Governments and Citizens Groups	154,193	0	0	154,193
Total Revenues	<u>\$ 278,866</u>	<u>\$ 50,057</u>	<u>\$ 1,280</u>	<u>\$ 330,203</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 1,280	\$ 1,280
Public Safety	0	243,931	0	243,931
Public Health and Welfare	293,635	0	0	293,635
Total Expenditures	<u>\$ 293,635</u>	<u>\$ 243,931</u>	<u>\$ 1,280</u>	<u>\$ 538,846</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,769)</u>	<u>\$ (193,874)</u>	<u>\$ 0</u>	<u>\$ (208,643)</u>
Net Change in Fund Balances	\$ (14,769)	\$ (193,874)	\$ 0	\$ (208,643)
Fund Balance, July 1, 2018	194,100	455,193	0	649,293
Fund Balance, June 30, 2019	<u>\$ 179,331</u>	<u>\$ 261,319</u>	<u>\$ 0</u>	<u>\$ 440,650</u>

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 37,229	\$ 55,000	\$ 55,000	\$ (17,771)
Other Local Revenues	43,715	76,600	76,600	(32,885)
State of Tennessee	43,729	149,800	149,800	(106,071)
Other Governments and Citizens Groups	154,193	150,000	150,000	4,193
Total Revenues	<u>\$ 278,866</u>	<u>\$ 431,400</u>	<u>\$ 431,400</u>	<u>\$ (152,534)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 23,376	\$ 49,800	\$ 49,800	\$ 26,424
Recycling Center	270,259	321,315	321,315	51,056
Total Expenditures	<u>\$ 293,635</u>	<u>\$ 371,115</u>	<u>\$ 371,115</u>	<u>\$ 77,480</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,769)</u>	<u>\$ 60,285</u>	<u>\$ 60,285</u>	<u>\$ (75,054)</u>
Net Change in Fund Balance	\$ (14,769)	\$ 60,285	\$ 60,285	\$ (75,054)
Fund Balance, July 1, 2018	194,100	192,055	192,055	2,045
Fund Balance, June 30, 2019	<u>\$ 179,331</u>	<u>\$ 252,340</u>	<u>\$ 252,340</u>	<u>\$ (73,009)</u>

Exhibit G-4

Obion 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	\$ 14,106	\$ 47,230	\$ 47,230	\$ (33,124)
Other Local Revenues	0	6,000	6,000	(6,000)
State of Tennessee	35,951	22,500	35,160	791
Federal Government	0	10,611	10,611	(10,611)
Total Revenues	<u>\$ 50,057</u>	<u>\$ 86,341</u>	<u>\$ 99,001</u>	<u>\$ (48,944)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 243,931	\$ 410,223	\$ 422,883	\$ 178,952
Total Expenditures	<u>\$ 243,931</u>	<u>\$ 410,223</u>	<u>\$ 422,883</u>	<u>\$ 178,952</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (193,874)</u>	<u>\$ (323,882)</u>	<u>\$ (323,882)</u>	<u>\$ 130,008</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 1	\$ 1	(1)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>(1)</u>
Net Change in Fund Balance	\$ (193,874)	\$ (323,881)	\$ (323,881)	\$ 130,007
Fund Balance, July 1, 2018	<u>455,193</u>	<u>455,160</u>	<u>455,160</u>	<u>33</u>
Fund Balance, June 30, 2019	<u>\$ 261,319</u>	<u>\$ 131,279</u>	<u>\$ 131,279</u>	<u>\$ 130,040</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,618,523	\$ 1,568,570	\$ 1,568,570	\$ 49,953
Total Revenues	\$ 1,618,523	\$ 1,568,570	\$ 1,568,570	\$ 49,953
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 470,347	\$ 745,000	\$ 806,984	\$ 336,637
Education	660,000	1,086,000	1,086,000	426,000
<u>Interest on Debt</u>				
General Government	57	100	100	43
Education	231,074	235,389	235,389	4,315
<u>Other Debt Service</u>				
General Government	31,155	61,084	45,100	13,945
Education	36,363	50,000	50,000	13,637
Total Expenditures	\$ 1,428,996	\$ 2,177,573	\$ 2,223,573	\$ 794,577
Excess (Deficiency) of Revenues Over Expenditures	\$ 189,527	\$ (609,003)	\$ (655,003)	\$ 844,530
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 15,984	\$ 15,984	\$ (15,984)
Total Other Financing Sources	\$ 0	\$ 15,984	\$ 15,984	\$ (15,984)
Net Change in Fund Balance	\$ 189,527	\$ (593,019)	\$ (639,019)	\$ 828,546
Fund Balance, July 1, 2018	(2,471,954)	3,076,341	3,076,341	(5,548,295)
Fund Balance, June 30, 2019	\$ (2,282,427)	\$ 2,483,322	\$ 2,437,322	\$ (4,719,749)

Fiduciary Funds

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for property tax collections received by the county trustee on behalf of the Town of Woodland Mills. These collections are remitted monthly to the municipality.

Special School District Fund – The Special School District Fund is used to account for the collection of property taxes, which are held in trust for the Kenton Special School District.

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

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

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.

Exhibit I-1

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

	Agency Funds						Total
	Cities - Sales Tax	Cities - Property Tax	Special School District	City School ADA - Union City	Constitu - tional Officers - Agency	Judicial District Drug	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,889,204	\$ 0	\$ 1,889,204
Equity in Pooled Cash and Investments	0	290	150	25,862	0	214,170	240,472
Accounts Receivable	0	0	0	0	12,806	0	12,806
Due from Other Governments	818,885	0	0	299,523	0	0	1,118,408
Property Taxes Receivable	0	0	0	2,170,858	0	0	2,170,858
Allowance for Uncollectible Property Taxes	0	0	0	(46,960)	0	0	(46,960)
Notes Receivable - Long-term	0	0	0	0	211,058	0	211,058
Total Assets	<u>\$ 818,885</u>	<u>\$ 290</u>	<u>\$ 150</u>	<u>\$ 2,449,283</u>	<u>\$ 2,113,068</u>	<u>\$ 214,170</u>	<u>\$ 5,595,846</u>
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 818,885	\$ 290	\$ 150	\$ 2,449,283	\$ 0	\$ 0	\$ 3,268,608
Due to Litigants, Heirs, and Others	0	0	0	0	2,113,068	0	2,113,068
Due to Joint Ventures	0	0	0	0	0	214,170	214,170
Total Liabilities	<u>\$ 818,885</u>	<u>\$ 290</u>	<u>\$ 150</u>	<u>\$ 2,449,283</u>	<u>\$ 2,113,068</u>	<u>\$ 214,170</u>	<u>\$ 5,595,846</u>

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,526,784	\$ 4,526,784	\$ 0
Due from Other Governments	774,868	818,885	774,868	818,885
Total Assets	\$ 774,868	\$ 5,345,669	\$ 5,301,652	\$ 818,885
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 774,868	\$ 5,345,669	\$ 5,301,652	\$ 818,885
Total Liabilities	\$ 774,868	\$ 5,345,669	\$ 5,301,652	\$ 818,885
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 465	\$ 32,870	\$ 33,045	\$ 290
Total Assets	\$ 465	\$ 32,870	\$ 33,045	\$ 290
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 465	\$ 32,870	\$ 33,045	\$ 290
Total Liabilities	\$ 465	\$ 32,870	\$ 33,045	\$ 290
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 631	\$ 89,455	\$ 89,936	\$ 150
Total Assets	\$ 631	\$ 89,455	\$ 89,936	\$ 150
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 631	\$ 89,455	\$ 89,936	\$ 150
Total Liabilities	\$ 631	\$ 89,455	\$ 89,936	\$ 150
<u>City School ADA - Union City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 35,300	\$ 3,964,707	\$ 3,974,145	\$ 25,862
Due from Other Governments	287,226	299,523	287,226	299,523
Property Taxes Receivable	2,159,863	2,170,858	2,159,863	2,170,858
Allowance for Uncollectible Property Taxes	(33,527)	(46,960)	(33,527)	(46,960)
Total Assets	\$ 2,448,862	\$ 6,388,128	\$ 6,387,707	\$ 2,449,283

(Continued)

Exhibit I-2

Obion County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>City School ADA - Union City Fund (Cont.)</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,448,862	\$ 6,388,128	\$ 6,387,707	\$ 2,449,283
Total Liabilities	\$ 2,448,862	\$ 6,388,128	\$ 6,387,707	\$ 2,449,283
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,771,653	\$ 8,475,119	\$ 8,357,568	\$ 1,889,204
Accounts Receivable	14,684	12,806	14,684	12,806
Notes Receivable - Long-term	218,183	211,058	218,183	211,058
Total Assets	\$ 2,004,520	\$ 8,698,983	\$ 8,590,435	\$ 2,113,068
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,004,520	\$ 8,698,983	\$ 8,590,435	\$ 2,113,068
Total Liabilities	\$ 2,004,520	\$ 8,698,983	\$ 8,590,435	\$ 2,113,068
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 216,141	\$ 83,421	\$ 85,392	\$ 214,170
Total Assets	\$ 216,141	\$ 83,421	\$ 85,392	\$ 214,170
<u>Liabilities</u>				
Due to Joint Ventures	\$ 216,141	\$ 83,421	\$ 85,392	\$ 214,170
Total Liabilities	\$ 216,141	\$ 83,421	\$ 85,392	\$ 214,170
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,771,653	\$ 8,475,119	\$ 8,357,568	\$ 1,889,204
Equity in Pooled Cash and Investments	252,537	8,697,237	8,709,302	240,472
Accounts Receivable	14,684	12,806	14,684	12,806
Due from Other Governments	1,062,094	1,118,408	1,062,094	1,118,408
Property Taxes Receivable	2,159,863	2,170,858	2,159,863	2,170,858
Allowance for Uncollectible Property Taxes	(33,527)	(46,960)	(33,527)	(46,960)
Notes Receivable - Long-term	218,183	211,058	218,183	211,058
Total Assets	\$ 5,445,487	\$ 20,638,526	\$ 20,488,167	\$ 5,595,846
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,224,826	\$ 11,856,122	\$ 11,812,340	\$ 3,268,608
Due to Litigants, Heirs, and Others	2,004,520	8,698,983	8,590,435	2,113,068
Due to Joint Ventures	216,141	83,421	85,392	214,170
Total Liabilities	\$ 5,445,487	\$ 20,638,526	\$ 20,488,167	\$ 5,595,846

Obion County School Department

This section presents fund financial statements for the Obion County School Department, a discretely presented component unit. The Obion County 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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 17,590,048	\$ 1,650	\$ 2,089,210	\$ 17,475	\$ (15,481,713)
Support Services	10,384,316	0	393,914	0	(9,990,402)
Operation of Non-instructional Services	3,149,178	602,631	2,375,986	0	(170,561)
Interest on Long-term Debt	2,437	0	0	0	(2,437)
Total Governmental Activities	\$ 31,125,979	\$ 604,281	\$ 4,859,110	\$ 17,475	\$ (25,645,113)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 4,548,423
Local Option Sales Taxes					3,394,958
Business Tax					82,373
Other Local Taxes					2,066
Grants and Contributions Not Restricted to Specific Programs					18,265,035
Miscellaneous					46,021
Total General Revenues					\$ 26,338,876
Change in Net Position					\$ 693,763
Net Position, July 1, 2018					25,302,840
Net Position, June 30, 2019					\$ 25,996,603

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
		<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,070,231	\$ 502,066	\$ 3,572,297
Accounts Receivable	124,997	95	125,092
Due from Other Governments	1,012,228	186,400	1,198,628
Due from Other Funds	40,607	3,157	43,764
Due from Primary Government	1,827	0	1,827
Property Taxes Receivable	4,436,541	0	4,436,541
Allowance for Uncollectible Property Taxes	(95,527)	0	(95,527)
Restricted Assets	39,909	0	39,909
Total Assets	<u>\$ 8,630,813</u>	<u>\$ 691,718</u>	<u>\$ 9,322,531</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 8,777	\$ 17,466	\$ 26,243
Accrued Payroll	4,963	8,188	13,151
Payroll Deductions Payable	2,419	0	2,419
Due to Other Funds	3,157	40,607	43,764
Due to State of Tennessee	0	382	382
Total Liabilities	<u>\$ 19,316</u>	<u>\$ 66,643</u>	<u>\$ 85,959</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 4,219,851	\$ 0	\$ 4,219,851
Deferred Delinquent Property Taxes	100,683	0	100,683
Other Deferred/Unavailable Revenue	532,517	68,886	601,403
Total Deferred Inflows of Resources	<u>\$ 4,853,051</u>	<u>\$ 68,886</u>	<u>\$ 4,921,937</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 17,888	\$ 0	\$ 17,888
Restricted for Operation of Non-instructional Services	0	509,700	509,700
Restricted for Hybrid Retirement Stabilization Funds	39,909	0	39,909
Committed:			
Committed for Education	590,849	0	590,849
Assigned:			
Assigned for Education	223,607	46,489	270,096
Unassigned	2,886,193	0	2,886,193
Total Fund Balances	<u>\$ 3,758,446</u>	<u>\$ 556,189</u>	<u>\$ 4,314,635</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,630,813</u>	<u>\$ 691,718</u>	<u>\$ 9,322,531</u>

Exhibit J-3

Obion County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Obion 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)		\$	4,314,635
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	696,031	
Add: construction in progress		88,613	
Add: buildings and improvements net of accumulated depreciation		18,431,939	
Add: infrastructure net of accumulated depreciation		435,023	
Add: other capital assets net of accumulated depreciation		<u>1,925,631</u>	21,577,237
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(41,666)	
Less: net OPEB liability		(2,312,798)	
Less: compensated absences payable		(39,462)	
Less: accrued interest on note		<u>(31)</u>	(2,393,957)
(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	\$	2,899,275	
Less: deferred inflows of resources related to pensions		(2,207,506)	
Add: deferred outflows of resources related to OPEB		257,276	
Less: deferred inflows of resources related to OPEB		<u>(575,499)</u>	373,546
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	80,782	
Add: net pension asset - teacher retirement plan		86,110	
Add: net pension asset - teacher legacy pension plan		<u>1,256,164</u>	1,423,056
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>702,086</u>
Net position of governmental activities (Exhibit A)			<u>\$ 25,996,603</u>

Exhibit J-4

Obion County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Obion 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	\$ 8,071,041	\$ 0	\$ 8,071,041
Licenses and Permits	2,079	0	2,079
Charges for Current Services	163,296	465,243	628,539
Other Local Revenues	53,089	13,606	66,695
State of Tennessee	19,339,683	23,023	19,362,706
Federal Government	6,698	3,658,078	3,664,776
Other Governments and Citizens Groups	180,000	0	180,000
Total Revenues	<u>\$ 27,815,886</u>	<u>\$ 4,159,950</u>	<u>\$ 31,975,836</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 15,777,841	\$ 1,299,468	\$ 17,077,309
Support Services	10,435,943	404,812	10,840,755
Operation of Non-Instructional Services	776,546	2,386,290	3,162,836
Capital Outlay	268,356	0	268,356
Debt Service:			
Principal on Debt	250,000	0	250,000
Interest on Debt	2,625	0	2,625
Total Expenditures	<u>\$ 27,511,311</u>	<u>\$ 4,090,570</u>	<u>\$ 31,601,881</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 304,575</u>	<u>\$ 69,380</u>	<u>\$ 373,955</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 41,501	\$ 0	\$ 41,501
Transfers In	10,000	0	10,000
Transfers Out	0	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>\$ 51,501</u>	<u>\$ (10,000)</u>	<u>\$ 41,501</u>
Net Change in Fund Balances	\$ 356,076	\$ 59,380	\$ 415,456
Fund Balance, July 1, 2018	<u>3,402,370</u>	<u>496,809</u>	<u>3,899,179</u>
Fund Balance, June 30, 2019	<u>\$ 3,758,446</u>	<u>\$ 556,189</u>	<u>\$ 4,314,635</u>

Exhibit J-5

Obion County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Obion 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)		\$	415,456
(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	\$	513,122	
Less: current-year depreciation expense		<u>(2,154,522)</u>	(1,641,400)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: gain on disposal of capital assets			(5,000)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	702,086	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(834,530)</u>	(132,444)
(4) The issuance of long-term debt (e.g., notes) 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 payment on note			250,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	188	
Change in net OPEB liability		381,527	
Change in deferred outflows related to OPEB		74,658	
Change in deferred inflows related to OPEB		(464,181)	
Change in net pension asset - agent plan		373,206	
Change in net pension asset - teacher retirement plan		32,300	
Change in net pension asset - teacher legacy pension plan		1,136,739	
Change in deferred outflows related to pensions		(141,663)	
Change in deferred inflows related to pensions		415,747	
Change in compensated absences payable		<u>(1,370)</u>	<u>1,807,151</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 693,763</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 20,577	\$ 481,489	\$ 502,066
Accounts Receivable	0	95	95
Due from Other Governments	158,284	28,116	186,400
Due from Other Funds	3,157	0	3,157
Total Assets	<u>\$ 182,018</u>	<u>\$ 509,700</u>	<u>\$ 691,718</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 17,466	\$ 0	\$ 17,466
Accrued Payroll	8,188	0	8,188
Due to Other Funds	40,607	0	40,607
Due to State of Tennessee	382	0	382
Total Liabilities	<u>\$ 66,643</u>	<u>\$ 0</u>	<u>\$ 66,643</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Other Deferred/Unavailable Revenue	\$ 68,886	\$ 0	\$ 68,886
Total Deferred Inflows of Resources	<u>\$ 68,886</u>	<u>\$ 0</u>	<u>\$ 68,886</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 0	\$ 509,700	\$ 509,700
Assigned:			
Assigned for Education	46,489	0	46,489
Total Fund Balances	<u>\$ 46,489</u>	<u>\$ 509,700</u>	<u>\$ 556,189</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 182,018</u>	<u>\$ 509,700</u>	<u>\$ 691,718</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 465,243	\$ 465,243
Other Local Revenues	0	13,606	13,606
State of Tennessee	0	23,023	23,023
Federal Government	1,989,651	1,668,427	3,658,078
Total Revenues	<u>\$ 1,989,651</u>	<u>\$ 2,170,299</u>	<u>\$ 4,159,950</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,299,468	\$ 0	\$ 1,299,468
Support Services	404,812	0	404,812
Operation of Non-Instructional Services	279,827	2,106,463	2,386,290
Total Expenditures	<u>\$ 1,984,107</u>	<u>\$ 2,106,463</u>	<u>\$ 4,090,570</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,544</u>	<u>\$ 63,836</u>	<u>\$ 69,380</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (10,000)	\$ 0	\$ (10,000)
Total Other Financing Sources (Uses)	<u>\$ (10,000)</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>
Net Change in Fund Balances	\$ (4,456)	\$ 63,836	\$ 59,380
Fund Balance, July 1, 2018	50,945	445,864	496,809
Fund Balance, June 30, 2019	<u>\$ 46,489</u>	<u>\$ 509,700</u>	<u>\$ 556,189</u>

Exhibit J-8

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Obion 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	
Revenues							
Local Taxes	\$ 8,071,041	\$ 0	\$ 0	\$ 8,071,041	\$ 8,201,300	\$ 8,201,300	\$ (130,259)
Licenses and Permits	2,079	0	0	2,079	1,800	1,800	279
Charges for Current Services	163,296	0	0	163,296	167,800	167,800	(4,504)
Other Local Revenues	53,089	0	0	53,089	50,703	50,703	2,386
State of Tennessee	19,339,683	0	0	19,339,683	19,027,682	19,157,863	181,820
Federal Government	6,698	0	0	6,698	0	10,209	(3,511)
Other Governments and Citizens Groups	180,000	0	0	180,000	0	180,000	0
Total Revenues	\$ 27,815,886	\$ 0	\$ 0	\$ 27,815,886	\$ 27,449,285	\$ 27,769,675	\$ 46,211
Expenditures							
Instruction							
Regular Instruction Program	\$ 12,738,935	\$ 0	\$ 3,237	\$ 12,742,172	\$ 12,582,654	\$ 12,879,432	\$ 137,260
Alternative Instruction Program	151,814	0	0	151,814	154,448	154,448	2,634
Special Education Program	1,804,245	0	0	1,804,245	1,846,250	1,846,250	42,005
Career and Technical Education Program	1,008,191	0	146,344	1,154,535	1,065,088	1,213,088	58,553
Student Body Education Program	74,656	0	0	74,656	85,215	85,215	10,559
Support Services							
Attendance	21,612	0	0	21,612	23,205	23,205	1,593
Health Services	361,280	0	0	361,280	380,769	380,769	19,489
Other Student Support	636,519	0	0	636,519	641,942	641,942	5,423
Regular Instruction Program	906,810	0	0	906,810	935,630	953,342	46,532
Alternative Instruction Program	51,169	0	0	51,169	52,665	52,665	1,496
Special Education Program	95,380	0	0	95,380	104,910	104,910	9,530
Career and Technical Education Program	54,584	0	0	54,584	54,671	64,671	10,087
Technology	392,966	0	0	392,966	423,685	423,685	30,719
Other Programs	95,400	0	0	95,400	0	95,400	0
Board of Education	530,086	0	0	530,086	556,752	556,752	26,666
Director of Schools	215,267	0	0	215,267	220,119	220,119	4,852
Office of the Principal	1,842,938	0	0	1,842,938	1,850,012	1,850,012	7,074

(Continued)

Exhibit J-8

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Obion 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>							
Fiscal Services	\$ 216,153	\$ 0	\$ 0	\$ 216,153	\$ 227,614	\$ 227,614	\$ 11,461
Operation of Plant	2,440,789	0	27	2,440,816	2,521,592	2,521,592	80,776
Maintenance of Plant	887,315	(40,581)	22,868	869,602	908,192	941,392	71,790
Transportation	1,687,675	0	0	1,687,675	1,722,481	1,743,314	55,639
<u>Operation of Non-Instructional Services</u>							
Food Service	15	0	0	15	0	300	285
Community Services	280,149	0	0	280,149	356,200	356,200	76,051
Early Childhood Education	496,382	0	0	496,382	496,382	496,382	0
<u>Capital Outlay</u>							
Regular Capital Outlay	268,356	(114,753)	51,131	204,734	380,000	380,000	175,266
<u>Principal on Debt</u>							
Education	250,000	0	0	250,000	250,000	250,000	0
<u>Interest on Debt</u>							
Education	2,625	0	0	2,625	2,625	2,625	0
Total Expenditures	\$ 27,511,311	\$ (155,334)	\$ 223,607	\$ 27,579,584	\$ 27,843,101	\$ 28,465,324	\$ 885,740
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 304,575	\$ 155,334	\$ (223,607)	\$ 236,302	\$ (393,816)	\$ (695,649)	\$ 931,951
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 41,501	\$ 0	\$ 0	\$ 41,501	\$ 0	\$ 31,833	\$ 9,668
Transfers In	10,000	0	0	10,000	20,000	20,000	(10,000)
Total Other Financing Sources	\$ 51,501	\$ 0	\$ 0	\$ 51,501	\$ 20,000	\$ 51,833	\$ (332)
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 3,402,370	(155,334)	(223,607)	\$ 287,803	\$ (373,816)	\$ (643,816)	\$ 931,619
Fund Balance, June 30, 2019	\$ 3,758,446	\$ 0	\$ (223,607)	\$ 3,534,839	\$ 3,239,624	\$ 2,969,624	\$ 565,215

Exhibit J-9

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

	Actual (GAAP Basis)	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	\$ 1,989,651	\$ 0	\$ 1,989,651	\$ 2,378,191	\$ 2,379,642	\$ (389,991)
Total Revenues	\$ 1,989,651	\$ 0	\$ 1,989,651	\$ 2,378,191	\$ 2,379,642	\$ (389,991)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 710,064	\$ 0	\$ 710,064	\$ 782,958	\$ 791,295	\$ 81,231
Special Education Program	520,708	0	520,708	594,550	591,872	71,164
Career and Technical Education Program	68,696	10,878	79,574	129,496	126,496	46,922
<u>Support Services</u>						
Health Services	17,797	0	17,797	17,814	17,844	47
Other Student Support	33,099	0	33,099	74,120	74,220	41,121
Regular Instruction Program	108,454	0	108,454	233,490	225,053	116,599
Special Education Program	168,953	0	168,953	173,425	175,925	6,972
Career and Technical Education Program	4,029	0	4,029	5,200	5,200	1,171
Transportation	72,480	0	72,480	73,747	75,347	2,867
<u>Operation of Non-Instructional Services</u>						
Community Services	279,827	0	279,827	283,390	283,390	3,563
Total Expenditures	\$ 1,984,107	\$ 10,878	\$ 1,994,985	\$ 2,368,190	\$ 2,366,642	\$ 371,657
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,544	\$ (10,878)	\$ (5,334)	\$ 10,001	\$ 13,000	\$ (18,334)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (10,000)	\$ 0	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ 0
Total Other Financing Sources	\$ (10,000)	\$ 0	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ 0

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (4,456)	\$ (10,878)	\$ (15,334)	1 \$	3,000 \$	(18,334)
Fund Balance, July 1, 2018	50,945	0	50,945	50,945	50,945	0
Fund Balance, June 30, 2019	\$ 46,489	\$ (10,878)	\$ 35,611	\$ 50,946	\$ 53,945	\$ (18,334)

Exhibit J-10

Obion County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Obion 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	\$ 465,243	\$ 503,000	\$ 503,000	\$ (37,757)
Other Local Revenues	13,606	6,000	11,000	2,606
State of Tennessee	23,023	20,000	25,000	(1,977)
Federal Government	1,668,427	1,723,941	1,730,000	(61,573)
Total Revenues	<u>\$ 2,170,299</u>	<u>\$ 2,252,941</u>	<u>\$ 2,269,000</u>	<u>\$ (98,701)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,106,463	\$ 2,252,929	\$ 2,268,988	\$ 162,525
Total Expenditures	<u>\$ 2,106,463</u>	<u>\$ 2,252,929</u>	<u>\$ 2,268,988</u>	<u>\$ 162,525</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 63,836</u>	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 63,824</u>
Net Change in Fund Balance	\$ 63,836	\$ 12	\$ 12	\$ 63,824
Fund Balance, July 1, 2018	<u>445,864</u>	<u>422,413</u>	<u>422,413</u>	<u>23,451</u>
Fund Balance, June 30, 2019	<u>\$ 509,700</u>	<u>\$ 422,425</u>	<u>\$ 422,425</u>	<u>\$ 87,275</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Obion County, Tennessee
Schedule of Changes in Long-term Notes and Other Loan
Primary Government and Discretely Presented Obion
County School Department
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<u>PRIMARY GOVERNMENT</u>								
<u>NOTE PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Airport Improvement	\$ 143,786	0	% 10-16-12	9-13-22	\$ 69,194	\$ 0	\$ 15,984	\$ 53,210
Capital Outlay Note, Series 2019	454,363	4.5	6-27-19	6-28-19	0	454,363	454,363	0
Total Note Payable					<u>\$ 69,194</u>	<u>\$ 454,363</u>	<u>\$ 470,347</u>	<u>\$ 53,210</u>
<u>OTHER LOAN PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction/Renovation	17,000,000	Variable	8-25-04	5-25-22	\$ 2,780,000	\$ 0	\$ 660,000	\$ 2,120,000
Total Other Loan Payable					<u>\$ 2,780,000</u>	<u>\$ 0</u>	<u>\$ 660,000</u>	<u>\$ 2,120,000</u>
<u>DISCRETELY PRESENTED OBION</u>								
<u>COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
<u>to the Primary Government</u>								
Career Technology Centers	2,500,000	Variable	6-1-10	6-1-20	\$ 291,666	\$ 0	\$ 250,000	\$ 41,666
Total Note Payable					<u>\$ 291,666</u>	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 41,666</u>

Exhibit K-2

Obion County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Obion County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Note	
	Principal	Total
2020	\$ 15,984	\$ 15,984
2021	15,984	15,984
2022	15,984	15,984
2023	5,258	5,258
Total	\$ 53,210	\$ 53,210

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2020	\$ 683,000	\$ 31,211	\$ 14,804	\$ 729,015
2021	706,000	20,852	10,335	737,187
2022	731,000	10,161	5,360	746,521
Total	\$ 2,120,000	\$ 62,224	\$ 30,499	\$ 2,212,723

DISCRETELY PRESENTED OBION
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note		
	Principal	Interest	Total
2020	\$ 41,666	\$ 375	\$ 42,041
Total	\$ 41,666	\$ 375	\$ 42,041

Exhibit K-3

Obion County, Tennessee
Schedule of Investments
June 30, 2019

<u>Fund and Type</u>	<u>Amount</u>
<u>Fiduciary Fund</u>	
<u>Indigent Care Trust Fund</u>	
U.S. Treasury Notes	<u>\$ 255,747</u>
Total Investments	<u>\$ 255,747</u>

Exhibit K-4

Obion County, Tennessee
Schedule of Notes Receivable
June 30, 2019

Description	Debtor	Original Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-19
<u>General Fund</u>						
Career Technology Center	Obion County School Department	\$ 2,500,000	6-1-10	6-1-20	variable %	\$ 41,666
Industrial Facilities - MIA Seating Corp.	Industrial Development Board of Union City	1,625,000	12-30-13	12-1-23	1	812,500
"	"	400,000	12-30-13	12-1-23	1	200,000
Total General Fund						<u>\$ 1,054,166</u>
<u>General Debt Service Fund</u>						
Airport Improvements	Everett-Stewart Regional Airport	143,786	10-16-12	9-13-22	0	\$ 53,200
Total General Debt Service Fund						<u>\$ 53,200</u>
<u>Constitutional Officers - Agency Fund</u>						
<u>Clerk and Master</u>						
Ellen Wade Wiley Scholarship Loan Notes	Various Students	Various	Various	Various	0	\$ 211,058
Total Constitutional Officers - Agency Fund						<u>\$ 211,058</u>
Total Notes Receivable						<u>\$ 1,318,424</u>

Exhibit K-5

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Nursing Home	General	Excess funds	\$ 25,000
Total Transfers Primary Government			<u>\$ 25,000</u>
<u>DISCRETELY PRESENTED OBION COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 10,000
Total Transfers Discretely Presented Obion County School Department			<u>\$ 10,000</u>

Exhibit K-6

Obion County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Obion 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>	\$ 87,858	\$ 100,000	(4) RLI Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	83,676	100,000	(4) "
Director of Schools	State Board of Education and County Board of Education	117,908 (1)	100,000	(4) "
Trustee	Section 8-24-102, <i>TCA</i>	76,069	1,092,200	(4) "
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,069	50,000	(4) "
County Clerk	Section 8-24-102, <i>TCA</i>	76,069	100,000	(4) "
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	76,069	100,000	(4) "
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	76,069 (2)	100,000	(4) "
Register of Deeds:				
Vicky Long (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	12,678	100,000	(4) "
Cheryl Reddin (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	63,391	100,000	(4) "
Sheriff:				
Jerry Vastbinder (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	13,946	100,000	(4) "
Karl Jackson (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	69,730 (3)	100,000	(4) "
Employee Bonds:				
General County Employees (including Highway Superintendent's Office)			400,000	Tennessee Risk Management Trust
Director of School's Office			400,000	"

- (1) Includes a chief executive officer training supplement of \$1,000. Does not include amounts the Board of Education pays for a travel allowance of \$650 per month.
- (2) Does not include special commissioner fees of \$1,280.
- (3) Does not include a law enforcement training supplement of \$600.
- (4) Also covered by \$400,000 insurance with Tennessee Risk Management Trust.

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,773,546	\$ 0	\$ 0	\$ 0	\$ 362,382
Current Property Tax - Tax Increment Financing	0	0	0	0	0
Trustee's Collections - Prior Year	63,223	0	0	0	11,817
Circuit Clerk/Clerk and Master Collections - Prior Years	27,958	0	0	0	6,589
Interest and Penalty	11,250	0	0	0	2,473
Payments in-Lieu-of Taxes - T.V.A.	139	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	2,491	0	0	0	324
Payments in-Lieu-of Taxes - Other	37,062	0	0	0	3,811
<u>County Local Option Taxes</u>					
Local Option Sales Tax	477,807	0	0	0	0
Hotel/Motel Tax	29,452	0	0	0	0
Wheel Tax	0	0	0	0	1,299,196
Litigation Tax - General	87,879	0	0	0	0
Litigation Tax - Special Purpose	8,756	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	80,324	0	0	0	0
Business Tax	273,245	0	0	0	6,815
Mixed Drink Tax	3,080	0	0	0	0
Mineral Severance Tax	0	0	0	0	33,090
<u>Statutory Local Taxes</u>					
Bank Excise Tax	12,889	0	0	0	1,137
Wholesale Beer Tax	29,110	0	0	0	0
Total Local Taxes	\$ 3,918,211	\$ 0	\$ 0	\$ 0	\$ 1,727,634

(Continued)

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 26,149	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	665	0	0	0	0
Total Licenses and Permits	\$ 26,814	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 3,857	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,674	0	0	0	0
Drug Control Fines	2,847	0	1,512	0	0
Drug Court Fees	2,468	0	0	0	0
Jail Fees	2,177	0	0	0	0
DUI Treatment Fines	95	0	0	0	0
Data Entry Fee - Circuit Court	1,390	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	641	0	0	0	0
<u>General Sessions Court</u>					
Fines	15,738	0	0	0	0
Officers Costs	7,079	0	0	0	0
Drug Control Fines	2,524	0	2,232	0	0
Drug Court Fees	3,586	0	0	0	0
Jail Fees	13,277	0	0	0	0
DUI Treatment Fines	3,552	0	0	0	0
Data Entry Fee - General Sessions Court	11,365	0	0	0	0
Courtroom Security Fee	30	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 507	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,861	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	6,352	0	0	0	0
Data Entry Fee - Chancery Court	4,022	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	10,362	0	0
Total Fines, Forfeitures, and Penalties	\$ 88,042	\$ 0	\$ 14,106	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Solid Waste Disposal Fee	\$ 0	\$ 15,108	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	22,121	0	0	0
Other General Service Charges	76,733	0	0	0	0
<u>Fees</u>					
Copy Fees	112	0	0	0	0
Archives and Records Management Fee	23,791	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0
Telephone Commissions	53,295	0	0	0	0
Vending Machine Collections	104	0	0	0	659
Constitutional Officers' Fees and Commissions	0	0	0	1,280	0
Data Processing Fee - Register	8,389	0	0	0	0
Data Processing Fee - Sheriff	1,506	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,700	0	0	0	0
Data Processing Fee - County Clerk	4,608	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Vehicle Insurance Coverage and Reinstatement Fees	\$ 1,230	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 172,768	\$ 37,229	\$ 0	\$ 1,280	\$ 659
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 637,708	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	206,005	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	49,014
Commissary Sales	72,952	0	0	0	0
Sale of Maps	117	0	0	0	0
Sale of Recycled Materials	0	39,571	0	0	0
Miscellaneous Refunds	252,297	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Property	2,100	0	0	0	0
Contributions and Gifts	0	4,144	0	0	0
Performance Bond Forfeitures	404	0	0	0	0
Total Other Local Revenues	\$ 1,171,583	\$ 43,715	\$ 0	\$ 0	\$ 49,014
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 416,730	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	81,095	0	0	0	0
General Sessions Court Clerk	191,326	0	0	0	0
Clerk and Master	135,204	0	0	0	0
Juvenile Court Clerk	19,123	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Register	\$ 98,602	\$ 0	\$ 0	\$ 0	\$ 0
Sheriff	16,001	0	0	0	0
Trustee	453,182	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,411,263</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	20,999	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,000	0	0	0	0
Other Public Safety Grants	626	0	35,951	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	63,955	0	0	0	0
Other Health and Welfare Grants	20,000	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	658,262
Litter Program	0	22,730	0	0	0
<u>Other State Revenues</u>					
Income Tax	55,784	0	0	0	0
Beer Tax	17,959	0	0	0	0
Vehicle Certificate of Title Fees	8,716	0	0	0	0
Alcoholic Beverage Tax	83,463	0	0	0	0
State Revenue Sharing - T.V.A.	362,761	0	0	0	9,600
State Revenue Sharing - Telecommunications	38,304	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Contracted Prisoner Boarding	\$ 396,942	\$ 0	\$ 0	\$ 0	\$ 0
Gasoline and Motor Fuel Tax	0	0	0	0	2,534,094
Petroleum Special Tax	0	0	0	0	22,950
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	10,100	0	0	0	0
Other State Revenues	334	0	0	0	0
Total State of Tennessee	<u>\$ 1,093,608</u>	<u>\$ 43,729</u>	<u>\$ 35,951</u>	<u>\$ 0</u>	<u>\$ 3,224,906</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Other Federal through State	\$ 219,018	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	9,700	0	0	0	0
Total Federal Government	<u>\$ 228,718</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 984,111	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	80,746	154,193	0	0	1,248
Total Other Governments and Citizens Groups	<u>\$ 1,064,857</u>	<u>\$ 154,193</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,248</u>
Total	<u>\$ 9,175,864</u>	<u>\$ 278,866</u>	<u>\$ 50,057</u>	<u>\$ 1,280</u>	<u>\$ 5,003,461</u>

(Continued)

Exhibit K-7

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 1,447,147	\$ 4,583,075
Current Property Tax - Tax Increment Financing	1,879	1,879
Trustee's Collections - Prior Year	35,612	110,652
Circuit Clerk/Clerk and Master Collections - Prior Years	26,778	61,325
Interest and Penalty	7,891	21,614
Payments in-Lieu-of Taxes - T.V.A.	0	139
Payments in-Lieu-of Taxes - Local Utilities	1,269	4,084
Payments in-Lieu-of Taxes - Other	19,601	60,474
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	477,807
Hotel/Motel Tax	0	29,452
Wheel Tax	0	1,299,196
Litigation Tax - General	0	87,879
Litigation Tax - Special Purpose	0	8,756
Litigation Tax - Jail, Workhouse, or Courthouse	33,069	33,069
Litigation Tax - Courthouse Security	0	80,324
Business Tax	38,804	318,864
Mixed Drink Tax	0	3,080
Mineral Severance Tax	0	33,090
<u>Statutory Local Taxes</u>		
Bank Excise Tax	6,473	20,499
Wholesale Beer Tax	0	29,110
Total Local Taxes	<u>\$ 1,618,523</u>	<u>\$ 7,264,368</u>

(Continued)

Exhibit K-7

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	\$ 0	\$ 26,149
<u>Permits</u>		
Beer Permits	0	665
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 26,814</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 3,857
Officers Costs	0	3,674
Drug Control Fines	0	4,359
Drug Court Fees	0	2,468
Jail Fees	0	2,177
DUI Treatment Fines	0	95
Data Entry Fee - Circuit Court	0	1,390
<u>Criminal Court</u>		
DUI Treatment Fines	0	641
<u>General Sessions Court</u>		
Fines	0	15,738
Officers Costs	0	7,079
Drug Control Fines	0	4,756
Drug Court Fees	0	3,586
Jail Fees	0	13,277
DUI Treatment Fines	0	3,552
Data Entry Fee - General Sessions Court	0	11,365
Courtroom Security Fee	0	30

(Continued)

Exhibit K-7

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	\$ 0	\$ 507
Officers Costs	0	2,861
<u>Chancery Court</u>		
Officers Costs	0	6,352
Data Entry Fee - Chancery Court	0	4,022
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	10,362
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 102,148</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Solid Waste Disposal Fee	\$ 0	\$ 15,108
Surcharge - Waste Tire Disposal	0	22,121
Other General Service Charges	0	76,733
<u>Fees</u>		
Copy Fees	0	112
Archives and Records Management Fee	0	23,791
Greenbelt Late Application Fee	0	300
Telephone Commissions	0	53,295
Vending Machine Collections	0	763
Constitutional Officers' Fees and Commissions	0	1,280
Data Processing Fee - Register	0	8,389
Data Processing Fee - Sheriff	0	1,506
Sexual Offender Registration Fee - Sheriff	0	2,700
Data Processing Fee - County Clerk	0	4,608

(Continued)

Exhibit K-7

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<hr/>		
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Vehicle Insurance Coverage and Reinstatement Fees	\$ 0	\$ 1,230
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 211,936</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 637,708
Lease/Rentals	0	206,005
Sale of Materials and Supplies	0	49,014
Commissary Sales	0	72,952
Sale of Maps	0	117
Sale of Recycled Materials	0	39,571
Miscellaneous Refunds	0	252,297
<u>Nonrecurring Items</u>		
Sale of Property	0	2,100
Contributions and Gifts	0	4,144
Performance Bond Forfeitures	0	404
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 1,264,312</u>
<u>Fees Received From County Officials</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 416,730
Circuit Court Clerk	0	81,095
General Sessions Court Clerk	0	191,326
Clerk and Master	0	135,204
Juvenile Court Clerk	0	19,123

(Continued)

Exhibit K-7

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
<u>Fees Received From County Officials (Cont.)</u>		
<u>Fees In-Lieu-of Salary (Cont.)</u>		
Register	\$ 0	\$ 98,602
Sheriff	0	16,001
Trustee	0	453,182
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,411,263</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 4,500
Solid Waste Grants	0	20,999
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	15,000
Other Public Safety Grants	0	36,577
<u>Health and Welfare Grants</u>		
Health Department Programs	0	63,955
Other Health and Welfare Grants	0	20,000
<u>Public Works Grants</u>		
Bridge Program	0	658,262
Litter Program	0	22,730
<u>Other State Revenues</u>		
Income Tax	0	55,784
Beer Tax	0	17,959
Vehicle Certificate of Title Fees	0	8,716
Alcoholic Beverage Tax	0	83,463
State Revenue Sharing - T.V.A.	0	372,361
State Revenue Sharing - Telecommunications	0	38,304

(Continued)

Exhibit K-7

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Contracted Prisoner Boarding	\$ 0	\$ 396,942
Gasoline and Motor Fuel Tax	0	2,534,094
Petroleum Special Tax	0	22,950
Registrar's Salary Supplement	0	15,164
Other State Grants	0	10,100
Other State Revenues	0	334
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 4,398,194</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Other Federal through State	\$ 0	\$ 219,018
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	9,700
Total Federal Government	<u>\$ 0</u>	<u>\$ 228,718</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 984,111
Contracted Services	0	236,187
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 1,220,298</u>
Total	<u>\$ 1,618,523</u>	<u>\$ 16,128,051</u>

Exhibit K-8

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 4,377,693	\$ 0	\$ 0	\$ 4,377,693
Trustee's Collections - Prior Year	93,621	0	0	93,621
Circuit Clerk/Clerk and Master Collections - Prior Years	52,099	0	0	52,099
Interest and Penalty	21,774	0	0	21,774
Payments in-Lieu-of Taxes - Local Utilities	3,917	0	0	3,917
Payments in-Lieu-of Taxes - Other	42,306	0	0	42,306
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,381,452	0	0	3,381,452
Business Tax	82,373	0	0	82,373
Mixed Drink Tax	2,066	0	0	2,066
<u>Statutory Local Taxes</u>				
Bank Excise Tax	13,740	0	0	13,740
Total Local Taxes	<u>\$ 8,071,041</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,071,041</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,079	\$ 0	\$ 0	\$ 2,079
Total Licenses and Permits	<u>\$ 2,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,079</u>
<u>Charges for Current Services</u>				
<u>Fees</u>				
Vending Machine Collections	\$ 1,258	\$ 0	\$ 0	\$ 1,258
<u>Education Charges</u>				
Lunch Payments - Children	0	0	292,768	292,768

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 91,364	\$ 91,364
A la Carte Sales	0	0	72,258	72,258
Receipts from Individual Schools	36,388	0	8,853	45,241
Community Service Fees - Children	124,000	0	0	124,000
Other Charges for Services	1,650	0	0	1,650
Total Charges for Current Services	<u>\$ 163,296</u>	<u>\$ 0</u>	<u>\$ 465,243</u>	<u>\$ 628,539</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 2,015	\$ 0	\$ 8,564	\$ 10,579
Lease/Rentals	3	0	0	3
Sale of Materials and Supplies	22,896	0	0	22,896
Miscellaneous Refunds	19,956	0	0	19,956
<u>Nonrecurring Items</u>				
Sale of Equipment	1,700	0	0	1,700
Contributions and Gifts	6,519	0	5,042	11,561
Total Other Local Revenues	<u>\$ 53,089</u>	<u>\$ 0</u>	<u>\$ 13,606</u>	<u>\$ 66,695</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 95,400	\$ 0	\$ 0	\$ 95,400
<u>State Education Funds</u>				
Basic Education Program	17,581,432	0	0	17,581,432
Early Childhood Education	655,895	0	0	655,895

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 0	\$ 0	\$ 18,023	\$ 18,023
Driver Education	15,060	0	0	15,060
Coordinated School Health	135,977	0	0	135,977
Career Ladder Program	98,916	0	0	98,916
Vocational Equipment	17,475	0	0	17,475
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	430,000	0	0	430,000
Other State Grants	173,725	0	5,000	178,725
Safe Schools	132,061	0	0	132,061
Other State Revenues	3,742	0	0	3,742
Total State of Tennessee	<u>\$ 19,339,683</u>	<u>\$ 0</u>	<u>\$ 23,023</u>	<u>\$ 19,362,706</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 951,525	\$ 951,525
USDA - Commodities	0	0	150,764	150,764
Breakfast	0	0	478,762	478,762
USDA - Other	0	0	59,260	59,260
USDA Food Service Equipment Grant	0	0	28,116	28,116
Vocational Education - Basic Grants to States	0	68,768	0	68,768
Other Vocational	0	45,651	0	45,651
Title I Grants to Local Education Agencies	0	665,455	0	665,455
Special Education - Grants to States	0	743,334	0	743,334
Special Education Preschool Grants	0	44,145	0	44,145

(Continued)

Exhibit K-8

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Safe and Drug-free Schools - State Grants	\$ 0	\$ 265,725	\$ 0	\$ 265,725
Rural Education	0	73,538	0	73,538
Eisenhower Professional Development State Grants	0	83,035	0	83,035
Other Federal through State	6,698	0	0	6,698
Total Federal Government	<u>\$ 6,698</u>	<u>\$ 1,989,651</u>	<u>\$ 1,668,427</u>	<u>\$ 3,664,776</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 180,000	\$ 0	\$ 0	\$ 180,000
Total Other Governments and Citizens Groups	<u>\$ 180,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 180,000</u>
Total	<u>\$ 27,815,886</u>	<u>\$ 1,989,651</u>	<u>\$ 2,170,299</u>	<u>\$ 31,975,836</u>

Exhibit K-9

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	1,500	
Board and Committee Members Fees		33,800	
Audit Services		12,087	
Consultants		125	
Contributions		180,000	
Dues and Memberships		1,700	
Legal Services		12,000	
Legal Notices, Recording, and Court Costs		1,367	
Postal Charges		550	
Printing, Stationery, and Forms		800	
Travel		19,665	
Office Supplies		469	
Total County Commission			\$ 264,063

Board of Equalization

Board and Committee Members Fees	\$	590	
Travel		73	
Total Board of Equalization			663

Budget and Finance Committee

Board and Committee Members Fees	\$	8,100	
Total Budget and Finance Committee			8,100

Other Boards and Committees

Board and Committee Members Fees	\$	1,400	
Total Other Boards and Committees			1,400

County Mayor/Executive

County Official/Administrative Officer	\$	87,858	
Assistant(s)		120,255	
Dues and Memberships		1,700	
Freight Expenses		65	
Legal Notices, Recording, and Court Costs		407	
Maintenance Agreements		15,449	
Maintenance and Repair Services - Office Equipment		298	
Postal Charges		1,817	
Printing, Stationery, and Forms		1,471	
Travel		10,676	
Data Processing Supplies		1,438	
Duplicating Supplies		274	
Office Supplies		1,294	
Premiums on Corporate Surety Bonds		247	
Data Processing Equipment		3,138	
Furniture and Fixtures		2,189	
Total County Mayor/Executive			248,576

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	68,462	
Deputy(ies)		60,677	
Election Commission		3,100	
Election Workers		28,036	
Communication		1,020	
Data Processing Services		1,563	
Dues and Memberships		500	
Freight Expenses		322	
Janitorial Services		2,400	
Legal Notices, Recording, and Court Costs		5,979	
Maintenance Agreements		4,382	
Maintenance and Repair Services - Equipment		50	
Pest Control		200	
Postal Charges		2,096	
Printing, Stationery, and Forms		5,672	
Rentals		1,049	
Travel		8,326	
Other Contracted Services		6,103	
Custodial Supplies		536	
Data Processing Supplies		26,885	
Duplicating Supplies		355	
Office Supplies		549	
Utilities		4,871	
Vehicle and Equipment Insurance		600	
Data Processing Equipment		2,017	
Office Equipment		1,160	
Total Election Commission			\$ 236,910

Register of Deeds

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		60,224	
Dues and Memberships		747	
Freight Expenses		215	
Maintenance Agreements		7,802	
Postal Charges		640	
Printing, Stationery, and Forms		2,768	
Rentals		439	
Travel		3,836	
Data Processing Supplies		501	
Duplicating Supplies		161	
Office Supplies		218	
Premiums on Corporate Surety Bonds		197	
Data Processing Equipment		181	
Office Equipment		1,127	
Total Register of Deeds			155,125

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	34,174	
Communication		15,115	
Data Processing Services		2,735	
Freight Expenses		10	
Janitorial Services		2,400	
Licenses		263	
Maintenance and Repair Services - Buildings		20,414	
Maintenance and Repair Services - Equipment		1,534	
Pest Control		1,166	
Other Contracted Services		17,544	
Custodial Supplies		6,136	
Drugs and Medical Supplies		1,740	
Utilities		53,700	
Premiums on Corporate Surety Bonds		746	
Building Improvements		40,874	
Furniture and Fixtures		1,687	
Heating and Air Conditioning Equipment		2,787	
Other Capital Outlay		125,911	
Total County Buildings			\$ 328,936

Preservation of Records

Maintenance and Repair Services - Records	\$	12,776	
Total Preservation of Records			12,776

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		87,545	
Other Salaries and Wages		5,255	
Audit Services		25,910	
Communication		267	
Contracts with Government Agencies		768	
Data Processing Services		17,479	
Dues and Memberships		1,700	
Maintenance Agreements		522	
Postal Charges		3,032	
Printing, Stationery, and Forms		731	
Travel		5,777	
Data Processing Supplies		686	
Duplicating Supplies		317	
Office Supplies		483	
Premiums on Corporate Surety Bonds		50	
Data Processing Equipment		280	
Total Property Assessor's Office			226,871

County Trustee's Office

County Official/Administrative Officer	\$	76,069	
--	----	--------	--

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Deputy(ies)	\$	65,920	
Part-time Personnel		1,560	
Dues and Memberships		837	
Freight Expenses		20	
Legal Notices, Recording, and Court Costs		474	
Maintenance Agreements		10,414	
Postal Charges		7,390	
Printing, Stationery, and Forms		3,037	
Travel		3,879	
Data Processing Supplies		211	
Duplicating Supplies		44	
Office Supplies		293	
Premiums on Corporate Surety Bonds		11,403	
Data Processing Equipment		172	
Office Equipment		159	
Total County Trustee's Office			\$ 181,882

County Clerk's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		145,271	
Bank Charges		30	
Data Processing Services		1,200	
Dues and Memberships		762	
Freight Expenses		135	
Maintenance Agreements		20,161	
Postal Charges		7,993	
Printing, Stationery, and Forms		2,483	
Travel		3,124	
Other Contracted Services		4,400	
Data Processing Supplies		2,167	
Duplicating Supplies		1,113	
Office Supplies		634	
Premiums on Corporate Surety Bonds		197	
Data Processing Equipment		50	
Total County Clerk's Office			265,789

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,069
Deputy(ies)		91,670
Board and Committee Members Fees		100
Jury and Witness Expense		4,544
Bank Charges		35
Dues and Memberships		100
Freight Expenses		102
Legal Notices, Recording, and Court Costs		314
Maintenance Agreements		10,264

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Maintenance and Repair Services - Equipment	\$	215	
Postal Charges		1,613	
Printing, Stationery, and Forms		1,218	
Travel		2,454	
Data Processing Supplies		733	
Duplicating Supplies		865	
Office Supplies		737	
Premiums on Corporate Surety Bonds		197	
Other Charges		2,463	
Data Processing Equipment		1,566	
Furniture and Fixtures		559	
Office Equipment		155	
Total Circuit Court			\$ 195,973

General Sessions Court

Judge(s)	\$	110,986	
Deputy(ies)		143,339	
Other Per Diem and Fees		9,600	
Dues and Memberships		720	
Freight Expenses		143	
Maintenance Agreements		7,120	
Maintenance and Repair Services - Office Equipment		92	
Postal Charges		1,250	
Printing, Stationery, and Forms		2,304	
Travel		2,718	
Data Processing Supplies		585	
Office Supplies		1,503	
Furniture and Fixtures		960	
Total General Sessions Court			281,320

Chancery Court

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		62,600	
Part-time Personnel		1,204	
Bank Charges		50	
Dues and Memberships		807	
Freight Expenses		229	
Maintenance Agreements		10,296	
Postal Charges		1,512	
Printing, Stationery, and Forms		827	
Travel		150	
Other Contracted Services		1,500	
Data Processing Supplies		273	
Duplicating Supplies		327	
Library Books/Media		372	
Office Supplies		444	
Premiums on Corporate Surety Bonds		297	
Total Chancery Court			156,957

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Judge(s)	\$	56,907	
Youth Service Officer(s)		88,576	
Communication		239	
Dues and Memberships		435	
Freight Expenses		127	
Maintenance and Repair Services - Equipment		135	
Postal Charges		475	
Printing, Stationery, and Forms		363	
Travel		2,175	
Duplicating Supplies		132	
Library Books/Media		11	
Office Supplies		179	
Total Juvenile Court			\$ 149,754

Juvenile Court Clerk

Deputy(ies)	\$	59,465	
Postal Charges		200	
Printing, Stationery, and Forms		225	
Duplicating Supplies		355	
Office Supplies		60	
Total Juvenile Court Clerk			60,305

Courtroom Security

Guards	\$	50,020	
Attendants		130,433	
Overtime Pay		2,526	
In-service Training		2,350	
Maintenance and Repair Services - Equipment		1,126	
Travel		1,249	
Furniture and Fixtures		9	
Law Enforcement Equipment		126	
Total Courtroom Security			187,839

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	83,676	
Dispatchers/Radio Operators		239,414	
Clerical Personnel		100,589	
Part-time Personnel		20,363	
School Resource Officer		92,481	
Overtime Pay		27,842	
Other Salaries and Wages		902,388	
In-service Training		18,645	
Communication		6,420	
Contracts with Government Agencies		2,300	
Contracts with Private Agencies		1,750	
Data Processing Services		2,342	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Dues and Memberships	\$	1,354	
Evaluation and Testing		830	
Freight Expenses		141	
Legal Notices, Recording, and Court Costs		62	
Maintenance and Repair Services - Buildings		1,000	
Maintenance and Repair Services - Equipment		2,655	
Maintenance and Repair Services - Office Equipment		672	
Maintenance and Repair Services - Vehicles		27,268	
Medical and Dental Services		300	
Postal Charges		3,360	
Printing, Stationery, and Forms		1,741	
Rentals		48,512	
Travel		5,311	
Other Contracted Services		8,050	
Custodial Supplies		119	
Data Processing Supplies		3,742	
Duplicating Supplies		655	
Gasoline		78,751	
Law Enforcement Supplies		1,117	
Office Supplies		1,115	
Tires and Tubes		7,166	
Uniforms		5,659	
Premiums on Corporate Surety Bonds		798	
Vehicle and Equipment Insurance		27,726	
Communication Equipment		54,641	
Data Processing Equipment		3,652	
Furniture and Fixtures		535	
Law Enforcement Equipment		19,459	
Total Sheriff's Department			\$ 1,804,601

Jail

Guards	\$	730,243
Cafeteria Personnel		14,439
Maintenance Personnel		38,028
Overtime Pay		7,421
Contracts with Government Agencies		5,580
Contracts with Other Public Agencies		9,997
Evaluation and Testing		919
Freight Expenses		96
Maintenance and Repair Services - Buildings		23,009
Maintenance and Repair Services - Equipment		4,868
Maintenance and Repair Services - Office Equipment		120
Medical and Dental Services		120,918
Pest Control		610
Printing, Stationery, and Forms		178
Travel		3,056
Custodial Supplies		36,377

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Data Processing Supplies	\$	2,077	
Duplicating Supplies		718	
Fertilizer, Lime, and Seed		57	
Food Supplies		136,693	
Office Supplies		1,267	
Prisoners Clothing		1,277	
Uniforms		4,356	
Utilities		110,267	
Other Supplies and Materials		15,177	
Building and Contents Insurance		22,768	
Communication Equipment		1,254	
Data Processing Equipment		1,421	
Food Service Equipment		130	
Furniture and Fixtures		803	
Law Enforcement Equipment		773	
Office Equipment		105	
Total Jail			\$ 1,295,002

Rescue Squad

Contributions	\$	24,000	
Total Rescue Squad			24,000

Other Emergency Management

Supervisor/Director	\$	56,195	
Communication		2,169	
Dues and Memberships		16	
Freight Expenses		11	
Maintenance and Repair Services - Vehicles		396	
Travel		2,030	
Food Supplies		67	
Gasoline		2,209	
Office Supplies		20	
Uniforms		173	
Communication Equipment		180	
Other Equipment		563	
Total Other Emergency Management			64,029

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	5,025	
Contracts with Government Agencies		18,885	
Transportation - Other than Students		4,720	
Other Equipment		2,647	
Total County Coroner/Medical Examiner			31,277

Public Safety Grants Program

Other Equipment	\$	11,912	
Total Public Safety Grants Program			11,912

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	47,797	
Social Security		3,604	
Handling Charges and Administrative Costs		29	
Pensions		2,127	
Life Insurance		50	
Medical Insurance		3,888	
Unemployment Compensation		143	
Communication		1,432	
Contracts with Private Agencies		544	
Dues and Memberships		200	
Freight Expenses		3	
Janitorial Services		12,995	
Maintenance and Repair Services - Buildings		3,047	
Maintenance and Repair Services - Equipment		149	
Pest Control		312	
Postal Charges		31	
Travel		321	
Other Contracted Services		2,538	
Custodial Supplies		1,055	
Drugs and Medical Supplies		20	
Food Supplies		121	
Office Supplies		817	
Periodicals		110	
Utilities		15,741	
Workers' Compensation Insurance		1,300	
Building Improvements		45	
Total Local Health Center			\$ 98,419

Alcohol and Drug Programs

Drug Treatment	\$	20,893	
Total Alcohol and Drug Programs			20,893

Other Local Health Services

Contributions	\$	2,500	
Total Other Local Health Services			2,500

Appropriation to State

Contracts with Government Agencies	\$	74,583	
Total Appropriation to State			74,583

General Welfare Assistance

Pauper Burials	\$	300	
Total General Welfare Assistance			300

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	61,900	
Total Senior Citizens Assistance			61,900

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 371,871	
Total Libraries		\$ 371,871

Other Social, Cultural, and Recreational

Contributions	\$ 1,000	
Total Other Social, Cultural, and Recreational		1,000

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 59,173	
Social Security	4,412	
Pensions	8,257	
Employee and Dependent Insurance	8,297	
Communication	1,194	
Data Processing Services	1,037	
Dues and Memberships	405	
Janitorial Services	2,400	
Maintenance and Repair Services - Buildings	633	
Maintenance and Repair Services - Equipment	231	
Pest Control	342	
Other Contracted Services	5,000	
Custodial Supplies	398	
Office Supplies	162	
Utilities	4,257	
Workers' Compensation Insurance	51	
Total Agricultural Extension Service		96,249

Soil Conservation

Secretary(ies)	\$ 25,802	
Total Soil Conservation		25,802

Flood Control

Contributions	\$ 25,200	
Total Flood Control		25,200

Other Operations

Tourism

Remittance of Revenue Collected	\$ 24,113	
Total Tourism		24,113

Industrial Development

Contributions	\$ 11,000	
Dues and Memberships	9,106	
Contracts for Development Costs	75,000	
Total Industrial Development		95,106

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Contributions	\$ 20,000	
Total Airport		\$ 20,000

Veterans' Services

Contributions	\$ 16,530	
Matching Share	449	
Motor Vehicles	28,526	
Total Veterans' Services		45,505

Other Charges

Dues and Memberships	\$ 626	
Legal Services	17,705	
Maintenance Agreements	1,800	
Boiler Insurance	5,000	
Building and Contents Insurance	7,600	
Liability Insurance	94,710	
Trustee's Commission	84,475	
Data Processing Equipment	33,351	
Other Equipment	1,097	
Total Other Charges		246,364

Contributions to Other Agencies

Contributions	\$ 50,000	
Dues and Memberships	1,674	
Total Contributions to Other Agencies		51,674

Employee Benefits

Social Security	\$ 333,442	
Pensions	291,236	
Employee and Dependent Insurance	394,576	
Life Insurance	2,689	
Unemployment Compensation	2,381	
Workers' Compensation Insurance	63,559	
Total Employee Benefits		1,087,883

Payments to Cities

Refunds	\$ 23,333	
Total Payments to Cities		23,333

Miscellaneous

Longevity Pay	\$ 32,950	
Other Salaries and Wages	50,075	
Total Miscellaneous		83,025

Instruction

Career and Technical Education Program

Contracts with Government Agencies	\$ 75,175	
Total Career and Technical Education Program		75,175

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Capital Projects

Other General Government Projects

Building Improvements	\$ 35,120	
Total Other General Government Projects		\$ 35,120

Total General Fund \$ 8,760,075

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Foremen	\$ 4,648	
Social Security	356	
Unemployment Compensation	14	
Advertising	13,489	
Maintenance and Repair Services - Vehicles	2,387	
Food Supplies	257	
Gasoline	148	
Uniforms	503	
Other Supplies and Materials	1,180	
Workers' Compensation Insurance	394	
Total Sanitation Education/Information		\$ 23,376

Recycling Center

Supervisor/Director	\$ 43,745
Attendants	53,013
Board and Committee Members Fees	2,900
Social Security	7,531
Pensions	5,000
Employee and Dependent Insurance	5,154
Life Insurance	55
Unemployment Compensation	122
Advertising	239
Communication	631
Contracts with Private Agencies	36,202
Data Processing Services	329
Freight Expenses	227
Maintenance and Repair Services - Buildings	329
Maintenance and Repair Services - Equipment	1,332
Maintenance and Repair Services - Vehicles	6,097
Postal Charges	105
Travel	988
Other Contracted Services	2,384
Custodial Supplies	331
Data Processing Supplies	286
Equipment and Machinery Parts	1,492
Food Supplies	80
Fuel Oil	10,724
Gasoline	44
Uniforms	344

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Utilities	\$	4,115	
Other Supplies and Materials		490	
Building and Contents Insurance		800	
Trustee's Commission		370	
Vehicle and Equipment Insurance		700	
Workers' Compensation Insurance		4,256	
Building Improvements		1,560	
Maintenance Equipment		78,284	
Total Recycling Center			\$ 270,259

Total Solid Waste/Sanitation Fund \$ 293,635

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	14,690	
Contracts with Private Agencies		6,854	
Confidential Drug Enforcement Payments		20	
Dues and Memberships		45	
Freight Expenses		139	
Maintenance Agreements		3,700	
Maintenance and Repair Services - Equipment		3,066	
Veterinary Services		798	
Animal Food and Supplies		1,730	
Law Enforcement Supplies		439	
Uniforms		2,046	
Other Supplies and Materials		233	
Trustee's Commission		141	
Data Processing Equipment		3,743	
Law Enforcement Equipment		7,700	
Motor Vehicles		138,032	
Other Equipment		60,555	
Total Drug Enforcement			\$ 243,931

Total Drug Control Fund 243,931

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	1,280	
Total Chancery Court			\$ 1,280

Total Constitutional Officers - Fees Fund 1,280

(Continued)

Exhibit K-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	83,676	
Secretary to Board		900	
Secretary(ies)		107,557	
Board and Committee Members Fees		9,900	
Communication		3,823	
Data Processing Services		6,767	
Dues and Memberships		3,630	
Maintenance and Repair Services - Office Equipment		886	
Postal Charges		1,009	
Printing, Stationery, and Forms		937	
Travel		1,508	
Electricity		18,163	
Natural Gas		2,839	
Office Supplies		1,793	
Water and Sewer		3,232	
Total Administration			\$ 246,620

Highway and Bridge Maintenance

Foremen	\$	233,051	
Equipment Operators		194,121	
Truck Drivers		124,681	
Laborers		402,909	
Asphalt		687,421	
Asphalt - Cold Mix		150,501	
Concrete		12,556	
Crushed Stone		301,782	
General Construction Materials		37,078	
Pipe - Metal		34,883	
Road Signs		8,405	
Wood Products		2,731	
Total Highway and Bridge Maintenance			2,190,119

Operation and Maintenance of Equipment

Mechanic(s)	\$	51,384	
Janitorial Services		1,224	
Diesel Fuel		132,642	
Equipment and Machinery Parts		92,605	
Garage Supplies		16,407	
Gasoline		39,489	
Lubricants		8,196	
Small Tools		499	
Tires and Tubes		30,727	
Total Operation and Maintenance of Equipment			373,173

Other Charges

Building and Contents Insurance	\$	9,200	
Liability Insurance		17,500	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Premiums on Corporate Surety Bonds	\$	197	
Trustee's Commission		47,734	
Vehicle and Equipment Insurance		37,753	
Workers' Compensation Insurance		74,081	
Other Charges		8,185	
Total Other Charges			\$ 194,650

Employee Benefits

Social Security	\$	89,671	
Pensions		81,805	
Employee and Dependent Insurance		135,113	
Unemployment Compensation		845	
Total Employee Benefits			307,434

Capital Outlay

Engineering Services	\$	66,358	
Other Contracted Services		110,439	
Bridge Construction		594,329	
Building Construction		6,345	
Highway Equipment		307,555	
Office Equipment		2,527	
Total Capital Outlay			1,087,553

Total Highway/Public Works Fund \$ 4,399,549

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	470,347	
Total General Government			\$ 470,347

Education

Principal on Other Loans	\$	660,000	
Total Education			660,000

Interest on Debt

General Government

Interest on Notes	\$	57	
Total General Government			57

Education

Interest on Bonds	\$	185,389	
Interest on Other Loans		45,685	
Total Education			231,074

(Continued)

Exhibit K-9

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	<u>\$ 31,155</u>		
Total General Government		\$ 31,155	
 <u>Education</u>			
Other Debt Service	<u>\$ 36,363</u>		
Total Education			<u>36,363</u>
 Total General Debt Service Fund			 <u>\$ 1,428,996</u>
 Total Governmental Funds - Primary Government			 <u>\$ 15,127,466</u>

Exhibit K-10

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,834,872	
Career Ladder Program	38,666	
Homebound Teachers	16,155	
Educational Assistants	181,155	
Bonus Payments	46,300	
Other Salaries and Wages	7,500	
Certified Substitute Teachers	51,960	
Non-certified Substitute Teachers	129,423	
Social Security	524,165	
Pensions	863,614	
Life Insurance	8,144	
Medical Insurance	1,184,818	
Unemployment Compensation	7,000	
Employer Medicare	122,956	
Operating Lease Payments	23,686	
Maintenance and Repair Services - Equipment	9,847	
Travel	14,674	
Instructional Supplies and Materials	315,691	
Textbooks - Bound	273,434	
Other Supplies and Materials	931	
Other Charges	1,542	
Regular Instruction Equipment	82,402	
Total Regular Instruction Program		\$ 12,738,935

Alternative Instruction Program

Teachers	\$ 104,032	
Career Ladder Program	1,000	
Educational Assistants	17,777	
Social Security	6,983	
Pensions	12,135	
Life Insurance	125	
Medical Insurance	7,175	
Unemployment Compensation	50	
Employer Medicare	1,633	
Drugs and Medical Supplies	27	
Instructional Supplies and Materials	877	
Total Alternative Instruction Program		151,814

Special Education Program

Teachers	\$ 878,101
Career Ladder Program	6,363
Homebound Teachers	33,604
Educational Assistants	204,938
Speech Pathologist	145,717
Other Salaries and Wages	67,500
Certified Substitute Teachers	5,880

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	12,675	
Social Security		76,860	
Pensions		125,366	
Life Insurance		1,422	
Medical Insurance		188,084	
Unemployment Compensation		800	
Employer Medicare		17,976	
Contracts with Private Agencies		38,609	
Maintenance and Repair Services - Equipment		350	
Total Special Education Program	\$		1,804,245

Career and Technical Education Program

Teachers	\$	722,120	
Career Ladder Program		2,000	
Certified Substitute Teachers		2,200	
Non-certified Substitute Teachers		11,555	
Social Security		41,344	
Pensions		69,760	
Life Insurance		623	
Medical Insurance		91,284	
Unemployment Compensation		300	
Employer Medicare		9,669	
Maintenance and Repair Services - Equipment		92	
Instructional Supplies and Materials		26,928	
Textbooks - Bound		24,448	
Other Supplies and Materials		328	
Other Charges		98	
Vocational Instruction Equipment		5,442	
Total Career and Technical Education Program			1,008,191

Student Body Education Program

Paraprofessionals	\$	31,700	
Social Security		1,965	
Employer Medicare		460	
Travel		5,800	
Drugs and Medical Supplies		5,220	
Instructional Supplies and Materials		29,511	
Total Student Body Education Program			74,656

Support Services

Attendance

Supervisor/Director	\$	5,375	
Social Security		333	
Life Insurance		5	
Employer Medicare		78	
Communication		3,693	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Licenses	\$	9,446	
Instructional Supplies and Materials		246	
Office Supplies		787	
In Service/Staff Development		1,649	
Total Attendance			\$ 21,612

Health Services

Supervisor/Director	\$	47,711	
Medical Personnel		184,051	
Social Security		12,212	
Pensions		14,604	
Life Insurance		312	
Medical Insurance		44,530	
Unemployment Compensation		27	
Employer Medicare		2,856	
Communication		575	
Drugs and Medical Supplies		11,020	
Other Supplies and Materials		35,102	
Medical Claims		5,618	
In Service/Staff Development		814	
Health Equipment		1,848	
Total Health Services			361,280

Other Student Support

Career Ladder Program	\$	3,910	
Guidance Personnel		405,158	
Social Security		23,818	
Pensions		38,072	
Life Insurance		328	
Medical Insurance		30,784	
Employer Medicare		5,570	
Contracts with Government Agencies		93,919	
Evaluation and Testing		30,018	
Postal Charges		515	
Travel		162	
Food Supplies		178	
Instructional Supplies and Materials		2,069	
In Service/Staff Development		2,018	
Total Other Student Support			636,519

Regular Instruction Program

Supervisor/Director	\$	254,217
Career Ladder Program		5,500
Librarians		346,257
Secretary(ies)		27,235
Educational Assistants		15,761

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In-service Training	\$	5,250	
Social Security		37,348	
Pensions		57,034	
Life Insurance		521	
Medical Insurance		78,448	
Employer Medicare		8,735	
Printing, Stationery, and Forms		2,917	
Travel		4,289	
Library Books/Media		42,117	
Office Supplies		1,115	
Periodicals		1,755	
In Service/Staff Development		18,311	
Total Regular Instruction Program			\$ 906,810

Alternative Instruction Program

Supervisor/Director	\$	36,733	
Social Security		2,162	
Pensions		3,800	
Life Insurance		21	
Medical Insurance		7,947	
Employer Medicare		506	
Total Alternative Instruction Program			51,169

Special Education Program

Supervisor/Director	\$	64,947	
Career Ladder Program		1,000	
Social Security		3,656	
Pensions		6,814	
Life Insurance		42	
Medical Insurance		7,768	
Employer Medicare		855	
Travel		6,530	
In Service/Staff Development		3,237	
Other Charges		531	
Total Special Education Program			95,380

Career and Technical Education Program

Supervisor/Director	\$	36,733	
Social Security		2,162	
Pensions		3,800	
Life Insurance		21	
Medical Insurance		7,947	
Employer Medicare		506	
Travel		83	
Other Supplies and Materials		678	
In Service/Staff Development		2,654	
Total Career and Technical Education Program			54,584

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	107,000	
Data Processing Personnel		22,422	
Instructional Computer Personnel		25,000	
Other Salaries and Wages		1,000	
Social Security		9,324	
Pensions		9,338	
Life Insurance		142	
Medical Insurance		14,954	
Unemployment Compensation		100	
Employer Medicare		2,181	
Communication		480	
Internet Connectivity		51,348	
Other Contracted Services		7,328	
Software		117,623	
Other Supplies and Materials		10,924	
In Service/Staff Development		5,388	
Other Equipment		8,414	
Total Technology			\$ 392,966

Other Programs

On-behalf Payments to OPEB	\$	95,400	
Total Other Programs			95,400

Board of Education

Board and Committee Members Fees	\$	7,300	
Social Security		453	
Life Insurance		261	
Employer Medicare		106	
Accounting Services		2,500	
Advertising		10,696	
Audit Services		17,500	
Dues and Memberships		5,729	
Legal Services		3,195	
Printing, Stationery, and Forms		24	
Travel		1,550	
Maintenance and Repair Services - Records		2,500	
Other Supplies and Materials		200	
Liability Insurance		44,679	
Premiums on Corporate Surety Bonds		10,876	
Trustee's Commission		178,972	
Workers' Compensation Insurance		217,458	
In Service/Staff Development		7,958	
Refund to Applicant for Criminal Investigation		2,473	
Other Charges		15,656	
Total Board of Education			530,086

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	116,908	
Career Ladder Program		1,000	
Secretary(ies)		22,980	
Social Security		8,694	
Pensions		13,658	
Life Insurance		80	
Medical Insurance		9,387	
Dental Insurance		1,368	
Employer Medicare		2,033	
Other Fringe Benefits		243	
Communication		7,538	
Dues and Memberships		2,625	
Operating Lease Payments		6,125	
Maintenance and Repair Services - Equipment		493	
Postal Charges		3,044	
Travel		7,998	
Other Contracted Services		3,484	
Office Supplies		670	
Other Supplies and Materials		148	
In Service/Staff Development		4,543	
Other Charges		1,243	
Administration Equipment		1,005	
Total Director of Schools			\$ 215,267

Office of the Principal

Principals	\$	502,775	
Career Ladder Program		10,000	
Accountants/Bookkeepers		128,155	
Assistant Principals		513,902	
Secretary(ies)		189,337	
Other Salaries and Wages		27,066	
Social Security		79,076	
Pensions		131,115	
Life Insurance		1,182	
Medical Insurance		184,028	
Unemployment Compensation		800	
Employer Medicare		18,493	
Communication		45,517	
Maintenance Agreements		7,623	
Travel		1,192	
Office Supplies		1,028	
Other Supplies and Materials		168	
In Service/Staff Development		1,481	
Total Office of the Principal			1,842,938

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	58,333	
Accountants/Bookkeepers		95,961	
Social Security		9,163	
Pensions		11,171	
Life Insurance		165	
Medical Insurance		11,066	
Unemployment Compensation		122	
Employer Medicare		2,143	
Maintenance Agreements		17,424	
Maintenance and Repair Services - Equipment		599	
Office Supplies		5,837	
In Service/Staff Development		2,687	
Other Charges		183	
Administration Equipment		1,299	
Total Fiscal Services			\$ 216,153

Operation of Plant

Custodial Personnel	\$	736,913	
Other Salaries and Wages		13,128	
Social Security		43,345	
Pensions		50,684	
Life Insurance		1,598	
Medical Insurance		135,902	
Unemployment Compensation		500	
Employer Medicare		10,137	
Laundry Service		347	
Maintenance and Repair Services - Buildings		253	
Maintenance and Repair Services - Equipment		5,472	
Pest Control		5,688	
Travel		116	
Custodial Supplies		80,278	
Electricity		886,760	
Natural Gas		207,709	
Small Tools		1,723	
Water and Sewer		88,472	
Boiler Insurance		8,685	
Building and Contents Insurance		158,299	
Plant Operation Equipment		4,780	
Total Operation of Plant			2,440,789

Maintenance of Plant

Supervisor/Director	\$	60,860
Secretary(ies)		28,156
Maintenance Personnel		389,703
Social Security		27,088
Pensions		33,371

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Life Insurance	\$	490	
Medical Insurance		66,261	
Employer Medicare		6,537	
Communication		1,406	
Maintenance Agreements		9,471	
Maintenance and Repair Services - Buildings		210,218	
Maintenance and Repair Services - Equipment		15,482	
Postal Charges		16	
Rentals		1,412	
Travel		651	
Other Contracted Services		2,224	
Fertilizer, Lime, and Seed		4,964	
Office Supplies		3,265	
Propane Gas		80	
Small Tools		2,850	
Gravel and Chert		359	
Chemicals		1,160	
In Service/Staff Development		200	
Other Charges		150	
Maintenance Equipment		20,941	
Total Maintenance of Plant			\$ 887,315

Transportation

Supervisor/Director	\$	58,834
Mechanic(s)		138,969
Bus Drivers		515,547
Secretary(ies)		21,594
Social Security		41,304
Pensions		49,738
Life Insurance		1,482
Medical Insurance		103,577
Unemployment Compensation		1,000
Employer Medicare		10,022
Communication		2,071
Contracts with Parents		1,807
Laundry Service		1,967
Licenses		78
Maintenance and Repair Services - Equipment		808
Maintenance and Repair Services - Vehicles		31,647
Medical and Dental Services		6,805
Postal Charges		105
Rentals		3,130
Other Contracted Services		1,115
Diesel Fuel		206,782
Drugs and Medical Supplies		42
Garage Supplies		1,987

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Gasoline	\$	38,486	
Lubricants		12,073	
Office Supplies		1,055	
Small Tools		4,211	
Tires and Tubes		23,054	
Vehicle Parts		89,422	
Other Supplies and Materials		1,078	
Vehicle and Equipment Insurance		48,850	
In Service/Staff Development		5,815	
Transportation Equipment		263,220	
Total Transportation			\$ 1,687,675

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	15	
Total Food Service			15

Community Services

Supervisor/Director	\$	4,625	
Teachers		231,384	
Other Salaries and Wages		4,040	
Social Security		12,919	
Pensions		10,712	
Employer Medicare		2,708	
Travel		180	
Other Contracted Services		4,162	
Food Supplies		241	
Instructional Supplies and Materials		5,751	
In Service/Staff Development		1,596	
Other Charges		1,831	
Total Community Services			280,149

Early Childhood Education

Teachers	\$	241,798	
Educational Assistants		85,351	
Certified Substitute Teachers		440	
Non-certified Substitute Teachers		3,415	
Social Security		18,445	
Pensions		30,996	
Life Insurance		409	
Medical Insurance		54,636	
Employer Medicare		4,314	
Contracts with Private Agencies		3,000	
Food Supplies		2,918	
Instructional Supplies and Materials		36,030	
Other Supplies and Materials		2,140	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

In Service/Staff Development	\$	8,484	
Other Charges		1,860	
Other Equipment		2,146	
Total Early Childhood Education			\$ 496,382

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	229,894	
Site Development		38,462	
Total Regular Capital Outlay			268,356

Principal on Debt

Education

Principal on Notes	\$	250,000	
Total Education			250,000

Interest on Debt

Education

Interest on Notes	\$	2,625	
Total Education			2,625

Total General Purpose School Fund \$ 27,511,311

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	412,145	
Educational Assistants		83,267	
Certified Substitute Teachers		1,280	
Non-certified Substitute Teachers		5,655	
Social Security		28,519	
Pensions		44,595	
Life Insurance		614	
Medical Insurance		57,632	
Unemployment Compensation		339	
Employer Medicare		6,670	
Instructional Supplies and Materials		60,359	
Regular Instruction Equipment		8,989	
Total Regular Instruction Program			\$ 710,064

Special Education Program

Teachers	\$	44,509	
Educational Assistants		327,282	
Social Security		20,867	
Pensions		25,871	
Life Insurance		863	

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	77,418	
Unemployment Compensation		599	
Employer Medicare		4,880	
Contracts with Other Public Agencies		3,800	
Instructional Supplies and Materials		14,619	
Total Special Education Program			\$ 520,708

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	564	
Instructional Supplies and Materials		701	
Other Supplies and Materials		9,787	
Vocational Instruction Equipment		57,644	
Total Career and Technical Education Program			68,696

Support Services

Health Services

Medical Personnel	\$	13,000	
Social Security		806	
Pensions		941	
Life Insurance		14	
Medical Insurance		2,847	
Employer Medicare		189	
Total Health Services			17,797

Other Student Support

Other Salaries and Wages	\$	7,285	
Social Security		452	
Pensions		686	
Employer Medicare		106	
Travel		8,359	
Other Contracted Services		8,790	
Other Supplies and Materials		3,639	
In Service/Staff Development		3,782	
Total Other Student Support			33,099

Regular Instruction Program

Other Salaries and Wages	\$	61,987	
Social Security		3,843	
Pensions		4,723	
Unemployment Compensation		21	
Employer Medicare		899	
Travel		481	
Other Supplies and Materials		1,740	
In Service/Staff Development		34,760	
Total Regular Instruction Program			108,454

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	58,579	
Other Salaries and Wages		67,900	
Social Security		7,403	
Pensions		11,191	
Life Insurance		84	
Medical Insurance		12,478	
Employer Medicare		1,731	
Travel		1,887	
In Service/Staff Development		7,700	
Total Special Education Program	\$		168,953

Career and Technical Education Program

Travel	\$	1,320	
In Service/Staff Development		2,709	
Total Career and Technical Education Program			4,029

Transportation

Bus Drivers	\$	65,302	
Social Security		2,761	
Pensions		3,339	
Life Insurance		153	
Unemployment Compensation		25	
Employer Medicare		900	
Total Transportation			72,480

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	11,470	
Teachers		199,020	
Other Salaries and Wages		14,215	
Social Security		14,070	
Pensions		12,426	
Unemployment Compensation		346	
Employer Medicare		3,605	
Travel		341	
Other Contracted Services		2,506	
Instructional Supplies and Materials		7,488	
Other Supplies and Materials		300	
In Service/Staff Development		4,113	
Other Charges		9,927	
Total Community Services			279,827

Total School Federal Projects Fund \$ 1,984,107

(Continued)

Exhibit K-10

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,699	
Clerical Personnel		8,445	
Cafeteria Personnel		681,892	
Social Security		43,115	
Pensions		42,166	
Life Insurance		2,081	
Medical Insurance		103,001	
Unemployment Compensation		1,087	
Employer Medicare		10,083	
Advertising		119	
Dues and Memberships		662	
Maintenance Agreements		4,120	
Maintenance and Repair Services - Equipment		29,491	
Pest Control		1,812	
Postal Charges		500	
Transportation - Other than Students		8,092	
Travel		213	
Disposal Fees		18,520	
Permits		560	
Other Contracted Services		619	
Custodial Supplies		18,309	
Food Preparation Supplies		56,783	
Food Supplies		808,901	
Office Supplies		5,750	
USDA - Commodities		150,764	
Other Supplies and Materials		2,219	
Trustee's Commission		1	
Surcharge		2,764	
In Service/Staff Development		446	
Food Service Equipment		42,249	
Total Food Service			\$ 2,106,463

Total Central Cafeteria Fund \$ 2,106,463

Total Governmental Funds - Obion County School Department \$ 31,601,881

Exhibit K-11

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

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Special School District Fund	City School ADA - Union City Fund	Total
<u>Cash Receipts</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 30,779	\$ 0	\$ 2,145,685	\$ 2,176,464
Trustee's Collections - Prior Year	0	1,672	0	59,521	61,193
Clerk and Master Collections - Prior Years	0	0	437	25,579	26,016
Interest and Penalty	0	419	0	10,930	11,349
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,925	1,925
Payments in-Lieu-of Taxes - Other	0	0	0	20,797	20,797
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,526,784	0	0	1,651,246	6,178,030
Business Tax	0	0	0	40,258	40,258
Mixed Drink Tax	0	0	0	992	992
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	6,754	6,754
<u>School District Property Taxes</u>					
Current Property Tax	0	0	84,769	0	84,769
Prior Year's Property Tax	0	0	3,592	0	3,592
Interest and Penalty	0	0	657	0	657
<u>Licenses and Permits</u>					
Marriage Licenses	0	0	0	1,020	1,020
Total Cash Receipts	\$ 4,526,784	\$ 32,870	\$ 89,455	\$ 3,964,707	\$ 8,613,816
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 4,481,516	\$ 32,388	\$ 88,151	\$ 3,912,234	\$ 8,514,289
Trustee's Commission	45,268	657	1,785	61,911	109,621
Total Cash Disbursements	\$ 4,526,784	\$ 33,045	\$ 89,936	\$ 3,974,145	\$ 8,623,910
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (175)	\$ (481)	\$ (9,438)	\$ (10,094)
Cash Balance, July 1, 2018	0	465	631	35,300	36,396
Cash Balance, June 30, 2019	\$ 0	\$ 290	\$ 150	\$ 25,862	\$ 26,302

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

Obion County Mayor and
Board of County Commissioners
Obion 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 Obion County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Obion County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 19, 2019. Our report includes a reference to other auditors who audited the financial statements of the Obion County Nursing Home, as described in our report on Obion 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 Obion 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 Obion County's internal control. Accordingly, we do not express an opinion on the effectiveness of Obion County's internal control.

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

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

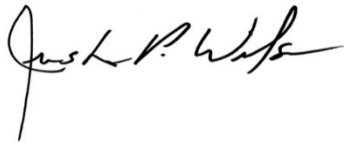
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Obion 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Obion 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

December 19, 2019

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Obion 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 Obion 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 Obion 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 Obion 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.

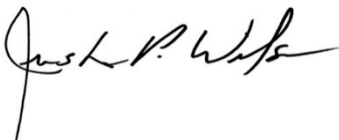
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 Obion County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Obion County's basic financial statements. We issued our report thereon dated December 19, 2019, 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

December 19, 2019

JPW/kp

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 478,762
National School Lunch Program	10.555	N/A	1,010,785 (5)
Child Nutrition Discretionary Grants Limited Availability	10.759	N/A	28,116
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	150,764 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59479-00	13,883
Total U.S. Department of Agriculture			<u>\$ 1,682,310</u>
U.S. Department of Housing and Urban Development:			
Passed-through State of Department Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	34817	\$ 34,718
Total U.S. Department of Housing and Urban Development			<u>\$ 34,718</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 4,500
Total U.S. Department of Justice			<u>\$ 4,500</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Transit Services Program Cluster: (3)			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TN-2018-042	\$ 28,800
Total U.S. Department of Transportation			<u>\$ 28,800</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies			
Special Education Cluster: (3)	84.010	N/A	\$ 676,784
Special Education - Grants to States	84.027	N/A	740,272
Special Education - Preschool Grants	84.173	N/A	40,066
Career and Technical Education - Basic Grants to State	84.048	N/A	61,562
Twenty-first Century Community Learning Centers	84.287	N/A	279,826
Rural Education	84.358	N/A	112,594
Supporting Effective Instruction State Grant	84.367	N/A	82,999
Total U.S. Department of Education			<u>\$ 1,994,103</u>
U.S. Election Assistance Commission			
Passed-through Tennessee Secretary of State			
Help America Vote Act Requirements Payments	90.401	(4)	\$ 123,500
Total U.S. Election Assistance Commission			<u>\$ 123,500</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-19-59479-00	\$ 2,017
HIV Prevention Activities - Health Department Based	93.940	GG-19-59479-00	572
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-19-59479-00	277
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59479-00	6,100
Passed-through State Department of Human Services:			
CCDF Cluster: (3)			
Child Care and Development Block Grant	93.575	(4)	6,698
Total U.S. Department of Health and Human Services			<u>\$ 15,664</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-03917	\$ 32,000
Total U.S. Department of Homeland Security			<u>\$ 32,000</u>
Total Federal Awards			<u>\$ 3,915,595</u>
State Grants:			
		<u>Contract Number</u>	
<u>State Grants</u>			
Courtroom Security Grant - Administrative Office of the Courts	N/A	(4)	\$ 36,577
Local Health Services - State Department of Health	N/A	(4)	41,106
Help America Vote Act Grant - Tennessee Secretary of State	N/A	(4)	6,500
Early Childhood Education - State Department of Education	N/A	(4)	655,895
Enhances Mobility of Seniors and Individuals with Disabilities - State Department of Transportation	N/A	(4)	3,600
CTE Equipment Grant - State Department of Education	N/A	(4)	17,475
Coordinated School Health - State Department of Education	N/A	(4)	135,977
Lottery for Education: After School Programs - State Department of Education	N/A	(4)	145,110
Portfolio Review Stipends - State Department of Education	N/A	(4)	1,824
Read to be Ready - State Department of Human Services	N/A	(4)	26,791
Safe Schools - State Department of Education	N/A	(4)	132,061
Alternative Breakfast Grant - State Department of Education	N/A	(4)	5,000
Access to Health Through Healthy Active Built Environments Grant - State Department of Health	N/A	(4)	20,000
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(4)	20,999
Litter Program - State Department of Transportation	N/A	(4)	22,730
Total State Grants			<u>\$ 1,271,645</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) Obion County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$1,640,311; Transit Services Program Cluster total \$28,800; Special Education Cluster total \$780,338; CCDF Cluster total \$6,698.
- (4) Information not available.
- (5) Total for CFDA No. 10.555 is \$1,161,549.

Obion 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 uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Obion 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 HIGHWAY SUPERINTENDENT</u>					
2018	204	2018-001	The Highway/Public Works Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2018	205	2018-002	The School Federal Project Fund had a Cash Overdraft of \$79,173 at June 30, 2018	N/A	Corrected
<u>OFFICE OF SHERIFF</u>					
2018	205	2018-003	The Office had Deficiencies in Compiling and Filing its Annual Financial Report	N/A	Corrected
2018	206	2018-004	The Office had Deficiencies in the Administration of Confidential Drug Funds	N/A	Corrected

Prior-year Federal Awards Findings

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

OBION 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 Obion County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NO**
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
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations as a result of our audit of the financial statements of Obion County, Tennessee.

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.

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

The audit of Obion County did not report any findings and recommendations. Therefore, no management responses are 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).

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 Obion County.

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

Obion 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.