

ANNUAL FINANCIAL REPORT

SCOTT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



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

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF DIRECTOR OF FINANCE AND SHERIFF

- ◆ A civil penalty of \$12,486.80 was paid to the U.S. Department of Labor.

OTHER FINDING

- ◆ Allegations related to various departments of the county are currently under investigation.
-

INTRODUCTORY SECTION

Scott County Officials

June 30, 2019

Officials

Jeff Tibbals, County Mayor
Kelvin King, Superintendent of Roads
Billy Hall, Director of Schools
Jimmy Byrd, Trustee
Anthony Sexton, Assessor of Property
Felicia Bilbrey, County Clerk
Donnie Phillips, Circuit and General Sessions Courts Clerk
Mike Potter, Clerk and Master
Ashley Riseden, Register of Deeds
Ronnie Phillips, Sheriff
Ginger Reynolds, Director of Finance

Board of County Commissioners

Jeff Tibbals, County Mayor, Chairman
David Day
David Jeffers
Sam Lyles
Jerried Jeffers
Sheila Buttram
Kenny Morrow
Kenny Chadwell

Shonda Gray
Paul Strunk
Harold Chambers
Patti Brown
Donnie Bowlin
Mike Slaven
Benny Carson

Financial Management Committee

Mike Slaven, Chairman
Jeff Tibbals, County Mayor
Kelvin King, Superintendent of Roads
Billy Hall, Director of Schools

Kenny Chadwell
Sheila Buttram
Harold Chambers

Board of Education

Esther Abbott, Chairman
Diane Smith
Kim Kidd
Derek Sexton

Linda Sharp
Tommy Silcox
Llew Stanley

Audit Committee

Melvin Stephens, Chairman
Jerry Slaven
Dave Cross

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of county and school changes in the total other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scott County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

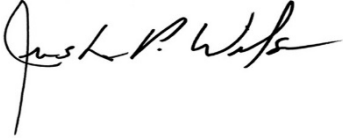
The introductory section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2019, on our consideration of Scott 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 Scott

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 Scott County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long, sweeping underline.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 22, 2019

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>ASSETS</u>		
Cash	\$ 1,500	\$ 9,618
Equity in Pooled Cash and Investments	6,415,401	10,357,513
Inventories	58,410	0
Accounts Receivable	1,109,704	6,095
Allowance for Uncollectibles	(801,220)	0
Due from Other Governments	967,828	788,730
Property Taxes Receivable	5,834,886	2,207,688
Allowance for Uncollectible Property Taxes	(338,616)	(127,854)
Net Pension Asset - Agent Plan	1,498,760	807,380
Net Pension Asset - Teacher Retirement Plan	0	65,969
Net Pension Asset- Teacher Retirement Plan (Legacy)	0	1,058,201
Restricted Assets	0	36,634
Capital Assets:		
Assets Not Depreciated:		
Land	1,964,885	910,561
Construction in Progress	32,796	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	12,078,198	15,953,811
Other Capital Assets	1,820,890	1,639,300
Infrastructure	3,107,314	225,256
Total Assets	<u>\$ 33,750,736</u>	<u>\$ 33,938,902</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 217,634
Pension Changes in Assumptions	262,926	769,729
Pension Contributions after Measurement Date	454,224	1,365,735
Pension Changes in Proportion	0	102,429
OPEB Changes in Assumptions	2,040	76,223
OPEB Contributions After Measurement Date	2,397	125,798
Total Deferred Outflows of Resources	<u>\$ 721,587</u>	<u>\$ 2,657,548</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 61,732	\$ 55,780
Accrued Payroll	70,998	2,780,833
Accrued Interest Payable	28,546	0
Payroll Deductions Payable	0	71,127
Due to State of Tennessee	4,596	0
Other Current Liabilities	0	392,697
Noncurrent Liabilities:		
Due Within One Year - Debt	1,690,402	0
Due Within One Year - Other	297,478	0
Due in More Than One Year - Debt	24,926,674	0
Due in More Than One Year - Other	1,923,222	3,025,317
Total Liabilities	<u>\$ 29,003,648</u>	<u>\$ 6,325,754</u>

(Continued)

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 5,252,236	\$ 1,987,887
Pension Changes in Experience	516,813	1,708,632
Pension Changes in Investment Earnings	85,429	280,054
Pension Changes in Proportion	0	9,428
OPEB Changes in Experience	154,499	459,085
OPEB Changes in Assumptions	21,922	212,386
OPEB Changes on Proportion	0	353,907
Total Deferred Inflows of Resources	<u>\$ 6,030,899</u>	<u>\$ 5,011,379</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,679,799	\$ 18,728,928
Restricted for:		
General Government	4,847	0
Administration of Justice	29,716	0
Public Safety	99,386	0
Public Health and Welfare	680,564	0
Social, Cultural, and Recreation	53	0
Highway/Public Works	799,056	0
Debt Service	230,087	0
Capital Projects	426,758	0
Capital Outlay	0	125,959
Pensions	1,498,760	1,968,184
Other Purposes	16,449	0
Education	0	999,821
Unrestricted	<u>(14,027,699)</u>	<u>3,436,425</u>
Total Net Position	<u>\$ (562,224)</u>	<u>\$ 25,259,317</u>

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

Exhibit B

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

					Net (Expense) Revenue and Changes in Net Position	
					Primary Government Total	Component Unit Scott County School Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,720,638	\$ 674,222	\$ 246,218	\$ 355,761	\$ (1,444,437)	\$ 0
Finance	881,208	566,133	0	0	(315,075)	0
Administration of Justice	963,214	437,497	335,964	0	(189,753)	0
Public Safety	3,928,559	930,257	224,701	0	(2,773,601)	0
Public Health and Welfare	2,125,702	2,129,638	595,008	288,945	887,889	0
Social, Cultural, and Recreational Services	131,125	0	0	0	(131,125)	0
Agriculture and Natural Resources	43,752	0	0	0	(43,752)	0
Highways	3,224,292	6,388	2,513,100	673,419	(31,385)	0
Interest on Long-term Debt	730,278	0	0	0	(730,278)	0
Total Governmental Activities	\$ 14,748,768	\$ 4,744,135	\$ 3,914,991	\$ 1,318,125	\$ (4,771,517)	\$ 0
Component Unit:						
Scott County School Department	\$ 24,005,461	\$ 230,736	\$ 3,548,593	\$ 0	\$ 0	\$ (20,226,132)
Total Component Unit	\$ 24,005,461	\$ 230,736	\$ 3,548,593	\$ 0	\$ 0	\$ (20,226,132)

(Continued)

Exhibit B

Scott County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
					Primary	Component Unit
					Government	Scott
					Total	County
					Governmental	School
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,965,288	\$ 2,061,172
Property Taxes Levied for General Debt Services					673,704	0
Property Taxes Levied for Rural Debt Service					676,808	0
Property Taxes Levied for Capital					205,914	0
Local Option Sales Taxes					367,996	1,414,634
Wheel Tax					601,800	0
Litigation Taxes					118,757	0
Business Taxes					141,213	0
Other Taxes					209,409	1,580
Grants and Contributions Not Restricted to Specific Programs					1,432,611	19,377,351
Unrestricted Investment Income					153,768	0
Gain on Investments					0	1,849
Miscellaneous					221,967	35,766
Total General Revenues					<u>\$ 8,769,235</u>	<u>\$ 22,892,352</u>
Special Item - See Note I.D.10					<u>\$ 0</u>	<u>\$ 1,285,646</u>
Change in Net Position					\$ 3,997,718	\$ 3,951,866
Net Position, July 1, 2018					<u>(4,559,942)</u>	<u>21,307,451</u>
Net Position, June 30, 2019					<u>\$ (562,224)</u>	<u>\$ 25,259,317</u>

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

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,958,929	358,178	648,878	937,540	1,407,431
Inventories	58,410	0	0	0	0
Accounts Receivable	70,279	1,027,098	2,732	9,439	0
Allowance for Uncollectibles	0	(801,220)	0	0	0
Due from Other Governments	530,162	0	414,302	16,666	4,260
Due from Other Funds	1,556	0	0	0	8,333
Property Taxes Receivable	4,231,454	0	0	718,145	819,576
Allowance for Uncollectible Property Taxes	(245,056)	0	0	(41,590)	(44,041)
Total Assets	<u>\$ 6,605,834</u>	<u>\$ 584,056</u>	<u>\$ 1,065,912</u>	<u>\$ 1,640,200</u>	<u>\$ 2,195,559</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 25,894	\$ 30,491	\$ 2,658	\$ 0	\$ 0
Accrued Payroll	802	33,441	33,293	0	0
Due to Other Funds	0	0	0	8,333	0
Due to State of Tennessee	0	4,596	0	0	0
Total Liabilities	<u>\$ 26,696</u>	<u>\$ 68,528</u>	<u>\$ 35,951</u>	<u>\$ 8,333</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,810,165	\$ 0	\$ 0	\$ 646,645	\$ 747,038
Deferred Delinquent Property Taxes	153,663	0	0	26,061	24,168
Other Deferred/Unavailable Revenue	54,406	81,941	199,213	8,333	0
Total Deferred Inflows of Resources	<u>\$ 4,018,234</u>	<u>\$ 81,941</u>	<u>\$ 199,213</u>	<u>\$ 681,039</u>	<u>\$ 771,206</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 58,410	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	4,847	0	0	0	0
Restricted for Administration of Justice	29,716	0	0	0	0
Restricted for Public Safety	14,642	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	53	0	0	0	0
Restricted for Highways/Public Works	0	0	599,842	0	0
Restricted for Debt Service	0	0	0	206,906	1,030,407
Restricted for Capital Projects	0	0	0	0	0
Restricted for Other Purposes	16,449	0	0	0	0
Committed:					
Committed for General Government	26,647	0	0	0	0
Committed for Public Health and Welfare	0	433,587	0	0	0
Committed for Other Operations	4,433	0	0	0	0
Committed for Highways/Public Works	0	0	230,906	0	0
Committed for Debt Service	0	0	0	743,922	393,946
Assigned:					
Assigned for Public Safety	18,105	0	0	0	0
Unassigned	2,387,602	0	0	0	0
Total Fund Balances	<u>\$ 2,560,904</u>	<u>\$ 433,587</u>	<u>\$ 830,748</u>	<u>\$ 950,828</u>	<u>\$ 1,424,353</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,605,834</u>	<u>\$ 584,056</u>	<u>\$ 1,065,912</u>	<u>\$ 1,640,200</u>	<u>\$ 2,195,559</u>

(Continued)

Exhibit C-1

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

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Inventories
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

 Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Due to Other Funds
 Due to State of Tennessee
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
\$ 1,400	\$ 1,500	
1,104,445	6,415,401	
0	58,410	
156	1,109,704	
0	(801,220)	
2,438	967,828	
0	9,889	
65,711	5,834,886	
(7,929)	(338,616)	
<u>\$ 1,166,221</u>	<u>\$ 13,257,782</u>	
\$ 2,689	\$ 61,732	
3,462	70,998	
1,556	9,889	
0	4,596	
<u>\$ 7,707</u>	<u>\$ 147,215</u>	
\$ 48,388	\$ 5,252,236	
8,971	212,863	
0	343,893	
<u>\$ 57,359</u>	<u>\$ 5,808,992</u>	

(Continued)

Exhibit C-1

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

FUND BALANCES

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
Nonspendable:			
Inventory	\$	0	\$ 58,410
Restricted:			
Restricted for General Government		0	4,847
Restricted for Administration of Justice		0	29,716
Restricted for Public Safety		84,744	99,386
Restricted for Public Health and Welfare		598,624	598,624
Restricted for Social, Cultural, and Recreational Services		0	53
Restricted for Highways/Public Works		0	599,842
Restricted for Debt Service		0	1,237,313
Restricted for Capital Projects		417,787	417,787
Restricted for Other Purposes		0	16,449
Committed:			
Committed for General Government		0	26,647
Committed for Public Health and Welfare		0	433,587
Committed for Other Operations		0	4,433
Committed for Highways/Public Works		0	230,906
Committed for Debt Service		0	1,137,868
Assigned:			
Assigned for Public Safety		0	18,105
Unassigned		0	2,387,602
Total Fund Balances	\$	1,101,155	\$ 7,301,575
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,166,221	\$ 13,257,782

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

Scott 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)		\$ 7,301,575
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,964,885	
Add: construction in progress	32,796	
Add: infrastructure net of accumulated depreciation	3,107,314	
Add: buildings and improvements net of accumulated depreciation	12,078,198	
Add: other capital assets net of accumulated depreciation	<u>1,820,890</u>	19,004,083
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (632,497)	
Less: other loans payable	(18,327,339)	
Less: bonds payable	(7,560,000)	
Less: compensated absences payable	(249,237)	
Less: landfill postclosure care costs	(1,765,581)	
Less: other postemployment benefits liability (OPEB)	(205,882)	
Less: accrued interest payable	(28,546)	
Less: unamortized premium on debt	<u>(97,240)</u>	(28,866,322)
(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 expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 717,150	
Less: deferred inflows of resources related to pensions	(602,242)	
Add: deferred outflows of resources related to OPEB	4,437	
Less: deferred inflows of resources related to OPEB	<u>(176,421)</u>	(57,076)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds		1,498,760
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>556,756</u>
Net position (deficit) of governmental activities (Exhibit A)		<u>\$ (562,224)</u>

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

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Revenues</u>					
Local Taxes	\$ 4,964,960	\$ 0	\$ 235	\$ 1,380,019	\$ 685,993
Licenses and Permits	42,429	0	0	765	0
Fines, Forfeitures, and Penalties	120,541	0	0	0	0
Charges for Current Services	308,225	1,749,692	0	0	0
Other Local Revenues	502,636	28,684	42,134	157,429	0
Fees Received From County Officials	888,587	0	0	0	0
State of Tennessee	2,166,972	0	3,432,871	0	0
Federal Government	921,970	332,072	348,247	0	0
Other Governments and Citizens Groups	0	0	0	0	373,029
Total Revenues	<u>\$ 9,916,320</u>	<u>\$ 2,110,448</u>	<u>\$ 3,823,487</u>	<u>\$ 1,538,213</u>	<u>\$ 1,059,022</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,619,855	\$ 0	\$ 0	\$ 0	\$ 0
Finance	943,040	0	0	0	0
Administration of Justice	1,051,118	0	0	0	0
Public Safety	3,900,458	0	0	0	0
Public Health and Welfare	314,309	2,020,822	0	0	0
Social, Cultural, and Recreational Services	132,828	0	0	0	0
Agriculture and Natural Resources	48,283	0	0	0	0
Other Operations	1,554,231	0	0	0	0
Highways	235	0	3,470,082	0	0
Debt Service:					
Principal on Debt	0	0	127,197	1,082,200	612,000
Interest on Debt	0	0	13,831	383,049	180,620
Other Debt Service	0	0	0	144,797	21,463

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 9,564,357	\$ 2,020,822	\$ 3,611,110	\$ 1,610,046	\$ 814,083
Excess (Deficiency) of Revenues Over Expenditures	\$ 351,963	\$ 89,626	\$ 212,377	\$ (71,833)	\$ 244,939
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 330,000	\$ 0	\$ 0
Proceeds from Sale of Capital Assets	30,561	7,365	0	0	0
Insurance Recovery	8,525	0	0	0	0
Transfers In	0	0	0	0	147,131
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 39,086	\$ 7,365	\$ 330,000	\$ 0	\$ 147,131
Net Change in Fund Balances	\$ 391,049	\$ 96,991	\$ 542,377	\$ (71,833)	\$ 392,070
Fund Balance, July 1, 2018	2,169,855	336,596	288,371	1,022,661	1,032,283
Fund Balance, June 30, 2019	\$ 2,560,904	\$ 433,587	\$ 830,748	\$ 950,828	\$ 1,424,353

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 199,671	\$	7,230,878
Licenses and Permits	0		43,194
Fines, Forfeitures, and Penalties	25,574		146,115
Charges for Current Services	300,823		2,358,740
Other Local Revenues	15,423		746,306
Fees Received From County Officials	0		888,587
State of Tennessee	209,291		5,809,134
Federal Government	39,710		1,641,999
Other Governments and Citizens Groups	550		373,579
Total Revenues	<u>\$ 791,042</u>	<u>\$</u>	<u>19,238,532</u>
<hr/>			
<u>Expenditures</u>			
Current:			
General Government	\$ 4,621	\$	1,624,476
Finance	0		943,040
Administration of Justice	8,766		1,059,884
Public Safety	85,271		3,985,729
Public Health and Welfare	384,285		2,719,416
Social, Cultural, and Recreational Services	1,186		134,014
Agriculture and Natural Resources	0		48,283
Other Operations	0		1,554,231
Highways	14,047		3,484,364
Debt Service:			
Principal on Debt	0		1,821,397
Interest on Debt	0		577,500
Other Debt Service	0		166,260

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 3,572	\$	3,572
Total Expenditures	\$ 501,748	\$	18,122,166
Excess (Deficiency) of Revenues Over Expenditures	\$ 289,294	\$	1,116,366
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$	330,000
Proceeds from Sale of Capital Assets	0		37,926
Insurance Recovery	0		8,525
Transfers In	0		147,131
Transfers Out	(147,131)		(147,131)
Total Other Financing Sources (Uses)	\$ (147,131)	\$	376,451
Net Change in Fund Balances	\$ 142,163	\$	1,492,817
Fund Balance, July 1, 2018	958,992		5,808,758
Fund Balance, June 30, 2019	\$ 1,101,155	\$	7,301,575

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

Exhibit C-4

Scott 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)		\$ 1,492,817
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,786,763	
Less: current-year depreciation expense	<u>(915,801)</u>	870,962
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 10,000	
Less: book value of capital assets disposed	<u>(5,000)</u>	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	\$ 556,756	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(1,100,253)</u>	(543,497)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in unamortized premium on debt issuances	\$ 17,030	
Less: capital outlay note proceeds	(330,000)	
Add: principal payments on notes	127,197	
Add: principal payments on other loans	1,099,200	
Add: principal payments on bonds	<u>595,000</u>	1,508,427
(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	\$ (3,548)	
Change in compensated absences payable	30,621	
Change in net pension liability/asset	684,199	
Change in deferred outflows related to pensions	(64,579)	
Change in deferred inflows related to pensions	(43,167)	
Change in net OPEB liability	153,975	
Change in deferred outflows related to OPEB	775	
Change in deferred inflows related to OPEB	(150,455)	
Change in landfill postclosure care costs	<u>56,188</u>	<u>664,009</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,997,718</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,964,960	\$ 4,756,994	\$ 4,778,570	\$ 186,390
Licenses and Permits	42,429	36,500	36,500	5,929
Fines, Forfeitures, and Penalties	120,541	166,400	166,400	(45,859)
Charges for Current Services	308,225	338,400	348,400	(40,175)
Other Local Revenues	502,636	370,650	416,517	86,119
Fees Received From County Officials	888,587	848,500	848,500	40,087
State of Tennessee	2,166,972	2,103,364	1,951,561	215,411
Federal Government	921,970	18,000	925,887	(3,917)
Total Revenues	\$ 9,916,320	\$ 8,638,808	\$ 9,472,335	\$ 443,985
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 376,155	\$ 186,334	\$ 388,778	\$ 12,623
County Mayor/Executive	190,954	195,158	198,647	7,693
County Attorney	70,493	71,254	71,254	761
Election Commission	244,995	231,635	248,466	3,471
Register of Deeds	173,203	177,748	181,278	8,075
County Buildings	564,055	476,253	639,711	75,656
<u>Finance</u>				
Accounting and Budgeting	305,137	306,691	306,691	1,554
Property Assessor's Office	219,305	236,665	236,665	17,360
County Trustee's Office	174,794	174,079	175,782	988
County Clerk's Office	243,804	246,570	247,958	4,154
<u>Administration of Justice</u>				
Circuit Court	328,163	301,337	351,624	23,461
General Sessions Court	474,151	456,999	513,511	39,360
Chancery Court	168,550	159,663	171,931	3,381
District Attorney General	68,254	25,000	72,707	4,453
Office of Public Defender	12,000	12,000	12,000	0
<u>Public Safety</u>				
Sheriff's Department	1,721,792	1,699,761	1,776,195	54,403
Administration of the Sexual Offender Registry	4,694	0	10,000	5,306
Jail	1,830,783	1,643,573	1,861,038	30,255
Juvenile Services	247,235	257,864	260,428	13,193
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	59,853	53,315	62,184	2,331
Rescue Squad	8,000	8,000	8,000	0
County Coroner/Medical Examiner	26,101	21,659	30,359	4,258
<u>Public Health and Welfare</u>				
Local Health Center	60,546	63,352	66,752	6,206
Other Local Health Services	252,545	343,000	332,000	79,455
General Welfare Assistance	1,096	2,250	2,250	1,154
Other Local Welfare Services	122	244	244	122
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	80,841	78,678	81,478	637
Libraries	51,987	52,825	52,825	838
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	48,283	49,498	49,498	1,215

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Other Operations</u>				
Tourism	\$ 68,339	\$ 73,035	\$ 73,035	\$ 4,696
Airport	664,205	301,350	674,060	9,855
Veterans' Services	47,423	48,409	48,409	986
Contributions to Other Agencies	123,753	97,000	125,753	2,000
Miscellaneous	650,511	581,050	654,050	3,539
<u>Highways</u>				
Highway and Bridge Maintenance	235	235	235	0
Total Expenditures	<u>\$ 9,564,357</u>	<u>\$ 8,634,484</u>	<u>\$ 9,987,796</u>	<u>\$ 423,439</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 351,963</u>	<u>\$ 4,324</u>	<u>\$ (515,461)</u>	<u>\$ 867,424</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 30,561	0	0	\$ 30,561
Insurance Recovery	8,525	0	8,525	0
Total Other Financing Sources	<u>\$ 39,086</u>	<u>\$ 0</u>	<u>\$ 8,525</u>	<u>\$ 30,561</u>
Net Change in Fund Balance	\$ 391,049	4,324	(506,936)	\$ 897,985
Fund Balance, July 1, 2018	<u>2,169,855</u>	<u>2,129,163</u>	<u>2,129,163</u>	<u>40,692</u>
Fund Balance, June 30, 2019	<u><u>\$ 2,560,904</u></u>	<u><u>\$ 2,133,487</u></u>	<u><u>\$ 1,622,227</u></u>	<u><u>\$ 938,677</u></u>

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,749,692	\$ 1,732,000	\$ 1,732,000	\$ 17,692
Other Local Revenues	28,684	10,000	25,784	2,900
State of Tennessee	0	200,000	200,000	(200,000)
Federal Government	332,072	0	288,945	43,127
Total Revenues	\$ 2,110,448	\$ 1,942,000	\$ 2,246,729	\$ (136,281)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 2,020,822	\$ 1,846,208	\$ 2,235,221	\$ 214,399
Total Expenditures	\$ 2,020,822	\$ 1,846,208	\$ 2,235,221	\$ 214,399
Excess (Deficiency) of Revenues Over Expenditures	\$ 89,626	\$ 95,792	\$ 11,508	\$ 78,118
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 7,365	0	\$ 7,365	0
Total Other Financing Sources	\$ 7,365	0	\$ 7,365	0
Net Change in Fund Balance	\$ 96,991	\$ 95,792	\$ 18,873	\$ 78,118
Fund Balance, July 1, 2018	336,596	250,765	250,765	85,831
Fund Balance, June 30, 2019	\$ 433,587	\$ 346,557	\$ 269,638	\$ 163,949

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

Exhibit C-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 235	\$ 0	\$ 235	\$ 235	\$ 235	\$ 0
Other Local Revenues	42,134	0	42,134	6,000	36,733	5,401
State of Tennessee	3,432,871	0	3,432,871	1,876,000	3,280,556	152,315
Federal Government	348,247	0	348,247	0	348,247	0
Total Revenues	\$ 3,823,487	\$ 0	\$ 3,823,487	\$ 1,882,235	\$ 3,665,771	\$ 157,716
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 146,157	\$ 0	\$ 146,157	\$ 141,674	\$ 154,098	\$ 7,941
Highway and Bridge Maintenance	2,258,407	(175,500)	2,082,907	974,506	2,313,066	230,159
Operation and Maintenance of Equipment	500,452	0	500,452	253,276	577,513	77,061
Other Charges	113,839	0	113,839	61,250	119,456	5,617
Employee Benefits	123,975	0	123,975	137,500	130,090	6,115
Capital Outlay	327,252	0	327,252	0	327,252	0
<u>Principal on Debt</u>						
Highways and Streets	127,197	0	127,197	127,296	127,197	0
<u>Interest on Debt</u>						
General Government	0	0	0	13,971	283	283
Highways and Streets	13,831	0	13,831	0	13,831	0
Total Expenditures	\$ 3,611,110	\$ (175,500)	\$ 3,435,610	\$ 1,709,473	\$ 3,762,786	\$ 327,176
Excess (Deficiency) of Revenues Over Expenditures	\$ 212,377	\$ 175,500	\$ 387,877	\$ 172,762	\$ (97,015)	\$ 484,892
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 330,000	\$ 0	\$ 330,000	\$ 0	\$ 330,000	\$ 0
Total Other Financing Sources	\$ 330,000	\$ 0	\$ 330,000	\$ 0	\$ 330,000	\$ 0

(Continued)

Exhibit C-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 542,377	\$ 175,500	\$ 717,877	\$ 172,762	\$ 232,985	\$ 484,892
Fund Balance, July 1, 2018	288,371	(175,500)	112,871	709,436	709,436	(596,565)
Fund Balance, June 30, 2019	\$ 830,748	\$ 0	\$ 830,748	\$ 882,198	\$ 942,421	\$ (111,673)

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,204,776
Equity in Pooled Cash and Investments	158,165
Accounts Receivable	4,318
Due from Other Governments	446,946
Property Taxes Receivable	1,545,954
Allowance for Uncollectible Taxes	<u>(89,478)</u>
Total Assets	<u><u>\$ 3,270,681</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,073
Due to Other Taxing Units	1,939,709
Due to Litigants, Heirs, and Others	1,209,094
Due to Joint Ventures	<u>120,805</u>
Total Liabilities	<u><u>\$ 3,270,681</u></u>

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

SCOTT COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott 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 Scott County:

A. Reporting Entity

Scott County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Scott County (the primary government) and its component units. In addition, the financial statements of the Scott County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Unit – The Scott County Airport Authority was established by the Scott County Commission to provide oversight of the county's airport operations. The County Commission appoints all members of the authority's board. All revenues generated by the authority's projects have been assigned to the county for payment of obligations of the airport authority, and most financial transactions are accounted for through the county's General Fund. Long-term debt of the authority was assumed by the county and refinanced as general obligation debt of the county. That debt is retired through the General Debt Service Fund.

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

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

Administrative Office:

Scott County Emergency Communications District
P.O. Box 406
Huntsville, TN 37756

Related Organization – The Scott County Industrial Development Board is a related organization of Scott County. The county commission appoints the board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 Scott County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay

liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Scott County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

Fiduciary 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.

Scott 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.

Ambulance Service Fund – This special revenue fund accounts for the transactions of the Scott County Ambulance Service. Patient charges are the foundational revenues of this fund.

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

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

Rural Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related cost for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Additionally, Scott County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used in the acquisition or construction of major capital projects and for the purchase of other capital outlay items, such as equipment.

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 Scott County, 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 Scott 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 Scott 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 and the discretely presented Scott County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is assigned to various funds based on budgetary allocations. Scott 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. Other than the TCRS Stabilization Trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to three percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of

year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the discretely presented Scott County School Department represent amounts due for health insurance premiums, which will be drawn by the insurance pool during July and August.

3. Inventories

Inventories of Scott County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Scott 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 Scott County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Scott 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.

5. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5 - 15
Infrastructure	20 - 50

6. Deferred Outflows/Inflows of Resources

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

7. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The discretely presented School Department's policy allows employees to accumulate sick pay benefits but not vacation benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the government, except upon retirement as discussed in Note V.J. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

8. Long-term Debt and Long-term Obligations

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

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

withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position, Governmental Activities, reports \$3,785,676 of restricted net position, of which \$206,906 is restricted by enabling legislation.

As of June 30, 2019, Scott County had \$17,217,401 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The County Commission makes assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the discretely presented School Department's General Purpose School Fund represents amounts appropriated for use in the 2019-20 year budget.

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.

10. Special Item

As discussed in note V.I., Scott County School Department has discontinued any premium support for post-65 teachers participating in the state sponsored Medicare supplement plan. As a result, a special item totaling \$1,285,646 was recognized in the Government-wide Statement of Activities and all OPEB liabilities and deferrals related to that Medicare supplement plan for teachers was removed from the Statement of Net Position.

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 Scott County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Scott 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 Scott 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 Scott County. For this purpose, Scott County recognizes benefit payments when due and payable in accordance with benefit terms. Scott County's OPEB plan is not administered through a trust.

Discretely Presented Scott County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Scott County School Department

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

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

Primary Government

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

Discretely Presented Scott County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2019, Scott County reported outstanding encumbrances in the following budgeted funds:

<u>Fund</u>	<u>Amount</u>
Primary Government	
Nonmajor governmental	\$ 99,189

B. Results of Investigations by Comptroller's Office

The Comptroller of the Treasury, Division of Investigations, has conducted an investigation related to an allegation received involving the Scott County Airport Authority. The investigation resulted in a report dated November 8, 2018, regarding deficiencies in time reporting and reconciling airpark payments with airpark agreements. That report is available on the Comptroller of the Treasury' website:

<https://www.comptroller.tn.gov/content/dam/cot/ia/advanced-search/2018/airport/scottcountyairport1.pdf>

Other investigations are pending and reports, if any, resulting from these investigations can be found on the Comptroller of the Treasury's website, <https://www.comptroller.tn.gov/ia/>, and may be disclosed in subsequent reports.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Career and Technical Education Program major appropriations category (the legal level of control) of the discretely presented School Department's General Purpose School fund by \$1,186. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by fund balance in the General Purpose School Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

Oher than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

Legal Provisions. The Scott 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 Scott 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 fair 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 Scott 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	\$ 11,357
Developed Market International Equity	N/A	N/A	5,129
Emerging Market International Equity	N/A	N/A	1,465
U.S. Fixed Income	N/A	N/A	7,327
Real Estate	N/A	N/A	3,663
Short-term Securities	N/A	N/A	366
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>7,327</u>
Total			<u><u>\$ 36,634</u></u>

Investment by fair value level	Fair Value	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 11,357	\$ 11,357	0	0	0
Developed Market International Equity	5,129	5,129	0	0	0
Emerging Market International Equity	1,465	1,465	0	0	0
U.S. Fixed Income	7,327	0	7,327	0	0
Real Estate	3,663	0	0	3,663	0
Short-term Securities	366	0	366	0	0
Private Equity and Strategic Lending	7,327	0	0	0	7,327
Total	<u>\$ 36,634</u>	<u>\$ 17,951</u>	<u>\$ 7,693</u>	<u>\$ 3,663</u>	<u>7,327</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 Scott 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 Scott 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. Scott 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 Scott County School Department to pay retirement benefits of the School Department employees.

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

B. Capital Assets

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

Primary Government - Governmental Activities

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 1,964,885	\$ 0	\$ 0	\$ 1,964,885
Construction in Progress	32,796	0	0	32,796
Total Capital Assets Not Depreciated	\$ 1,997,681	\$ 0	\$ 0	\$ 1,997,681
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,184,292	\$ 791,548	\$ 0	\$ 19,975,840
Infrastructure	4,177,811	0	0	4,177,811
Other Capital Assets	5,773,714	1,005,215	(238,791)	6,540,138
Total Capital Assets Depreciated	\$ 29,135,817	\$ 1,796,763	\$ (238,791)	\$ 30,693,789
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,437,432	\$ 460,210	\$ 0	\$ 7,897,642
Infrastructure	966,052	104,445	0	1,070,497
Other Capital Assets	4,601,893	351,146	(233,791)	4,719,248
Total Accumulated Depreciation	\$ 13,005,377	\$ 915,801	\$ (233,791)	\$ 13,687,387
Total Capital Assets Depreciated, Net	\$ 16,130,440	\$ 880,962	\$ (5,000)	\$ 17,006,402
Governmental Activities Capital Assets, Net	\$ 18,128,121	\$ 880,962	\$ (5,000)	\$ 19,004,083

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

Governmental Activities:

General Government	\$ 431,318
Finance	4,116
Administration of Justice	3,028
Public Safety	212,348
Public Health and Welfare	111,470
Social, Cultural, and Recreational Services	476
Highways	153,045
Total Depreciation Expense - Governmental Activities	<u>\$ 915,801</u>

Discretely Presented Scott County School Department -

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 910,561	\$ 0	\$ 0	\$ 910,561
Total Capital Assets Not Depreciated	\$ 910,561	\$ 0	\$ 0	\$ 910,561
Capital Assets Depreciated:				
Buildings and Improvements	\$ 29,783,432	\$ 384,641	\$ 0	\$ 30,168,073
Infrastructure	257,625	0	0	257,625
Other Capital Assets	6,292,752	235,214	(58,970)	6,468,996
Total Capital Assets Depreciated	\$ 36,333,809	\$ 619,855	\$ (58,970)	\$ 36,894,694
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 13,463,390	\$ 750,872	\$ 0	\$ 14,214,262
Infrastructure	15,194	17,175	0	32,369
Other Capital Assets	4,592,267	296,399	(58,970)	4,829,696
Total Accumulated Depreciation	\$ 18,070,851	\$ 1,064,446	\$ (58,970)	\$ 19,076,327
Total Capital Assets Depreciated, Net	\$ 18,262,958	\$ (444,591)	\$ 0	\$ 17,818,367
Governmental Activities Capital Assets, Net	\$ 19,173,519	\$ (444,591)	\$ 0	\$ 18,728,928

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

Governmental Activities:

Instruction	\$ 7,228
Support Services	920,848
Operation of Non-instructional Services	<u>136,370</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,064,446</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,556
Rural Debt Service	General Debt Service	8,333

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

Interfund Transfers:

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

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u> Rural Debt Service Fund
Nonmajor governmental funds	\$ 147,131
Total	<u>\$ 147,131</u>

Discretely Presented Scott County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 15,000	0
General Purpose School Fund	0	108,927

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

The county made a transfer of \$147,131 from the Education Capital Projects Fund (a nonmajor governmental fund) to the Rural Debt Service fund to reimburse for a prior year transfer used to purchase buses.

The School Department made a one-time transfer of \$108,927 from the General Purpose School Fund to the School Federal Projects fund (a nonmajor governmental fund) to provide funds for cash flow purposes due to reimbursable grant programs.

D. Operating Leases

Scott County has leased operations of its nursing home to Preferred Health Services. The initial lease agreement expired August 31, 2013; however, the lease has been extended and will now expire August 31, 2034. Terms of the agreement call for Preferred Health Services to assume most of the current assets and liabilities of the nursing home and to pay Scott County a monthly fee. Payments under this agreement were \$116,791 for the year ended June 30, 2019. Future minimum lease payments under the agreement are as follows.

Year Ending June 30	Amount
2020	\$ 119,711
2021	122,703
2022	125,771
2023	128,915
2024	132,138
2025-2029	711,922
2030-2034	<u>805,467</u>
Total	<u>\$ 2,146,627</u>

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Scott County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the Debt Service Funds.

Direct Borrowing and Direct Placements – Scott County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to five years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes outstanding at June 30, 2019, will be retired from the Highway/Public Works Fund. All other loans included in long-term debt as of June 30, 2019, will be retired from the Debt Service Funds.

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

Type	Interest Rate		Final Maturity		Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	3 to 4.5 %		6-1-28	\$	1,250,000	\$ 785,000
General Obligation Bonds - Refunding	2 to 3.4		6-1-35		9,610,000	6,775,000
Direct Borrowing and Direct Placement:						
Capital Outlay Notes	3.59 to 3.75		2-15-24		830,000	632,497
Other Loans	Variable		5-25-35		26,594,938	18,327,339

Scott County has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority (PBAs). These loan agreements provide for the PBAs to loan funds to Scott County for various renovation and construction projects on an as needed basis. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (administrative, letter of credit, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2019:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-19	Interest Type	Interest Rates as of 6-30-19	Other Fees on Variable Rate Debt
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Montgomery County Public Building Authority

Various School Projects	\$ 3,000,000	\$ 786,000	Variable	2.04%	0.80%
Justice Center	9,654,938 (1)	6,929,938	Variable	2.04%	0.68%

City of Clarksville Public Building Authority

School Renovations and Improvements	13,940,000	<u>10,611,401</u>	Variable	1.95%	0.68%
Total		<u>\$ 18,327,339</u>			

(1) The total amount available for draws under this loan agreement was \$10,000,000. However, \$345,062 of that amount was never borrowed.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 580,000	\$ 219,201	\$ 799,201
2021	605,000	205,726	810,726
2022	580,000	191,201	771,201
2023	615,000	176,314	791,314
2024	850,000	159,820	1,009,820
2025-2029	4,100,000	409,252	4,509,252
2030-2034	190,000	24,990	214,990
3035	40,000	1,360	41,360
Total	<u>\$ 7,560,000</u>	<u>\$ 1,387,864</u>	<u>\$ 8,947,864</u>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 161,402	\$ 21,597	\$ 182,999
2021	167,355	15,645	183,000
2022	164,411	9,473	173,884
2023	68,382	5,225	73,607
2024	70,947	2,661	73,608
Total	<u>\$ 632,497</u>	<u>\$ 54,601</u>	<u>\$ 687,098</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 949,000	\$ 364,327	\$ 125,670	\$ 1,438,997
2021	992,000	345,376	118,988	1,456,364
2022	1,038,000	325,567	112,008	1,475,575
2023	1,087,000	304,842	104,708	1,496,550
2024	925,000	283,140	97,065	1,305,205
2025-2029	5,363,000	1,121,177	384,402	6,868,579
2030-2034	6,846,000	532,453	182,663	7,561,116
2035	1,127,339	19,251	5,656	1,152,246
Total	<u>\$ 18,327,339</u>	<u>\$ 3,296,133</u>	<u>\$ 1,131,160</u>	<u>\$ 22,754,632</u>

There is \$2,375,181 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$78, based on the 2010 federal census for residents living inside the Oneida Special School District and \$393 for residents living outside the Oneida Special School District. Debt per capita, including notes, bonds, other loans, and unamortized debt premiums, totaled \$897 for residents living inside the Oneida Special School District and \$1,259 for residents living outside the Oneida Special School District, based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 8,155,000	\$ 429,694	\$ 19,426,539
Additions	0	330,000	0
Reductions	(595,000)	(127,197)	(1,099,200)
Balance, June 30, 2019	<u>\$ 7,560,000</u>	<u>\$ 632,497</u>	<u>\$ 18,327,339</u>
Balance Due Within One Year	<u>\$ 580,000</u>	<u>\$ 161,402</u>	<u>\$ 949,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 26,519,836
Less: Balance Due Within One Year - Debt	(1,690,402)
Add: Unamortized Premium on Debt	<u>97,240</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 24,926,674</u>

During the year, the discretely presented Scott County School Department contributed \$373,029 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2018	\$ 279,858	\$ 1,821,769	\$ 359,857
Additions	247,523	0	44,395
Reductions	(278,144)	(56,188)	(198,370)
Balance, June 30, 2019	<u>\$ 249,237</u>	<u>\$ 1,765,581</u>	<u>\$ 205,882</u>
Balance Due Within One Year	<u>\$ 199,390</u>	<u>\$ 98,088</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2019	\$ 2,220,700
Less: Balance Due Within One Year - Other	<u>(297,478)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,923,222</u>

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

Discretely Presented Scott County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Other Postemployment Benefits
	<hr/>
Balance, July 1, 2018	\$ 6,554,487
Additions	567,457
Reductions	<hr/> (4,096,627)
	<hr/>
Balance, June 30, 2019	\$ 3,025,317
	<hr/>
Balance Due Within One Year	\$ 0
	<hr/>

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

G. Pledges of Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling \$30 for each motor-driven vehicle. The county pledged the tax collections to repay \$13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of Robbins Elementary, Burchfield Elementary, and Oneida schools. Upon payment and retirement of this debt, the tax will terminate. Future principal, estimated interest, and estimated fee requirements for the loans totaled \$13,249,935, payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were \$677,329 and \$601,800, respectively. Restricted fund balance in the General Debt Service Fund (\$206,906) represents the cumulative amount that these pledged revenues have exceeded the debt service requirements for the bonds since the inception of the wheel tax.

H. On-Behalf Payments – Discretely Presented Scott County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2019, were \$60,744 and \$37,208, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

Scott 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 Scott County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk 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, Scott County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this

statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

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

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

C. Contingent Liabilities

The county is involved in several pending lawsuits. Management believes the outcome of any lawsuits not covered by insurance will not materially affect the financial statements of the primary government or the discretely presented Scott County School Department.

D. Changes in Administration

The following changes in administration occurred in Scott County on September 1, 2018:

Office	Official Leaving	Succeeded By
County Mayor	Dale Perdue	Jeff Tibbals
Road Superintendent	Donald Sexton	Kelvin King
County Clerk	Patricia Phillips	Felicia Bilbrey
Register of Deeds	Porter Rector, Jr.	Ashley Riseden

E. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Scott County closed its sanitary landfill in 2007. The \$1,765,581 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual cost may be different due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operation of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Scott 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. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

G. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2019.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.99 percent, the non-certified employees of the discretely presented School Department comprise 35.01 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	228
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	436
Active Employees	373
Total	<u><u>1,037</u></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. Scott 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 Scott County was \$698,474 based on a rate of 6.84 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Scott 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)

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

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

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 28,421,713	\$ 29,687,542	\$ (1,265,829)
Changes for the Year:			
Service Cost	\$ 860,123	\$ 0	\$ 860,123
Interest	2,075,246	0	2,075,246
Differences Between Expected and Actual Experience	(397,742)	0	(397,742)
Changes in Assumptions	0	0	0
Contributions-Employer	0	668,599	(668,599)
Contributions-Employees	0	488,744	(488,744)
Net Investment Income	0	2,456,199	(2,456,199)
Benefit Payments, Including Refunds of Employee Contributions	(1,315,516)	(1,315,516)	0
Administrative Expense	0	(35,604)	35,604
Other Changes	0	0	0
Net Changes	\$ 1,222,111	\$ 2,262,422	\$ (1,040,311)
Balance, June 30, 2018	\$ 29,643,824	\$ 31,949,964	\$ (2,306,140)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	64.99%	\$ 19,265,521	\$ 20,764,282	\$ (1,498,760)
School Department	35.01%	10,378,303	11,185,682	(807,380)
Total		\$ 29,643,824	\$ 31,949,964	\$ (2,306,140)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Scott 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	\$ 1,510,501	\$ (2,306,140)	\$ (5,457,668)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, Scott County recognized (negative) pension expense of (\$178,990).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 795,220
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	131,449
Changes in Assumptions	404,564	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	698,474	N/A
Total	\$ 1,103,038	\$ 926,669

- (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	\$ 717,150	\$ 602,242
School Department	385,888	324,427
Total	<u>\$ 1,103,038</u>	<u>\$ 926,669</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	\$ 52,213
2021	(138,520)
2022	(294,070)
2023	(141,723)
2024	0
Thereafter	0

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

Discretely Presented Scott County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.99 percent and the non-certified employees of the discretely presented School Department comprise 35.01 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Scott 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 \$35,975, which is 1.94 percent of covered payroll. In addition, employer contributions of \$34,785, 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 (\$65,969) 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 .145457 percent. The proportion as of June 30, 2017, was .146833 percent.

Pension Expense. For the year ended June 30, 2019, the School Department recognized pension expense of \$22,519.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,736	\$ 2,628
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,726
Changes in Assumptions	3,112	0
Changes in Proportion of Net Pension Liability (Asset)	739	664
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	35,975	N/A
Total	\$ 43,562	\$ 7,018

The School Department's employer contributions of \$35,975, 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	\$ (493)
2021	(611)
2022	(1,143)
2023	(169)
2024	328
Thereafter	2,658

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$	10,199	\$	(65,969)	\$	(122,086)
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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 Scott 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 Scott County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$1,085,510, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2019, the School Department reported a liability (asset) of (\$1,058,201) 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 .300718 percent. The proportion measured at June 30, 2017, was .302019 percent.

Pension Expense. For the year ended June 30, 2019, the School Department recognized (negative) pension expense of (\$270,561).

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	\$ 213,898	\$ 1,427,597
Changes in Assumptions	624,979	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	230,309
Changes in Proportion of Net Pension Liability (Asset)	101,690	8,764
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,085,510	N/A
Total	<u>\$ 2,026,077</u>	<u>\$ 1,666,670</u>

The School Department's employer contributions of \$1,085,510 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease (increase) in net pension liability (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	\$ 250,496
2021	(305,585)
2022	(572,294)
2023	(98,719)
2024	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 8,157,279 \$ (1,058,201) \$ (8,682,727)

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 \$91,919 and teachers contributed \$23,296 to this deferred compensation pension plan.

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

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

Retirees of Scott County, the Scott County Ambulance Service (Amb) and the Scott County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The retirees of the Scott County Ambulance Service and the Scott County Highway Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The primary government's LGPs are combined for presentation purposes. Likewise, the School Department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Certified and noncertified employees of the School

Department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the Scott County School Department does not provide premium support for teachers in the TNM plan.

The county and the 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 percent with an amount added to approximate the effect of the excise tax (.28% for LGP and .32% for LEP) TN-Ms: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the 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 - 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 Scott County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. Scott County has elected that as of June 30, 2019, active employees will no longer be allowed to participate in this plan. Current retirees as of that date will continue to be eligible for participation.

Benefits Provided. Scott County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants. 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 *Tennessee Code Annotated (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. Scott 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:

	Scott County	Amb Service	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	0	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0	0
Active Employees	136	24	13	173
Active Employees Not Eligible for Future Benefits	7	0	2	9
Total	143	24	15	182

An insurance committee, created in accordance with *TCA* 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, the county paid \$769 (Scott County - \$707, Ambulance Service - \$23, Highway Dept - \$39) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Scott County	Amb. Service	Hwy Dept.	Total OPEB Liability
Balance July 1, 2017	\$ 154,051	\$ 37,040	\$ 22,827	\$ 213,918
Changes for the Year:				
Service Cost	\$ 17,452	\$ 3,795	\$ 2,452	\$ 23,699
Interest	6,073	1,451	899	8,423
Changes in Benefit Terms	0	0	0	0
Difference between Expected and Actual Experience	(106,415)	(28,241)	(16,485)	(151,141)
Changes in Assumption and Other Inputs	1,453	(199)	848	2,102
Benefit Payments	(1,825)	(135)	(37)	(1,997)
Net Changes	\$ (83,262)	\$ (23,329)	\$ (12,323)	\$ (118,914)
Balance June 30, 2018	\$ 70,789	\$ 13,711	\$ 10,504	\$ 95,004

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$15,342 (Scott County - \$12,123, Ambulance Service - \$2,133, Highway Dept - \$1,086). At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DI - Scott County \$95,773, Amb \$25,388, Hwy \$14,227)	\$ 0	\$ 135,388
Changes of Assumptions/Inputs (DO - County \$1,308, Amb \$0, Hwy \$732) (DI - County \$7,597, Amb \$2,271, Hwy \$772)	2,040	10,640
Benefits Paid After the Measurement Date (DO - County \$707, Amb \$23, Hwy \$39)	769	0
Total	\$ 2,809	\$ 146,028

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

Year Ending June 30	County	Amb	Hwy	Total Amount
2020	\$ (11,402)	\$ (3,113)	\$ (2,265)	\$ (16,780)
2021	(11,402)	(3,113)	(2,265)	(16,780)
2022	(11,402)	(3,113)	(2,265)	(16,780)
2023	(11,402)	(3,113)	(2,265)	(16,780)
2024	(11,402)	(3,113)	(2,265)	(16,780)
Thereafter	(45,052)	(12,094)	(2,942)	(60,088)

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

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

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
County	\$ 78,193	\$ 70,789	\$ 64,051
Amb	14,820	13,711	12,659
Hwy	10,930	10,504	10,091
Total OPEB Liability	<u>\$ 103,943</u>	<u>\$ 95,004</u>	<u>\$ 86,801</u>

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

	1% Decrease 5.75 to 2.81%	Current Trend Rate 6.75 to 3.81%	1% Increase 7.75 to 4.81%
County	\$ 60,003	\$ 70,789	\$ 84,224
Amb	12,075	13,711	15,695
Hwy	9,820	10,504	11,248
Total OPEB Liability	\$ 81,898	\$ 95,004	\$ 111,167

Closed Tennessee Plan – Medicare (Primary Government and Discretely Presented School Department)

Plan Description. Employees of Scott County and noncertified employees of the discretely presented Scott County School Department who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Scott County and the discretely presented School Department provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service.

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	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	9
Active Employees	464
Total	<u><u>485</u></u>

Employees of the primary government comprise 28 percent of the plan and employees of the discretely presented School Department comprise 72 percent of the plan.

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2019, the county paid \$5,813 (primary government - \$1,628 and School Department - \$4,185) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Primary Government 28%	School Department 72%	Total OPEB Liability
Balance July 1, 2017	\$ 125,091	\$ 321,660	\$ 446,751
Changes for the Year:			
Service Cost	\$ 5,357	\$ 13,775	\$ 19,132
Interest	4,614	11,866	16,480
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	(21,500)	(55,284)	(76,784)
Changes in Assumption and Other Inputs	(1,032)	(2,653)	(3,685)
Benefit Payments	(1,652)	(4,248)	(5,900)
Net Changes	\$ (14,213)	\$ (36,544)	\$ (50,757)
Balance June 30, 2018	\$ 110,878	\$ 285,116	\$ 395,994

In the prior year, Scott County reported separate TNM plans for the Ambulance Service and Highway Department. Those plans have been discontinued and the liability balances at the end of the previous year (Ambulance - \$11,499 and Highway - \$9,350) have been removed from the financial statements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$21,383 (primary government - \$5,987 and School Department - \$15,396). At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 19,111
Changes of Assumptions/Inputs	0	11,282
Benefits Paid After the Measurement Date	1,628	0
Total	\$ 1,628	\$ 30,393

Discretely Presented School Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 49,141
Changes of Assumptions/Inputs	0	29,012
Benefits Paid After the Measurement Date	4,185	0
Total	<u>\$ 4,185</u>	<u>\$ 78,153</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	Primary Government 28%	School Department 72%	Total Amount
2020	\$ (3,984)	\$ (10,245)	\$ (14,229)
2021	(3,984)	(10,245)	(14,229)
2022	(3,984)	(10,245)	(14,229)
2023	(3,984)	(10,245)	(14,229)
2024	(3,984)	(10,245)	(14,229)
Thereafter	(10,472)	(26,929)	(37,401)

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

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

			1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Primary Government	28%	\$	129,749	\$ 110,878	\$ 95,390
School Department	72%		333,641	285,116	245,289
Total OPEB Liability		\$	463,390	\$ 395,994	\$ 340,679

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

Plan Description. Employees of the Scott 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 Scott County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees including teachers, support staff, and disabled participants. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Scott County provided a direct subsidy of \$276 per month toward the cost of the insurance plan selected by the retiree. 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>
Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Future Benefits	338
Active Employees Not Eligible for Future Benefits	22
Total	<u><u>374</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 \$121,613 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Scott County	State of	Total OPEB
	School Department	TN	
	68.0048%	31.9952%	Liability
Balance July 1, 2017	\$ 5,011,639	\$ 1,792,384	\$ 6,804,023
Changes for the Year:			
Service Cost	\$ 285,380	\$ 134,267	\$ 419,647
Interest	172,190	81,012	253,202
Changes in Benefit Terms	(1,824,259)	(858,285)	(2,682,544)
Difference between Expected and Actuarial Experience	(453,096)	(213,174)	(666,270)
Changes in Assumption and Other Inputs	84,246	39,637	123,883
Benefit Payments	(151,322)	(71,195)	(222,517)
Change in Proportionate Share	(384,576)	384,576	0
Net Changes	\$ (2,271,437)	\$ (503,162)	\$ (2,774,599)
Balance June 30, 2018	\$ 2,740,202	\$ 1,289,222	\$ 4,029,424

The Scott 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 Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Scott County School employees was negative. Consequently, Scott County has recorded the negative collective OPEB expense (\$2,093,075) and recorded negative operating grants and contributions revenues (\$632,430) for the nonemployer share of the collective OPEB expense.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability was 68.0048% and the State of Tennessee's share was 31.9952%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. As stated above, for the year ended June 30, 2019, the School Department recognized negative OPEB expense of \$2,093,075, which includes

the state share of negative expenses of \$632,430. 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	\$ 409,944
Changes of Assumptions/Inputs	76,223	183,374
Changes in Proportions	0	353,907
Benefits Paid After the Measurement Date	121,613	0
Total	<u>\$ 197,836</u>	<u>\$ 947,225</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>School Department</u>
2020	\$ (93,956)
2021	(93,956)
2022	(93,956)
2023	(93,956)
2024	(93,956)
Thereafter	(401,222)

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%	Current Discount Rate	1%
	Decrease		Increase
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,951,095	\$ 2,740,202	\$ 2,540,148
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,422,043	\$ 2,740,202	\$ 3,116,874
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Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Teacher Plan

In prior years, Scott County School Department offered other postemployment benefits through premium support for a state sponsored Medicare supplement plan for teachers. The School Department has discontinued any premium support for that plan and the liability and related deferrals for that plan at the end of the previous fiscal year totaling (\$1,285,646) has been removed from the financial statements.

Noncertified Employees

Noncertified employees of the Scott County School Department participate in the closed Tennessee Plan – Medicare (Primary Government and Discretely Presented School Department) previously discussed.

J. Termination Benefits

The Scott County Board of Education adopted a policy to pay certified employees \$65 for each sick leave day that they had accumulated at the time of their retirement. Since payments will be calculated and made at the actual time of retirement, the amount of future payments was not measurable at June 30, 2019. Payments totaling \$23,075 were paid to individuals who retired during the year ending June 30, 2019.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Scott County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Offices of County Mayor, Superintendent of Roads, and Director of Schools are required to be competitively bid.

REQUIRED SUPPLEMENTARY INFORMATION

Scott 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	\$ 707,578	\$ 761,122	\$ 798,442	\$ 796,601	\$ 860,123
Interest	1,788,261	1,833,841	1,930,160	2,006,895	2,075,246
Changes in Benefit Terms	0	0			
Differences Between Actual and Expected Experience	(858,120)	(170,820)	(488,496)	(412,439)	(397,742)
Changes in Assumptions	0	0	0	674,274	0
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)
Net Change in Total Pension Liability	\$ 606,025	\$ 1,288,774	\$ 1,021,069	\$ 1,854,097	\$ 1,222,111
Total Pension Liability, Beginning	23,651,748	24,257,773	25,546,547	26,567,616	28,421,713
Total Pension Liability, Ending (a)	\$ 24,257,773	\$ 25,546,547	\$ 26,567,616	\$ 28,421,713	\$ 29,643,824
Plan Fiduciary Net Position					
Contributions - Employer	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599
Contributions - Employee	437,771	458,184	473,281	491,666	488,744
Net Investment Income	3,621,707	783,535	692,957	3,026,444	2,456,199
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)
Administrative Expense	(14,181)	(19,101)	(28,324)	(32,874)	(35,604)
Net Change in Plan Fiduciary Net Position	\$ 3,613,518	\$ 714,955	\$ 559,405	\$ 2,938,653	\$ 2,262,422
Plan Fiduciary Net Position, Beginning	21,861,011	25,474,529	26,189,484	26,748,889	29,687,542
Plan Fiduciary Net Position, Ending (b)	\$ 25,474,529	\$ 26,189,484	\$ 26,748,889	\$ 29,687,542	\$ 31,949,964
Net Pension Liability (Asset), Ending (a - b)	\$ (1,216,756)	\$ (642,937)	\$ (181,273)	\$ (1,265,829)	\$ (2,306,140)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	102.52%	100.68%	104.45%	107.78%
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.85%)	(7.02%)	(1.94%)	(13.05%)	(23.59%)

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599	\$ 698,474
Less Contributions in Relation to the Actuarially Determined Contribution	(599,915)	(627,706)	(640,528)	(664,651)	(668,599)	(698,474)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854	\$ 10,211,558
Contributions as a Percentage of Covered Payroll	6.83%	6.85%	6.85%	6.85%	6.84%	6.84%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 10,385	\$ 26,542	\$ 38,549	\$ 50,845	\$ 35,975
Less Contributions in Relation to the Contractually Required Contribution	(10,385)	(26,542)	(38,549)	(50,845)	(35,975)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709	\$ 1,271,106	\$ 1,852,627
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* - In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed \$34,785 into the Pension Stabilization Reserve Trust.

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 971,075	\$ 978,048	\$ 974,896	\$ 965,129	\$ 956,139	\$ 1,085,510
Less Contributions in Relation to the Contractually Required Contribution	(971,075)	(978,048)	(974,896)	(965,129)	(956,139)	(1,085,510)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145	\$ 10,379,157
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.122379%	0.150805%	0.146833%	0.145457%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,028)	\$ (15,699)	\$ (38,740)	\$ (65,969)
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709	\$ 1,271,106
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liabilit (Asset)	0.278613%	0.289010%	0.298749%	0.302019%	0.300718%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (45,273)	\$ 118,387	\$ 1,867,018	\$ (98,816)	\$ (1,058,201)
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.41%	1.09%	17.31%	(0.93%)	(10.05%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Scott County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Government PlansFor the Fiscal Year Ended June 30**Scott County Plan**

	2017	2018
Total OPEB Liability		
Service Cost	\$ 18,534	17,452
Interest	4,638	6,073
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(106,415)
Changes in Assumptions or Other Inputs	(9,407)	1,453
Benefit Payments	0	(1,825)
Net Change in Total OPEB Liability	\$ 13,765	(83,262)
Total OPEB Liability, Beginning	140,286	154,051
Total OPEB Liability, Ending	\$ 154,051	70,789

Covered Employee Payroll	\$ 4,587,329	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.36%	N/A

Ambulance Service Plan

	2017	2018
Total OPEB Liability		
Service Cost	\$ 4,074	3,795
Interest	1,124	1,451
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(28,241)
Changes in Assumptions or Other Inputs	(2,572)	(199)
Benefit Payments	0	(135)
Net Change in Total OPEB Liability	\$ 2,626	(23,329)
Total OPEB Liability, Beginning	34,414	37,040
Total OPEB Liability, Ending	\$ 37,040	13,711

Covered Employee Payroll	\$ 1,022,071	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.62%	N/A

(Continued)

Scott County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans (Cont.)**Highway Department Plan**

	2017	2018
Total OPEB Liability		
Service Cost	\$ 2,594	2,452
Interest	677	899
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(16,485)
Changes in Assumptions or Other Inputs	(1,018)	848
Benefit Payments	0	(37)
Net Change in Total OPEB Liability	\$ 2,253	(12,323)
Total OPEB Liability, Beginning	20,574	22,827
Total OPEB Liability, Ending	\$ 22,827	10,504
Covered Employee Payroll	\$ 726,472	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.14%	N/A

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

Note 2. Changes in assumptions.

(a) The following are the discount rates used in each period:

2017 2.92%

2018 3.56%

2019 3.62%

(b) The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4% to 6.75%.

Note 3: In 2019 Scott County limited these OPEB benefits to current retirees only.

Scott County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - MedicareScott County, Tennessee, and the Discretely Presented Scott County School DepartmentFor the Fiscal Year Ended June 30**Scott County Plan (Includes noncertified employees of the discretely presented School Department)**

	2017	2018
Total OPEB Liability		
Service Cost	\$ 22,393	19,132
Interest	14,089	16,480
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(76,784)
Changes in Assumptions or Other Inputs	(47,594)	(3,685)
Benefit Payments	(4,500)	(5,900)
Net Change in Total OPEB Liability	\$ (15,612)	(50,757)
Total OPEB Liability, Beginning	462,363	446,751
Total OPEB Liability, Ending	\$ 446,751	395,994
Covered Employee Payroll	\$ N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A
Scott County Proportion of Total OPEB Liability	\$ 125,091	110,878
Scott County School Department Proportion of Total OPEB Liability	321,660	285,116

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

Note 2. Changes in assumptions.

(a) The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

Exhibit E-9

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 453,311	419,647
Interest	205,071	253,202
Changes in Benefit Terms	0	(2,682,544)
Differences Between Actual and Expected Experience	0	(666,270)
Changes in Assumptions or Other Inputs	(333,097)	123,883
Benefit Payments	(181,827)	(222,517)
Net Change in Total OPEB Liability	\$ 143,458	(2,774,599)
Total OPEB Liability, Beginning	6,660,565	6,804,023
Total OPEB Liability, Ending	\$ 6,804,023	4,029,424
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,792,384	1,289,222
Employer Proportionate Share of the Total OPEB Liability	5,011,639	2,740,202
Covered Employee Payroll	\$ 15,396,919	15,540,075
Net OPEB Liability as a Percentage of Covered Employee Payroll	32.55%	17.63%

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

Note 2. Changes in assumptions.

(a) The following are the discount rates used in each period:

2017 2.92%

2018 3.56%

2019 3.62%

(b) The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4% to 6.75%.

SCOTT 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 4.00%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions associated with the operations of the county’s convenience centers.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for various capital expenditures of the county.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for capital expenditures made on behalf of the Scott County School Department.

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,400	\$ 1,400	\$ 0
Equity in Pooled Cash and Investments	602,337	84,744	0	687,081	345,865
Accounts Receivable	0	0	156	156	0
Due from Other Governments	2,438	0	0	2,438	0
Property Taxes Receivable	0	0	0	0	53,738
Allowance for Uncollectible Property Taxes	0	0	0	0	(3,112)
Total Assets	\$ 604,775	\$ 84,744	\$ 1,556	\$ 691,075	\$ 396,491
<u>LIABILITIES</u>					
Accounts Payable	\$ 2,689	\$ 0	\$ 0	\$ 2,689	\$ 0
Accrued Payroll	3,462	0	0	3,462	0
Due to Other Funds	0	0	1,556	1,556	0
Total Liabilities	\$ 6,151	\$ 0	\$ 1,556	\$ 7,707	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,388
Deferred Delinquent Property Taxes	0	0	0	0	1,955
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,343

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 84,744	\$ 0	\$ 84,744	\$ 0
Restricted for Public Health and Welfare	598,624	0	0	598,624	0
Restricted for Capital Projects	0	0	0	0	346,148
Total Fund Balances	<u>\$ 598,624</u>	<u>\$ 84,744</u>	<u>\$ 0</u>	<u>\$ 683,368</u>	<u>\$ 346,148</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 604,775</u>	<u>\$ 84,744</u>	<u>\$ 1,556</u>	<u>\$ 691,075</u>	<u>\$ 396,491</u>

(Continued)

Exhibit F-1

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

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
Accrued Payroll
Due to Other Funds
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Total Deferred Inflows of Resources

<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
Education Capital Projects	Total		
\$ 0	\$ 0	\$	1,400
71,499	417,364		1,104,445
0	0		156
0	0		2,438
11,973	65,711		65,711
(4,817)	(7,929)		(7,929)
<hr/>			
\$ 78,655	\$ 475,146	\$	1,166,221
<hr/>			
\$ 0	\$ 0	\$	2,689
0	0		3,462
0	0		1,556
<hr/>			
\$ 0	\$ 0	\$	7,707
<hr/>			
\$ 0	\$ 48,388	\$	48,388
7,016	8,971		8,971
<hr/>			
\$ 7,016	\$ 57,359	\$	57,359
<hr/>			

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety

 Restricted for Public Health and Welfare

 Restricted for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
Education Capital Projects	Total		
\$ 0	\$ 0	\$	84,744
0	0		598,624
71,639	417,787		417,787
<u>\$ 71,639</u>	<u>\$ 417,787</u>	<u>\$</u>	<u>1,101,155</u>
<u>\$ 78,655</u>	<u>\$ 475,146</u>	<u>\$</u>	<u>1,166,221</u>

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,613
Fines, Forfeitures, and Penalties	0	25,574	0	25,574	0
Charges for Current Services	297,556	0	3,267	300,823	0
Other Local Revenues	14,839	0	0	14,839	584
State of Tennessee	209,291	0	0	209,291	0
Federal Government	0	0	0	0	39,710
Other Governments and Citizens Groups	0	550	0	550	0
Total Revenues	\$ 521,686	\$ 26,124	\$ 3,267	\$ 551,077	\$ 90,907
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,621
Administration of Justice	0	0	3,267	3,267	5,499
Public Safety	0	55,272	0	55,272	29,999
Public Health and Welfare	384,285	0	0	384,285	0
Social, Cultural, and Recreational Services	0	0	0	0	1,186
Highways	13,022	0	0	13,022	1,025
Capital Projects	0	0	0	0	557
Total Expenditures	\$ 397,307	\$ 55,272	\$ 3,267	\$ 455,846	\$ 42,887
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 124,379	\$ (29,148)	\$ 0	\$ 95,231	\$ 48,020

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 124,379	\$ (29,148)	\$ 0	\$ 95,231	\$ 48,020
Fund Balance, July 1, 2018	474,245	113,892	0	588,137	298,128
Fund Balance, June 30, 2019	\$ 598,624	\$ 84,744	\$ 0	\$ 683,368	\$ 346,148

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 149,058	\$ 199,671	\$ 199,671
Fines, Forfeitures, and Penalties	0	0	25,574
Charges for Current Services	0	0	300,823
Other Local Revenues	0	584	15,423
State of Tennessee	0	0	209,291
Federal Government	0	39,710	39,710
Other Governments and Citizens Groups	0	0	550
Total Revenues	<u>\$ 149,058</u>	<u>\$ 239,965</u>	<u>\$ 791,042</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 4,621	\$ 4,621
Administration of Justice	0	5,499	8,766
Public Safety	0	29,999	85,271
Public Health and Welfare	0	0	384,285
Social, Cultural, and Recreational Services	0	1,186	1,186
Highways	0	1,025	14,047
Capital Projects	3,015	3,572	3,572
Total Expenditures	<u>\$ 3,015</u>	<u>\$ 45,902</u>	<u>\$ 501,748</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 146,043</u>	<u>\$ 194,063</u>	<u>\$ 289,294</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (147,131)	\$ (147,131)	\$ (147,131)
Total Other Financing Sources (Uses)	<u>\$ (147,131)</u>	<u>\$ (147,131)</u>	<u>\$ (147,131)</u>
Net Change in Fund Balances	\$ (1,088)	\$ 46,932	\$ 142,163
Fund Balance, July 1, 2018	<u>72,727</u>	<u>370,855</u>	<u>958,992</u>
Fund Balance, June 30, 2019	<u>\$ 71,639</u>	<u>\$ 417,787</u>	<u>\$ 1,101,155</u>

Exhibit F-3

Scott 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	\$ 297,556	\$ 192,000	\$ 192,000	\$ 105,556
Other Local Revenues	14,839	16,000	16,000	(1,161)
State of Tennessee	209,291	42,000	70,986	138,305
Total Revenues	<u>\$ 521,686</u>	<u>\$ 250,000</u>	<u>\$ 278,986</u>	<u>\$ 242,700</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 378,885	\$ 178,397	\$ 399,410	\$ 20,525
Postclosure Care Costs	5,400	15,500	10,500	5,100
<u>Highways</u>				
Litter and Trash Collection	13,022	25,000	25,000	11,978
Total Expenditures	<u>\$ 397,307</u>	<u>\$ 218,897</u>	<u>\$ 434,910</u>	<u>\$ 37,603</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 124,379</u>	<u>\$ 31,103</u>	<u>\$ (155,924)</u>	<u>\$ 280,303</u>
Net Change in Fund Balance	\$ 124,379	\$ 31,103	\$ (155,924)	\$ 280,303
Fund Balance, July 1, 2018	<u>474,245</u>	<u>477,227</u>	<u>477,227</u>	<u>(2,982)</u>
Fund Balance, June 30, 2019	<u><u>\$ 598,624</u></u>	<u><u>\$ 508,330</u></u>	<u><u>\$ 321,303</u></u>	<u><u>\$ 277,321</u></u>

Exhibit F-4

Scott 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	\$ 25,574	\$ 30,000	\$ 30,000	\$ (4,426)
Other Governments and Citizens Groups	550	0	0	550
Total Revenues	\$ 26,124	\$ 30,000	\$ 30,000	\$ (3,876)
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 55,272	\$ 30,000	\$ 78,500	\$ 23,228
Total Expenditures	\$ 55,272	\$ 30,000	\$ 78,500	\$ 23,228
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,148)	\$ 0	\$ (48,500)	\$ 19,352
Net Change in Fund Balance	\$ (29,148)	\$ 0	\$ (48,500)	\$ 19,352
Fund Balance, July 1, 2018	113,892	112,023	112,023	1,869
Fund Balance, June 30, 2019	\$ 84,744	\$ 112,023	\$ 63,523	\$ 21,221

Exhibit F-5

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital 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>						
Local Taxes	\$ 50,613	\$ 0	\$ 50,613	\$ 43,590	\$ 45,390	\$ 5,223
Other Local Revenues	584	0	584	0	0	584
Federal Government	39,710	0	39,710	0	39,710	0
Total Revenues	<u>\$ 90,907</u>	<u>\$ 0</u>	<u>\$ 90,907</u>	<u>\$ 43,590</u>	<u>\$ 85,100</u>	<u>\$ 5,807</u>
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 4,621	\$ 99,189	\$ 103,810	\$ 6,000	\$ 105,189	\$ 1,379
<u>Administration of Justice</u>						
General Sessions Court	5,499	0	5,499	5,500	5,500	1
<u>Public Safety</u>						
Sheriff's Department	29,999	0	29,999	30,000	30,000	1
<u>Social, Cultural, and Recreational Services</u>						
Libraries	1,186	0	1,186	1,830	1,830	644
<u>Highways</u>						
Capital Outlay	1,025	0	1,025	0	1,800	775
<u>Capital Projects</u>						
Highway and Street Capital Projects	557	0	557	0	557	0
Total Expenditures	<u>\$ 42,887</u>	<u>\$ 99,189</u>	<u>\$ 142,076</u>	<u>\$ 43,330</u>	<u>\$ 144,876</u>	<u>\$ 2,800</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,020</u>	<u>\$ (99,189)</u>	<u>\$ (51,169)</u>	<u>\$ 260</u>	<u>\$ (59,776)</u>	<u>\$ 8,607</u>
Net Change in Fund Balance	\$ 48,020	\$ (99,189)	\$ (51,169)	\$ 260	\$ (59,776)	\$ 8,607
Fund Balance, July 1, 2018	<u>298,128</u>	<u>0</u>	<u>298,128</u>	<u>298,128</u>	<u>298,128</u>	<u>0</u>
Fund Balance, June 30, 2019	<u>\$ 346,148</u>	<u>\$ (99,189)</u>	<u>\$ 246,959</u>	<u>\$ 298,388</u>	<u>\$ 238,352</u>	<u>\$ 8,607</u>

Exhibit F-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 149,058	\$ 147,134	\$ 151,134	\$ (2,076)
Total Revenues	<u>\$ 149,058</u>	<u>\$ 147,134</u>	<u>\$ 151,134</u>	<u>\$ (2,076)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 3,015	\$ 147,131	\$ 4,000	\$ 985
Total Expenditures	<u>\$ 3,015</u>	<u>\$ 147,131</u>	<u>\$ 4,000</u>	<u>\$ 985</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 146,043</u>	<u>\$ 3</u>	<u>\$ 147,134</u>	<u>\$ (1,091)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (147,131)	\$ 0	\$ (147,131)	\$ 0
Total Other Financing Sources	<u>\$ (147,131)</u>	<u>\$ 0</u>	<u>\$ (147,131)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,088)	\$ 3	\$ 3	\$ (1,091)
Fund Balance, July 1, 2018	<u>72,727</u>	<u>218,342</u>	<u>218,342</u>	<u>(145,615)</u>
Fund Balance, June 30, 2019	<u><u>\$ 71,639</u></u>	<u><u>\$ 218,345</u></u>	<u><u>\$ 218,345</u></u>	<u><u>\$ (146,706)</u></u>

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Exhibit G-1

Scott 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	\$ 1,380,019	\$ 1,382,200	\$ 1,382,200	\$ (2,181)
Licenses and Permits	765	800	800	(35)
Other Local Revenues	157,429	150,000	150,000	7,429
Total Revenues	<u>\$ 1,538,213</u>	<u>\$ 1,533,000</u>	<u>\$ 1,533,000</u>	<u>\$ 5,213</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,082,200	\$ 950,300	\$ 1,082,200	\$ 0
<u>Interest on Debt</u>				
General Government	383,049	419,594	398,721	15,672
<u>Other Debt Service</u>				
General Government	144,797	105,840	147,907	3,110
Total Expenditures	<u>\$ 1,610,046</u>	<u>\$ 1,475,734</u>	<u>\$ 1,628,828</u>	<u>\$ 18,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (71,833)</u>	<u>\$ 57,266</u>	<u>\$ (95,828)</u>	<u>\$ 23,995</u>
Net Change in Fund Balance	\$ (71,833)	\$ 57,266	\$ (95,828)	\$ 23,995
Fund Balance, July 1, 2018	1,022,661	1,018,119	1,018,119	4,542
Fund Balance, June 30, 2019	<u><u>\$ 950,828</u></u>	<u><u>\$ 1,075,385</u></u>	<u><u>\$ 922,291</u></u>	<u><u>\$ 28,537</u></u>

Exhibit G-2

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural 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	\$ 685,993	\$ 637,762	\$ 637,762	\$ 48,231
Other Governments and Citizens Groups	373,029	373,029	373,029	0
Total Revenues	\$ 1,059,022	\$ 1,010,791	\$ 1,010,791	\$ 48,231
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 612,000	\$ 612,000	\$ 612,000	\$ 0
<u>Interest on Debt</u>				
Education	180,620	218,798	218,798	38,178
<u>Other Debt Service</u>				
Education	21,463	38,200	38,200	16,737
Total Expenditures	\$ 814,083	\$ 868,998	\$ 868,998	\$ 54,915
Excess (Deficiency) of Revenues Over Expenditures	\$ 244,939	\$ 141,793	\$ 141,793	\$ 103,146
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 147,131	\$ 147,131	\$ 147,131	\$ 0
Total Other Financing Sources	\$ 147,131	\$ 147,131	\$ 147,131	\$ 0
Net Change in Fund Balance	\$ 392,070	\$ 288,924	\$ 288,924	\$ 103,146
Fund Balance, July 1, 2018	1,032,283	1,029,353	1,029,353	2,930
Fund Balance, June 30, 2019	\$ 1,424,353	\$ 1,318,277	\$ 1,318,277	\$ 106,076

Fiduciary Funds

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

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

Special School District Fund – The Special School District Fund is used to account for the tax levy for the Special School District (Oneida). These revenues are received by Scott County and remitted to the Special School District on a monthly basis.

City School ADA - Oneida Fund – The City School ADA - Oneida Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school 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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for amounts held in an agency capacity for the Eighth Judicial District Drug Task Force.

Exhibit H-1

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

	Agency Funds					
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu - tional Officers - Agency	Judicial District Drug	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,204,776	\$ 0	\$ 1,204,776
Equity in Pooled Cash and Investments	0	11,018	58,726	0	88,421	158,165
Accounts Receivable	0	0	0	4,318	0	4,318
Due from Other Governments	302,083	0	111,406	0	33,457	446,946
Property Taxes Receivable	0	574,414	971,540	0	0	1,545,954
Allowance for Uncollectible Property Taxes	0	(33,213)	(56,265)	0	0	(89,478)
Total Assets	\$ 302,083	\$ 552,219	\$ 1,085,407	\$ 1,209,094	\$ 121,878	\$ 3,270,681
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,073	\$ 1,073
Due to Other Taxing Units	302,083	552,219	1,085,407	0	0	1,939,709
Due to Litigants, Heirs, and Others	0	0	0	1,209,094	0	1,209,094
Due to Joint Ventures	0	0	0	0	120,805	120,805
Total Liabilities	\$ 302,083	\$ 552,219	\$ 1,085,407	\$ 1,209,094	\$ 121,878	\$ 3,270,681

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,697,746	\$ 1,697,746	\$ 0
Due from Other Governments	300,297	302,083	300,297	302,083
Total Assets	\$ 300,297	\$ 1,999,829	\$ 1,998,043	\$ 302,083
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 300,297	\$ 1,999,829	\$ 1,998,043	\$ 302,083
Total Liabilities	\$ 300,297	\$ 1,999,829	\$ 1,998,043	\$ 302,083
<u>Special School District</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,109	\$ 487,933	\$ 480,024	\$ 11,018
Property Taxes Receivable	617,644	574,414	617,644	574,414
Allowance for Uncollectible Taxes	(34,202)	(33,213)	(34,202)	(33,213)
Total Assets	\$ 586,551	\$ 1,029,134	\$ 1,063,466	\$ 552,219
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 586,551	\$ 1,029,134	\$ 1,063,466	\$ 552,219
Total Liabilities	\$ 586,551	\$ 1,029,134	\$ 1,063,466	\$ 552,219
<u>City School ADA - Oneida Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 63,587	\$ 1,537,656	\$ 1,542,517	\$ 58,726
Due from Other Governments	108,226	111,406	108,226	111,406
Property Taxes Receivable	994,386	971,540	994,386	971,540
Allowance for Uncollectible Taxes	(55,197)	(56,265)	(55,197)	(56,265)
Total Assets	\$ 1,111,002	\$ 2,564,337	\$ 2,589,932	\$ 1,085,407
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,111,002	\$ 2,564,337	\$ 2,589,932	\$ 1,085,407
Total Liabilities	\$ 1,111,002	\$ 2,564,337	\$ 2,589,932	\$ 1,085,407

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,074,553	\$ 6,473,667	\$ 6,343,444	\$ 1,204,776
Accounts Receivable	656	4,318	656	4,318
Total Assets	<u>\$ 1,075,209</u>	<u>\$ 6,477,985</u>	<u>\$ 6,344,100</u>	<u>\$ 1,209,094</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,075,209</u>	<u>\$ 6,477,985</u>	<u>\$ 6,344,100</u>	<u>\$ 1,209,094</u>
Total Liabilities	<u>\$ 1,075,209</u>	<u>\$ 6,477,985</u>	<u>\$ 6,344,100</u>	<u>\$ 1,209,094</u>
<u>Judicial District Drug</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 120,104	\$ 276,853	\$ 308,536	\$ 88,421
Accounts Receivable	9,928	0	9,928	0
Due from Other Governments	0	33,457	0	33,457
Total Assets	<u>\$ 130,032</u>	<u>\$ 310,310</u>	<u>\$ 318,464</u>	<u>\$ 121,878</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 1,073	\$ 0	\$ 1,073
Due to Joint Venture	130,032	120,805	130,032	120,805
Total Liabilities	<u>\$ 130,032</u>	<u>\$ 121,878</u>	<u>\$ 130,032</u>	<u>\$ 121,878</u>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,074,553	\$ 6,473,667	\$ 6,343,444	\$ 1,204,776
Equity in Pooled Cash and Investments	186,800	4,000,188	4,028,823	158,165
Account Receivables	10,584	4,318	10,584	4,318
Due from Other Governments	408,523	446,946	408,523	446,946
Property Taxes Receivable	1,612,030	1,545,954	1,612,030	1,545,954
Allowance for Uncollectible Taxes	(89,399)	(89,478)	(89,399)	(89,478)
Total Assets	<u>\$ 3,203,091</u>	<u>\$ 12,381,595</u>	<u>\$ 12,314,005</u>	<u>\$ 3,270,681</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 1,073	\$ 0	\$ 1,073
Due to Other Taxing Units	1,997,850	5,593,300	5,651,441	1,939,709
Due to Litigants, Heirs, and Others	1,075,209	6,477,985	6,344,100	1,209,094
Due to Joint Venture	130,032	120,805	130,032	120,805
Total Liabilities	<u>\$ 3,203,091</u>	<u>\$ 12,193,163</u>	<u>\$ 12,125,573</u>	<u>\$ 3,270,681</u>

Scott County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 12,520,874	\$ 19,376	\$ 268,770	0	\$ (12,232,728)
Support Services	8,582,224	14,933	426,199	0	(8,141,092)
Operation of Non-instructional Services	2,902,363	196,427	2,853,624	0	147,688
Total Governmental Activities	\$ 24,005,461	\$ 230,736	\$ 3,548,593	0	\$ (20,226,132)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,061,172
Local Option Sales Taxes					1,414,634
Other Local Taxes					1,580
Grants and Contributions Not Restricted to Specific Programs					19,377,351
Gain on Investments					1,849
Miscellaneous					35,766
Total General Revenues					\$ 22,892,352
Special Item - See Note I.D.10					\$ 1,285,646
Change in Net Position					\$ 3,951,866
Net Position, July 1, 2018					21,307,451
Net Position, June 30, 2019					\$ 25,259,317

Exhibit I-2

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

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>ASSETS</u>			
Cash	\$ 0	\$ 9,618	\$ 9,618
Equity in Pooled Cash and Investments	8,804,751	1,552,762	10,357,513
Accounts Receivable	3,098	2,997	6,095
Due from Other Governments	688,757	99,973	788,730
Property Taxes Receivable	2,207,688	0	2,207,688
Allowance for Uncollectible Property Taxes	(127,854)	0	(127,854)
Restricted Assets	36,634	0	36,634
Total Assets	\$ 11,613,074	\$ 1,665,350	\$ 13,278,424
<u>LIABILITIES</u>			
Accounts Payable	\$ 23,196	\$ 32,584	\$ 55,780
Accrued Payroll	2,365,852	414,981	2,780,833
Payroll Deductions Payable	68,596	2,531	71,127
Other Current Liabilities	351,985	40,712	392,697
Total Liabilities	\$ 2,809,629	\$ 490,808	\$ 3,300,437
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,987,887	\$ 0	\$ 1,987,887
Deferred Delinquent Property Taxes	79,976	0	79,976
Other Deferred/Unavailable Revenue	119,731	0	119,731
Total Deferred Inflows of Resources	\$ 2,187,594	\$ 0	\$ 2,187,594
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 999,821	\$ 999,821
Restricted for Capital Outlay	125,959	0	125,959
Restricted for Hybrid Retirement Stabilization Funds	36,634	0	36,634
Committed:			
Committed for Education	0	174,721	174,721
Assigned:			
Assigned for Education	319,265	0	319,265
Unassigned	6,133,993	0	6,133,993
Total Fund Balances	\$ 6,615,851	\$ 1,174,542	\$ 7,790,393
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,613,074	\$ 1,665,350	\$ 13,278,424

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	7,790,393
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	910,561	
Add: building and improvements net of accumulated depreciation		15,953,811	
Add: infrastructure net of accumulated depreciation		225,256	
Add: other capital assets net of accumulated depreciation		<u>1,639,300</u>	18,728,928
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability (OPEB)			(3,025,317)
(3) Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions and OPEB will be amortized and recognized as components of expense in future years:			
Add: deferred outflows of resources related to pensions	\$	2,455,527	
Less: deferred inflows of resources related to pensions		(1,998,114)	
Add: deferred outflows of resources related to OPEB		202,021	
Less: deferred inflows of resources related to OPEB		<u>(1,025,378)</u>	(365,944)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds:			
Add: net pension assets of the agent plan	\$	807,380	
Add: net pension assets of the teacher plan		65,969	
Add: net pension assets of the teacher legacy plan		<u>1,058,201</u>	1,931,550
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>199,707</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>25,259,317</u></u>

Exhibit I-4

Scott County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Scott 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	\$ 3,492,058	\$ 0	\$ 3,492,058
Licenses and Permits	585	0	585
Charges for Current Services	47,929	163,431	211,360
Other Local Revenues	20,249	19,624	39,873
State of Tennessee	19,220,926	101,201	19,322,127
Federal Government	0	4,211,186	4,211,186
Other Governments and Citizens Groups	125,959	0	125,959
Total Revenues	\$ 22,907,706	\$ 4,495,442	\$ 27,403,148
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,841,489	\$ 2,073,850	\$ 15,915,339
Support Services	7,367,613	307,951	7,675,564
Operation of Non-Instructional Services	967,005	1,923,321	2,890,326
Capital Outlay	678,120	0	678,120
Debt Service:			
Other Debt Service	373,029	0	373,029
Total Expenditures	\$ 23,227,256	\$ 4,305,122	\$ 27,532,378
Excess (Deficiency) of Revenues Over Expenditures	\$ (319,550)	\$ 190,320	\$ (129,230)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 15,167	\$ 0	\$ 15,167
Transfers In	15,000	108,927	123,927
Transfers Out	(108,927)	(15,000)	(123,927)
Total Other Financing Sources (Uses)	\$ (78,760)	\$ 93,927	\$ 15,167
Net Change in Fund Balances	\$ (398,310)	\$ 284,247	\$ (114,063)
Fund Balance, July 1, 2018	7,014,161	890,295	7,904,456
Fund Balance, June 30, 2019	\$ 6,615,851	\$ 1,174,542	\$ 7,790,393

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (114,063)
(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	\$ 619,855	
Less: current-year depreciation expense	<u>(1,064,446)</u>	(444,591)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 199,707	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(215,959)</u>	(16,252)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset/liability	\$ 1,342,726	
Change in deferred outflows related to pensions	(37,889)	
Change in deferred inflows related to pensions	365,241	
Change in OPEB liability	3,529,170	
Change in deferred outflows related to OPEB	(2,631)	
Change in deferred inflows related to OPEB	<u>(669,845)</u>	<u>4,526,772</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,951,866</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 9,618	\$ 9,618
Equity in Pooled Cash and Investments	446,446	1,106,316	1,552,762
Accounts Receivable	0	2,997	2,997
Due from Other Governments	99,973	0	99,973
Total Assets	<u>\$ 546,419</u>	<u>\$ 1,118,931</u>	<u>\$ 1,665,350</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 32,000	\$ 584	\$ 32,584
Accrued Payroll	308,490	106,491	414,981
Payroll Deductions Payable	1,102	1,429	2,531
Other Current Liabilities	30,007	10,705	40,712
Total Liabilities	<u>\$ 371,599</u>	<u>\$ 119,209</u>	<u>\$ 490,808</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 99	\$ 999,722	\$ 999,821
Committed:			
Committed for Education	174,721	0	174,721
Total Fund Balances	<u>\$ 174,820</u>	<u>\$ 999,722</u>	<u>\$ 1,174,542</u>
Total Liabilities and Fund Balances	<u>\$ 546,419</u>	<u>\$ 1,118,931</u>	<u>\$ 1,665,350</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 163,431	\$ 163,431
Other Local Revenues	0	19,624	19,624
State of Tennessee	83,602	17,599	101,201
Federal Government	2,314,759	1,896,427	4,211,186
Total Revenues	<u>\$ 2,398,361</u>	<u>\$ 2,097,081</u>	<u>\$ 4,495,442</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,073,850	\$ 0	\$ 2,073,850
Support Services	307,951	0	307,951
Operation of Non-Instructional Services	1,645	1,921,676	1,923,321
Total Expenditures	<u>\$ 2,383,446</u>	<u>\$ 1,921,676</u>	<u>\$ 4,305,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,915</u>	<u>\$ 175,405</u>	<u>\$ 190,320</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 108,927	\$ 0	\$ 108,927
Transfers Out	(15,000)	0	(15,000)
Total Other Financing Sources (Uses)	<u>\$ 93,927</u>	<u>\$ 0</u>	<u>\$ 93,927</u>
Net Change in Fund Balances	\$ 108,842	\$ 175,405	\$ 284,247
Fund Balance, July 1, 2018	<u>65,978</u>	<u>824,317</u>	<u>890,295</u>
Fund Balance, June 30, 2019	<u>\$ 174,820</u>	<u>\$ 999,722</u>	<u>\$ 1,174,542</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,492,058	\$ 3,329,780	\$ 3,329,780	\$ 162,278
Licenses and Permits	585	500	500	85
Charges for Current Services	47,929	57,000	57,000	(9,071)
Other Local Revenues	20,249	0	0	20,249
State of Tennessee	19,220,926	18,959,392	19,565,759	(344,833)
Federal Government	0	5,500	5,500	(5,500)
Other Governments and Citizens Groups	125,959	0	0	125,959
Total Revenues	\$ 22,907,706	\$ 22,352,172	\$ 22,958,539	\$ (50,833)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 11,769,638	\$ 11,967,057	\$ 12,070,389	\$ 300,751
Alternative Instruction Program	90,032	92,875	91,775	1,743
Special Education Program	1,366,456	1,464,983	1,437,166	70,710
Career and Technical Education Program	615,363	680,610	673,813	58,450
<u>Support Services</u>				
Attendance	79,717	100,855	89,405	9,688
Health Services	351,259	243,298	369,242	17,983
Other Student Support	339,503	348,543	352,743	13,240
Regular Instruction Program	866,753	693,247	900,145	33,392
Special Education Program	210,625	211,769	217,784	7,159
Career and Technical Education Program	102,431	95,560	101,245	(1,186)
Technology	621,902	463,527	661,497	39,595
Other Programs	97,952	0	97,952	0
Board of Education	446,977	463,782	487,546	40,569
Director of Schools	238,739	242,664	257,414	18,675
Office of the Principal	921,649	978,417	976,967	55,318
Operation of Plant	1,628,582	1,615,116	1,716,276	87,694
Maintenance of Plant	297,175	281,841	309,665	12,490
Transportation	1,164,349	1,168,893	1,287,193	122,844
<u>Operation of Non-Instructional Services</u>				
Community Services	56,499	56,673	60,167	3,668
Early Childhood Education	910,506	945,790	949,640	39,134
<u>Capital Outlay</u>				
Regular Capital Outlay	678,120	75,000	874,459	196,339
<u>Principal on Debt</u>				
Education	0	166,128	0	0
<u>Interest on Debt</u>				
Education	0	21,128	0	0
<u>Other Debt Service</u>				
Education	373,029	185,773	373,029	0
Total Expenditures	\$ 23,227,256	\$ 22,563,529	\$ 24,355,512	\$ 1,128,256
Excess (Deficiency) of Revenues Over Expenditures	\$ (319,550)	\$ (211,357)	\$ (1,396,973)	\$ 1,077,423

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 15,167	\$ 0	\$ 0	\$ 15,167
Transfers In	15,000	15,000	15,000	0
Transfers Out	(108,927)	0	(108,927)	0
Total Other Financing Sources	<u>\$ (78,760)</u>	<u>\$ 15,000</u>	<u>\$ (93,927)</u>	<u>\$ 15,167</u>
Net Change in Fund Balance	\$ (398,310)	\$ (196,357)	\$ (1,490,900)	\$ 1,092,590
Fund Balance, July 1, 2018	<u>7,014,161</u>	<u>7,184,308</u>	<u>7,184,308</u>	<u>(170,147)</u>
Fund Balance, June 30, 2019	<u>\$ 6,615,851</u>	<u>\$ 6,987,951</u>	<u>\$ 5,693,408</u>	<u>\$ 922,443</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 83,602	\$ 0	\$ 83,602	\$ 0
Federal Government	2,314,759	2,167,139	2,909,747	(594,988)
Total Revenues	<u>\$ 2,398,361</u>	<u>\$ 2,167,139</u>	<u>\$ 2,993,349</u>	<u>\$ (594,988)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,439,971	\$ 1,284,363	\$ 1,709,595	\$ 269,624
Special Education Program	582,298	549,069	675,440	93,142
Career and Technical Education Program	51,581	43,133	51,582	1
<u>Support Services</u>				
Other Student Support	17,355	37,754	40,238	22,883
Regular Instruction Program	157,704	121,722	338,527	180,823
Special Education Program	96,118	71,528	116,499	20,381
Career and Technical Education Program	1,782	4,500	1,782	0
Board of Education	131	0	164	33
Transportation	34,861	40,070	42,869	8,008
<u>Operation of Non-Instructional Services</u>				
Food Service	1,645	0	1,653	8
Total Expenditures	<u>\$ 2,383,446</u>	<u>\$ 2,152,139</u>	<u>\$ 2,978,349</u>	<u>\$ 594,903</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,915</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ (85)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 108,927	\$ 0	\$ 109,205	\$ (278)
Transfers Out	(15,000)	(15,000)	(15,000)	0
Total Other Financing Sources	<u>\$ 93,927</u>	<u>\$ (15,000)</u>	<u>\$ 94,205</u>	<u>\$ (278)</u>
Net Change in Fund Balance	\$ 108,842	\$ 0	\$ 109,205	\$ (363)
Fund Balance, July 1, 2018	65,978	65,978	65,978	0
Fund Balance, June 30, 2019	<u><u>\$ 174,820</u></u>	<u><u>\$ 65,978</u></u>	<u><u>\$ 175,183</u></u>	<u><u>\$ (363)</u></u>

Exhibit I-10

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Scott 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	\$ 163,431	\$ 173,000	\$ 173,000	\$ (9,569)
Other Local Revenues	19,624	26,000	26,000	(6,376)
State of Tennessee	17,599	17,700	17,700	(101)
Federal Government	1,896,427	1,895,125	1,895,125	1,302
Total Revenues	<u>\$ 2,097,081</u>	<u>\$ 2,111,825</u>	<u>\$ 2,111,825</u>	<u>\$ (14,744)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,921,676	\$ 2,111,825	\$ 2,111,825	\$ 190,149
Total Expenditures	<u>\$ 1,921,676</u>	<u>\$ 2,111,825</u>	<u>\$ 2,111,825</u>	<u>\$ 190,149</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 175,405</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,405</u>
Net Change in Fund Balance	\$ 175,405	\$ 0	\$ 0	\$ 175,405
Fund Balance, July 1, 2018	<u>824,317</u>	<u>814,453</u>	<u>814,453</u>	<u>9,864</u>
Fund Balance, June 30, 2019	<u><u>\$ 999,722</u></u>	<u><u>\$ 814,453</u></u>	<u><u>\$ 814,453</u></u>	<u><u>\$ 185,269</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Scott County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans
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>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Road Resurface	500,000	2.94	10-15-12	10-15-18	\$ 30,554	0	\$ 30,554	\$ 0
Capital Outlay	500,000	3.59	5-8-17	2-8-22	399,140	0	96,643	302,497
Heavy Equipment	330,000	3.75	2-15-19	2-15-24	0	330,000		330,000
Total Notes Payable					<u>\$ 429,694</u>	<u>\$ 330,000</u>	<u>\$ 127,197</u>	<u>\$ 632,497</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreement</u>								
<u>Payable through General Debt Service Fund</u>								
Building and Equipment	1,000,000	Varies	3-1-1995	5-25-21	\$ 193,200	\$ 0	\$ 193,200	\$ 0
Justice Center and Highway Projects	9,654,938 (1)	Varies	2-27-07	5-25-34	7,222,938	0	293,000	6,929,938
School Renovations and Improvements	13,940,000	Varies	12-15-09	5-25-35	11,042,401	0	431,000	10,611,401
Total Payable through General Debt Service Fund					<u>\$ 18,458,539</u>	<u>0</u>	<u>\$ 917,200</u>	<u>\$ 17,541,339</u>
<u>Payable through Rural Debt Service Fund</u>								
Various Schools Projects	3,000,000	Varies	10-2-03	5-25-23	\$ 968,000	0	\$ 182,000	\$ 786,000
Total Payable through Rural Debt Service Fund					<u>\$ 968,000</u>	<u>0</u>	<u>\$ 182,000</u>	<u>\$ 786,000</u>
Total Other Loans Payable					<u>\$ 19,426,539</u>	<u>\$ 0</u>	<u>\$ 1,099,200</u>	<u>\$ 18,327,339</u>

(Continued)

Exhibit J-1

Scott County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Other Loans (Cont.)

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>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds, Series 2008	\$ 1,250,000	3 to 4.5 %	2-14-08	6-1-28	\$ 850,000	0	\$ 65,000	\$ 785,000
Refunding Bonds, Series 2014A	1,490,000	2 to 3.4	6-30-14	6-1-35	1,055,000	0	100,000	955,000
Total Payable through General Debt Service Fund					<u>\$ 1,905,000</u>	<u>\$ 0</u>	<u>\$ 165,000</u>	<u>\$ 1,740,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding Bonds, Series 2014B	8,120,000	2 to 3.25	6-30-14	6-1-29	\$ 6,250,000	0	\$ 430,000	\$ 5,820,000
Total Payable through Rural Debt Service Fund					<u>\$ 6,250,000</u>	<u>\$ 0</u>	<u>\$ 430,000</u>	<u>\$ 5,820,000</u>
Total Bonds Payable					<u>\$ 8,155,000</u>	<u>\$ 0</u>	<u>\$ 595,000</u>	<u>\$ 7,560,000</u>

(1) The total amount approved for draws under this loan agreement was \$10 million, of which \$345,062 has not been drawn. The county has notified the Public Building Authority that no further draws under this loan agreement will be necessary.

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 161,402	\$ 21,597	\$ 182,999
2021	167,355	15,645	183,000
2022	164,411	9,473	173,884
2023	68,382	5,225	73,607
2024	70,947	2,661	73,608
Total	\$ 632,497	\$ 54,601	\$ 687,098

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2020	949,000	364,327	125,670	1,438,997
2021	992,000	345,376	118,988	1,456,364
2022	1,038,000	325,567	112,008	1,475,575
2023	1,087,000	304,842	104,708	1,496,550
2024	925,000	283,140	97,065	1,305,205
2025	970,000	264,766	90,769	1,325,535
2026	1,019,000	245,498	84,167	1,348,665
2027	1,071,000	225,256	77,230	1,373,486
2028	1,123,000	203,982	69,940	1,396,922
2029	1,180,000	181,675	62,296	1,423,971
2030	1,239,000	158,236	54,264	1,451,500
2031	1,301,000	133,624	45,831	1,480,455
2032	1,366,000	107,782	36,975	1,510,757
2033	1,434,000	80,648	27,677	1,542,325
2034	1,506,000	52,163	17,916	1,576,079
2035	1,127,339	19,251	5,656	1,152,246
Total	\$ 18,327,339	\$ 3,296,133	\$ 1,131,160	\$ 22,754,632

(Continued)

Exhibit J-2

Scott County, TennesseeSchedule of Long-term Debt Requirements by Year (Cont.)GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	580,000	219,201	799,201
2021	605,000	205,726	810,726
2022	580,000	191,201	771,201
2023	615,000	176,314	791,314
2024	850,000	159,820	1,009,820
2025	885,000	136,871	1,021,871
2026	920,000	110,583	1,030,583
2027	970,000	82,226	1,052,226
2028	700,000	51,439	751,439
2029	625,000	28,133	653,133
2030	55,000	7,820	62,820
2031	30,000	5,950	35,950
2032	35,000	4,930	39,930
2033	35,000	3,740	38,740
2034	35,000	2,550	37,550
2035	40,000	1,360	41,360
Total	\$ 7,560,000	\$ 1,387,864	\$ 8,947,864

Exhibit J-3

Scott County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Scott 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>			
Education Capital Projects	Rural Debt Service	Reimbursement of Transfer from a Previous Year	<u>\$ 147,131</u>
Total Transfers Primary Government			<u><u>\$ 147,131</u></u>
<u>DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 15,000
General Purpose School	School Federal Projects	Cash Flow	<u>108,927</u>
Total Transfers Discretely Presented Scott County School Department			<u><u>\$ 123,927</u></u>

Exhibit J-4

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

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor				
Dale Purdue (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	\$ 16,968	\$ 100,000	RLI Insurance Company
Jeff Tibbals (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	66,270	100,000	"
Superintendent of Roads				
Donald Sexton (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	16,160	100,000	"
Kelvin King (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	63,116	100,000	"
Director of Schools	State Board of Education and County Board of Education	88,319 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	72,069	983,916	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,069	50,300	"
County Clerk				
Patricia Phillips (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	14,691	100,000	"
Felicia Bilbrey (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	57,378	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	72,069	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	72,069 (2)	100,000	"
Register of Deeds				
Porter Rector, Jr. (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	14,691	100,000	"
Ashley Riseden (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	57,378	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	79,876 (3)	100,000	"
Director of Finance	County Commission	72,067	100,000	"
Employee Blanket Bonds:				
Primary Government			400,000	Tennessee Risk Management Trust
School Department			400,000	"

(1) Includes a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$3,267.

(3) Includes law enforcement training supplement of \$600.

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,544,484	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Discount on Property Taxes	(35,720)	0	0	0	0	0
Trustee's Collections - Prior Year	216,374	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	221,901	0	0	0	0	0
Interest and Penalty	38,420	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	90	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	183,604	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	255,309	0	0	0	0	0
Hotel/Motel Tax	83,872	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	24,425	0	0	0	0	0
Litigation Tax - Special Purpose	93,185	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	1,147	0	0	0	0	0
Business Tax	140,978	0	0	0	0	235
Mineral Severance Tax	812	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	78,020	0	0	0	0	0
Wholesale Beer Tax	118,059	0	0	0	0	0
Total Local Taxes	\$ 4,964,960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 235
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	41,730	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 699	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 42,429	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 16,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,881	0	0	0	0	0
Game and Fish Fines	68	0	0	0	0	0
Drug Control Fines	0	0	0	14,009	0	0
Data Entry Fee - Circuit Court	486	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	380	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	63,741	0	0	0	0	0
Officers Costs	13,458	0	0	0	0	0
Game and Fish Fines	268	0	0	0	0	0
Drug Control Fines	0	0	0	11,565	0	0
Drug Court Fees	4,032	0	0	0	0	0
Jail Fees	1,711	0	0	0	0	0
Data Entry Fee - General Sessions Court	3,526	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	9,307	0	0	0	0	0
Data Entry Fee - Chancery Court	3,676	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 120,541	\$ 0	\$ 0	\$ 25,574	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 7,875	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	289,681	0	0	0	0
Patient Charges	0	0	1,749,692	0	0	0
Other General Service Charges	3,460	0	0	0	0	0
<u>Fees</u>						
Airport Fees	272,508	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	3,267	0
Data Processing Fee - Register	6,558	0	0	0	0	0
Probation Fees	16,313	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,150	0	0	0	0	0
Data Processing Fee - County Clerk	1,431	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	325	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	1,480	0	0	0	0	0
Total Charges for Current Services	\$ 308,225	\$ 297,556	\$ 1,749,692	\$ 0	\$ 3,267	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 153,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	210,288	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	6,388
Commissary Sales	11,102	0	0	0	0	0
Sale of Gasoline	620	0	0	0	0	0
Sale of Maps	415	0	0	0	0	0
Sale of Recycled Materials	0	14,390	0	0	0	0
Miscellaneous Refunds	98,732	449	28,684	0	0	35,746

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Property	\$ 7,711	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	3,900	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	16,100	0	0	0	0	0
Total Other Local Revenues	\$ 502,636	\$ 14,839	\$ 28,684	\$ 0	\$ 0	\$ 42,134
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 225,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	38,334	0	0	0	0	0
General Sessions Court Clerk	103,213	0	0	0	0	0
Clerk and Master	85,222	0	0	0	0	0
Register	84,329	0	0	0	0	0
Sheriff	13,628	0	0	0	0	0
Trustee	338,697	0	0	0	0	0
Total Fees Received From County Officials	\$ 888,587	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 3,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	16,200	0	0	0	0	0
Drug Control Grants	4,995	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	942,155
Litter Program	0	20,157	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 13,414	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	17,959	0	0	0	0	0
Alcoholic Beverage Tax	69,157	0	0	0	0	0
State Revenue Sharing - T.V.A.	608,926	0	0	0	0	0
State Revenue Sharing - Telecommunications	78,521	0	0	0	0	0
Contracted Prisoner Boarding	899,377	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,417,805
Petroleum Special Tax	0	0	0	0	0	16,038
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	262,627	189,134	0	0	0	0
Other State Revenues	177,019	0	0	0	0	56,873
Total State of Tennessee	\$ 2,166,972	\$ 209,291	\$ 0	\$ 0	\$ 0	\$ 3,432,871
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 288,945	\$ 0	\$ 0	\$ 0
Homeland Security Grants	27,869	0	0	0	0	0
Medicaid	0	0	43,127	0	0	0
Other Federal through State	894,101	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	348,247
Total Federal Government	\$ 921,970	\$ 0	\$ 332,072	\$ 0	\$ 0	\$ 348,247

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 550	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 550	\$ 0	\$ 0
Total	\$ 9,916,320	\$ 521,686	\$ 2,110,448	\$ 26,124	\$ 3,267	\$ 3,823,487

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 601,611	\$ 589,778	\$ 45,055	\$ 147,141	\$ 4,928,069
Discount on Property Taxes	(6,062)	(5,809)	(453)	(1,458)	(49,502)
Trustee's Collections - Prior Year	37,460	47,056	2,869	1,439	305,198
Circuit Clerk/Clerk and Master Collections - Prior Years	38,714	47,054	2,634	1,426	311,729
Interest and Penalty	6,496	7,914	508	510	53,848
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	90
Payments in-Lieu-of Taxes - Other	0	0	0	0	183,604
<u>County Local Option Taxes</u>					
Local Option Sales Tax	100,000	0	0	0	355,309
Hotel/Motel Tax	0	0	0	0	83,872
Wheel Tax	601,800	0	0	0	601,800
Litigation Tax - General	0	0	0	0	24,425
Litigation Tax - Special Purpose	0	0	0	0	93,185
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	1,147
Business Tax	0	0	0	0	141,213
Mineral Severance Tax	0	0	0	0	812
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	78,020
Wholesale Beer Tax	0	0	0	0	118,059
Total Local Taxes	\$ 1,380,019	\$ 685,993	\$ 50,613	\$ 149,058	\$ 7,230,878
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 765	\$ 0	\$ 0	\$ 0	\$ 765
Cable TV Franchise	0	0	0	0	41,730

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 699
Total Licenses and Permits	\$ 765	\$ 0	\$ 0	\$ 0	\$ 43,194
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,007
Officers Costs	0	0	0	0	3,881
Game and Fish Fines	0	0	0	0	68
Drug Control Fines	0	0	0	0	14,009
Data Entry Fee - Circuit Court	0	0	0	0	486
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0	0	380
<u>General Sessions Court</u>					
Fines	0	0	0	0	63,741
Officers Costs	0	0	0	0	13,458
Game and Fish Fines	0	0	0	0	268
Drug Control Fines	0	0	0	0	11,565
Drug Court Fees	0	0	0	0	4,032
Jail Fees	0	0	0	0	1,711
Data Entry Fee - General Sessions Court	0	0	0	0	3,526
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	9,307
Data Entry Fee - Chancery Court	0	0	0	0	3,676
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 146,115

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	7,875
Surcharge - Host Agency	0	0	0	0	289,681
Patient Charges	0	0	0	0	1,749,692
Other General Service Charges	0	0	0	0	3,460
<u>Fees</u>					
Airport Fees	0	0	0	0	272,508
Special Commissioner Fees/Special Master Fees	0	0	0	0	3,267
Data Processing Fee - Register	0	0	0	0	6,558
Probation Fees	0	0	0	0	16,313
Sexual Offender Registration Fee - Sheriff	0	0	0	0	6,150
Data Processing Fee - County Clerk	0	0	0	0	1,431
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	325
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	1,480
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,358,740
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	153,768
Lease/Rentals	157,429	0	0	0	367,717
Sale of Materials and Supplies	0	0	0	0	6,388
Commissary Sales	0	0	0	0	11,102
Sale of Gasoline	0	0	0	0	620
Sale of Maps	0	0	0	0	415
Sale of Recycled Materials	0	0	0	0	14,390
Miscellaneous Refunds	0	0	584	0	164,195

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	7,711
Contributions and Gifts	0	0	0	0	3,900
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	16,100
Total Other Local Revenues	\$ 157,429	\$ 0	\$ 584	\$ 0	746,306
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	225,164
Circuit Court Clerk	0	0	0	0	38,334
General Sessions Court Clerk	0	0	0	0	103,213
Clerk and Master	0	0	0	0	85,222
Register	0	0	0	0	84,329
Sheriff	0	0	0	0	13,628
Trustee	0	0	0	0	338,697
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	888,587
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	3,613
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	16,200
Drug Control Grants	0	0	0	0	4,995
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	942,155
Litter Program	0	0	0	0	20,157

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	13,414
Beer Tax	0	0	0	0	17,959
Alcoholic Beverage Tax	0	0	0	0	69,157
State Revenue Sharing - T.V.A.	0	0	0	0	608,926
State Revenue Sharing - Telecommunications	0	0	0	0	78,521
Contracted Prisoner Boarding	0	0	0	0	899,377
Gasoline and Motor Fuel Tax	0	0	0	0	2,417,805
Petroleum Special Tax	0	0	0	0	16,038
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	451,761
Other State Revenues	0	0	0	0	233,892
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	5,809,134
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	288,945
Homeland Security Grants	0	0	0	0	27,869
Medicaid	0	0	0	0	43,127
Other Federal through State	0	0	0	0	894,101
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	39,710	0	387,957
Total Federal Government	\$ 0	\$ 0	39,710	\$ 0	1,641,999

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 373,029	\$ 0	\$ 0	\$ 373,579
Total Other Governments and Citizens Groups	\$ 0	\$ 373,029	\$ 0	\$ 0	\$ 373,579
 Total	 \$ 1,538,213	 \$ 1,059,022	 \$ 90,907	 \$ 149,058	 \$ 19,238,532

Exhibit J-6

Scott County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Scott 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	\$ 1,861,485	\$ 0	\$ 0	\$ 1,861,485
Discount on Property Taxes	(18,691)	0	0	(18,691)
Trustee's Collections - Prior Year	102,849	0	0	102,849
Circuit Clerk/Clerk and Master Collections - Prior Years	111,460	0	0	111,460
Interest and Penalty	20,321	0	0	20,321
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,414,634	0	0	1,414,634
Total Local Taxes	<u>\$ 3,492,058</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,492,058</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 585	\$ 0	\$ 0	\$ 585
Total Licenses and Permits	<u>\$ 585</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 585</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 79,346	\$ 79,346
Lunch Payments - Adults	0	0	34,751	34,751
Income from Breakfast	0	0	24,980	24,980
Special Milk Sales	0	0	6,407	6,407
A la Carte Sales	0	0	3,014	3,014
Other Charges for Services	47,929	0	14,933	62,862
Total Charges for Current Services	<u>\$ 47,929</u>	<u>\$ 0</u>	<u>\$ 163,431</u>	<u>\$ 211,360</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 1,903	\$ 0	\$ 941	\$ 2,844
E-Rate Funding	1,430	0	0	1,430
Miscellaneous Refunds	1,881	0	18,683	20,564
<u>Nonrecurring Items</u>				
Contributions and Gifts	15,000	0	0	15,000
<u>Other Local Revenues</u>				
Other Local Revenues	35	0	0	35
Total Other Local Revenues	<u>\$ 20,249</u>	<u>\$ 0</u>	<u>\$ 19,624</u>	<u>\$ 39,873</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 97,952	\$ 0	\$ 0	\$ 97,952
<u>State Education Funds</u>				
Basic Education Program	17,442,540	0	0	17,442,540
Early Childhood Education	908,426	0	0	908,426
School Food Service	0	0	17,599	17,599
Driver Education	19,376	0	0	19,376
Other State Education Funds	437,645	0	0	437,645
Coordinated School Health	99,711	0	0	99,711
Career Ladder Program	73,679	0	0	73,679
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	104,000	0	0	104,000
Other State Grants	37,597	83,602	0	121,199
Total State of Tennessee	<u>\$ 19,220,926</u>	<u>\$ 83,602</u>	<u>\$ 17,599</u>	<u>\$ 19,322,127</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,247,070	\$ 1,247,070
USDA - Commodities	0	0	137,888	137,888
Breakfast	0	0	479,995	479,995
USDA - Other	0	0	31,474	31,474
Vocational Education - Basic Grants to States	0	60,132	0	60,132
Title I Grants to Local Education Agencies	0	1,380,349	0	1,380,349
Special Education - Grants to States	0	693,410	0	693,410
Special Education Preschool Grants	0	18,437	0	18,437
Rural Education	0	48,711	0	48,711
Eisenhower Professional Development State Grants	0	95,093	0	95,093
Other Federal through State	0	18,627	0	18,627
Total Federal Government	\$ 0	\$ 2,314,759	\$ 1,896,427	\$ 4,211,186
<u>Other Governments and Citizens Groups</u>				
<u>Citizens Groups</u>				
Donations	\$ 125,959	\$ 0	\$ 0	\$ 125,959
Total Other Governments and Citizens Groups	\$ 125,959	\$ 0	\$ 0	\$ 125,959
Total	\$ 22,907,706	\$ 2,398,361	\$ 2,097,081	\$ 27,403,148

Exhibit J-7

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	88,497	
Social Security		5,487	
Pensions		2,871	
Employer Medicare		1,283	
Audit Services		8,447	
Dues and Memberships		3,580	
Legal Notices, Recording, and Court Costs		1,476	
Travel		821	
Other Contracted Services		55,597	
Other Supplies and Materials		1,018	
Premiums on Corporate Surety Bonds		13,395	
Other Charges		193,683	
Total County Commission			\$ 376,155

County Mayor/Executive

County Official/Administrative Officer	\$	83,238	
Secretary(ies)		34,720	
Clerical Personnel		26,645	
Part-time Personnel		11,893	
Social Security		9,389	
Pensions		9,891	
Employer Medicare		2,196	
Communication		7,380	
Legal Notices, Recording, and Court Costs		1,570	
Postal Charges		152	
Travel		1,527	
Office Supplies		2,261	
Other Supplies and Materials		52	
Other Charges		40	
Total County Mayor/Executive			190,954

County Attorney

County Official/Administrative Officer	\$	50,000	
Other Salaries and Wages		10,000	
Social Security		3,720	
Pensions		3,420	
Employer Medicare		870	
Communication		2,483	
Total County Attorney			70,493

Election Commission

County Official/Administrative Officer	\$	64,862	
Deputy(ies)		32,559	
Other Salaries and Wages		4,935	
Election Commission		18,000	
Election Workers		49,667	
Social Security		9,745	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Pensions	\$	6,670	
Employer Medicare		2,279	
Communication		3,170	
Data Processing Services		24,635	
Dues and Memberships		450	
Legal Notices, Recording, and Court Costs		2,289	
Maintenance and Repair Services - Office Equipment		101	
Postal Charges		2,542	
Printing, Stationery, and Forms		1,809	
Travel		11,107	
Office Supplies		5,609	
Other Supplies and Materials		2,144	
Data Processing Equipment		2,422	
Total Election Commission			\$ 244,995

Register of Deeds

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		31,658	
Part-time Personnel		2,438	
Other Salaries and Wages		24,225	
Social Security		7,899	
Pensions		8,752	
Employer Medicare		1,847	
Communication		2,917	
Dues and Memberships		541	
Printing, Stationery, and Forms		4,834	
Other Contracted Services		2,168	
Office Supplies		4,118	
Other Supplies and Materials		98	
Building Improvements		5,957	
Data Processing Equipment		3,212	
Furniture and Fixtures		470	
Total Register of Deeds			173,203

County Buildings

Mechanic(s)	\$	27,568	
Custodial Personnel		26,187	
Other Salaries and Wages		27,560	
Social Security		4,345	
Pensions		5,562	
Employer Medicare		1,016	
Communication		80	
Maintenance and Repair Services - Buildings		49,868	
Maintenance and Repair Services - Equipment		7,236	
Maintenance and Repair Services - Vehicles		3,423	
Other Contracted Services		7,354	
Custodial Supplies		19,367	

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Electricity	\$	128,985	
Gasoline		4,747	
Natural Gas		42,809	
Office Supplies		220	
Road Signs		896	
Water and Sewer		90,097	
Other Supplies and Materials		4,744	
Other Charges		6,224	
Building Improvements		18,150	
Heating and Air Conditioning Equipment		8,668	
Maintenance Equipment		69,696	
Other Equipment		9,253	
Total County Buildings			\$ 564,055

FinanceAccounting and Budgeting

Supervisor/Director	\$	72,067	
Data Processing Personnel		168,052	
Social Security		13,598	
Pensions		16,424	
Employer Medicare		3,180	
Communication		2,115	
Data Processing Services		17,536	
Office Supplies		12,143	
Other Supplies and Materials		14	
Other Charges		8	
Total Accounting and Budgeting			305,137

Property Assessor's Office

County Official/Administrative Officer	\$	72,069	
Assistant(s)		54,761	
Deputy(ies)		32,864	
Part-time Personnel		6,418	
Board and Committee Members Fees		4,070	
Social Security		9,565	
Pensions		10,923	
Employer Medicare		2,237	
Communication		2,981	
Data Processing Services		8,247	
Dues and Memberships		1,450	
Maintenance and Repair Services - Vehicles		39	
Travel		714	
Other Contracted Services		8,429	
Office Supplies		3,722	
Other Supplies and Materials		816	
Total Property Assessor's Office			219,305

(Continued)

Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		30,815	
Other Salaries and Wages		28,338	
Social Security		7,745	
Pensions		8,976	
Employer Medicare		1,811	
Communication		1,764	
Contracts with Other Public Agencies		7,864	
Data Processing Services		9,432	
Dues and Memberships		791	
Postal Charges		94	
Travel		982	
Office Supplies		1,197	
Other Supplies and Materials		410	
Office Equipment		2,506	
Total County Trustee's Office			\$ 174,794

County Clerk's Office

County Official/Administrative Officer	\$	72,069	
Assistant(s)		55,162	
Deputy(ies)		31,658	
Temporary Personnel		8,136	
Other Salaries and Wages		24,903	
Social Security		11,369	
Pensions		12,571	
Employer Medicare		2,659	
Communication		4,589	
Dues and Memberships		641	
Printing, Stationery, and Forms		759	
Other Contracted Services		9,548	
Office Supplies		8,352	
Office Equipment		1,388	
Total County Clerk's Office			243,804

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	72,069	
Assistant(s)		106,131	
Deputy(ies)		31,658	
Part-time Personnel		11,318	
Other Salaries and Wages		15,718	
Jury and Witness Expense		8,971	
Social Security		14,115	
Pensions		16,204	
Medical Insurance		1,662	
Employer Medicare		3,301	
Communication		4,290	

(Continued)

Exhibit J-7

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

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

Data Processing Services	\$	15,296	
Dues and Memberships		541	
Travel		10,093	
Other Contracted Services		1,741	
Office Supplies		11,577	
Other Charges		1,139	
Data Processing Equipment		2,339	
Total Circuit Court			\$ 328,163

General Sessions Court

Judge(s)	\$	116,762	
Assistant(s)		59,793	
Salary Supplements		10,271	
Secretary(ies)		21,736	
Clerical Personnel		27,824	
Part-time Personnel		11,210	
Other Salaries and Wages		100,558	
Board and Committee Members Fees		6,000	
Social Security		21,575	
Pensions		23,047	
Medical Insurance		4,988	
Employer Medicare		5,046	
Communication		5,927	
Travel		8,365	
Other Contracted Services		4,800	
Office Supplies		500	
Other Supplies and Materials		15,991	
Other Charges		25,672	
Furniture and Fixtures		4,086	
Total General Sessions Court			474,151

Chancery Court

County Official/Administrative Officer	\$	72,069	
Deputy(ies)		31,736	
Other Salaries and Wages		22,892	
Social Security		7,627	
Pensions		8,615	
Employer Medicare		1,784	
Communication		1,956	
Data Processing Services		5,049	
Dues and Memberships		541	
Office Supplies		3,857	
Other Supplies and Materials		156	
Data Processing Equipment		4,015	
Furniture and Fixtures		8,253	
Total Chancery Court			168,550

(Continued)

Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)District Attorney General

Other Salaries and Wages	\$	27,600	
Social Security		1,631	
Pensions		1,888	
Medical Insurance		2,902	
Employer Medicare		381	
Travel		5,425	
Other Contracted Services		5,645	
Office Supplies		3,362	
Other Supplies and Materials		19,420	
Total District Attorney General			\$ 68,254

Office of Public Defender

Other Supplies and Materials	\$	12,000	
Total Office of Public Defender			12,000

Public SafetySheriff's Department

County Official/Administrative Officer	\$	79,276	
Deputy(ies)		996,538	
Salary Supplements		16,200	
Secretary(ies)		47,008	
Overtime Pay		2,116	
Social Security		66,884	
Pensions		78,018	
Medical Insurance		3,952	
Employer Medicare		15,617	
Communication		37,821	
Dues and Memberships		1,775	
Maintenance and Repair Services - Buildings		39	
Maintenance and Repair Services - Equipment		7,524	
Maintenance and Repair Services - Vehicles		57,228	
Postal Charges		64	
Towing Services		1,000	
Travel		10,146	
Tuition		10,491	
Other Contracted Services		855	
Gasoline		79,570	
Law Enforcement Supplies		580	
Office Supplies		7,645	
Tires and Tubes		13,201	
Uniforms		9,325	
Other Supplies and Materials		7,687	
Liability Insurance		57,999	
Workers' Compensation Insurance		75,414	
Fines, Assessments, and Penalties		12,487	
Other Charges		8,030	
Law Enforcement Equipment		4,403	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Maintenance Equipment	\$	2,699	
Motor Vehicles		10,200	
Total Sheriff's Department			\$ 1,721,792

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	482	
Other Charges		4,212	
Total Administration of the Sexual Offender Registry			4,694

Jail

Deputy(ies)	\$	659,453	
Dispatchers/Radio Operators		399,088	
Social Security		62,777	
Pensions		72,102	
Employer Medicare		14,682	
Maintenance and Repair Services - Buildings		3,772	
Maintenance and Repair Services - Equipment		3,230	
Medical and Dental Services		316,649	
Travel		2,633	
Other Contracted Services		6,339	
Food Supplies		223,010	
Natural Gas		214	
Office Supplies		3,569	
Uniforms		3,635	
Other Supplies and Materials		59,630	
Total Jail			1,830,783

Juvenile Services

Supervisor/Director	\$	31,533	
Deputy(ies)		105,246	
Youth Service Officer(s)		8,092	
Part-time Personnel		41,606	
Social Security		11,166	
Pensions		9,356	
Employer Medicare		2,611	
Communication		5,033	
Maintenance and Repair Services - Buildings		1,277	
Medical and Dental Services		418	
Electricity		584	
Food Supplies		13,690	
Natural Gas		961	
Office Supplies		1,670	
Water and Sewer		1,771	
Other Supplies and Materials		5,771	
Workers' Compensation Insurance		6,450	
Total Juvenile Services			247,235

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control

Contributions	\$	2,000	
Total Fire Prevention and Control			\$ 2,000

Civil Defense

Supervisor/Director	\$	27,560	
Social Security		1,599	
Pensions		1,885	
Employer Medicare		374	
Communication		1,037	
Dues and Memberships		465	
Maintenance and Repair Services - Vehicles		1,045	
Travel		1,759	
Electricity		12,250	
Natural Gas		2,119	
Office Supplies		148	
Water and Sewer		617	
Other Supplies and Materials		126	
Other Charges		8,869	
Total Civil Defense			59,853

Rescue Squad

Contributions	\$	8,000	
Total Rescue Squad			8,000

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,000	
Social Security		372	
Employer Medicare		87	
Other Charges		19,642	
Total County Coroner/Medical Examiner			26,101

Public Health and WelfareLocal Health Center

Social Security	\$	1,628	
Pensions		1,318	
Employer Medicare		381	
Contributions		53,848	
Other Charges		3,371	
Total Local Health Center			60,546

Other Local Health Services

Medical Personnel	\$	188,429	
Social Security		10,642	
Pensions		12,888	
Medical Insurance		25,060	
Employer Medicare		2,489	
Travel		4,003	
Workers' Compensation Insurance		9,034	
Total Other Local Health Services			252,545

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)General Welfare Assistance

Contributions	\$ 1,096	
Total General Welfare Assistance		\$ 1,096

Other Local Welfare Services

Pauper Burials	\$ 122	
Total Other Local Welfare Services		122

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Deputy(ies)	\$ 30,805	
Part-time Personnel	19,209	
Social Security	2,991	
Pensions	2,107	
Employer Medicare	700	
Communication	2,153	
Contributions	7,000	
Maintenance and Repair Services - Vehicles	1,667	
Travel	4,240	
Utilities	9,719	
Other Supplies and Materials	250	
Total Senior Citizens Assistance		80,841

Libraries

Part-time Personnel	\$ 27,981	
Social Security	1,732	
Pensions	584	
Employer Medicare	405	
Communication	2,799	
Postal Charges	75	
Library Books/Media	11,216	
Office Supplies	1,721	
Periodicals	675	
Utilities	4,210	
Workers' Compensation Insurance	77	
Other Charges	512	
Total Libraries		51,987

Agriculture and Natural ResourcesAgricultural Extension Service

Assistant(s)	\$ 15,818	
Supervisor/Director	9,504	
Secretary(ies)	7,653	
Social Security	1,637	
Pensions	3,623	
Medical Insurance	3,889	
Employer Medicare	533	
Communication	2,219	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Agricultural Extension Service (Cont.)

Dues and Memberships	\$	60	
Travel		1,771	
Other Charges		1,576	
Total Agricultural Extension Service			\$ 48,283

Other OperationsTourism

Supervisor/Director	\$	27,568	
Clerical Personnel		24,000	
Social Security		3,088	
Pensions		3,527	
Employer Medicare		722	
Contributions		9,188	
Travel		246	
Total Tourism			68,339

Airport

Supervisor/Director	\$	30,681	
Temporary Personnel		25,730	
Part-time Personnel		2,361	
Social Security		3,425	
Pensions		3,858	
Medical Insurance		7,902	
Employer Medicare		801	
Communication		3,499	
Maintenance and Repair Services - Buildings		700	
Maintenance and Repair Services - Equipment		1,801	
Maintenance and Repair Services - Vehicles		1,193	
Travel		4,561	
Other Contracted Services		830	
Diesel Fuel		158,640	
Electricity		17,683	
Gasoline		38,053	
Natural Gas		487	
Office Supplies		45	
Water and Sewer		952	
Other Supplies and Materials		2,566	
Workers' Compensation Insurance		4,489	
Other Charges		353,948	
Total Airport			664,205

Veterans' Services

Supervisor/Director	\$	39,965	
Social Security		2,478	
Pensions		2,734	
Employer Medicare		580	
Contracts with Other Public Agencies		449	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Travel	\$	1,131	
Other Supplies and Materials		86	
Total Veterans' Services			\$ 47,423

Contributions to Other Agencies

Contributions	\$	123,753	
Total Contributions to Other Agencies			123,753

Miscellaneous

Life Insurance	\$	3,125	
Medical Insurance		381,955	
Unemployment Compensation		13,841	
Other Fringe Benefits		2,700	
Postal Charges		19,563	
Other Supplies and Materials		22,000	
Liability Insurance		101,000	
Trustee's Commission		101,619	
Workers' Compensation Insurance		4,708	
Total Miscellaneous			650,511

HighwaysHighway and Bridge Maintenance

Transfers to Other Funds	\$	235	
Total Highway and Bridge Maintenance			235

Total General Fund \$ 9,564,357

Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

Laborers	\$	72,002	
Social Security		4,167	
Pensions		4,924	
Life Insurance		75	
Medical Insurance		10,583	
Employer Medicare		975	
Communication		3,128	
Dues and Memberships		100	
Maintenance and Repair Services - Equipment		3,691	
Maintenance and Repair Services - Vehicles		3,108	
Travel		51	
Other Contracted Services		25,912	
Diesel Fuel		2,479	
Electricity		2,893	
Equipment and Machinery Parts		3,956	
Gasoline		1,855	
Natural Gas		773	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Recycling Center (Cont.)

Office Supplies	\$	36	
Tires and Tubes		1,140	
Uniforms		3,450	
Water and Sewer		630	
Other Supplies and Materials		7,470	
Trustee's Commission		3,119	
Vehicle and Equipment Insurance		2,224	
Workers' Compensation Insurance		4,925	
Other Charges		18,180	
Maintenance Equipment		1,749	
Motor Vehicles		174,727	
Solid Waste Equipment		20,563	
Total Recycling Center			\$ 378,885

Postclosure Care Costs

Other Contracted Services	\$	5,400	
Total Postclosure Care Costs			5,400

HighwaysLitter and Trash Collection

Other Supplies and Materials	\$	13,022	
Total Litter and Trash Collection			13,022

Total Solid Waste/Sanitation Fund \$ 397,307

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Supervisor/Director	\$	50,444	
Medical Personnel		625,376	
Part-time Personnel		8,268	
Overtime Pay		275,882	
Bonus Payments		1,000	
Social Security		58,705	
Pensions		68,511	
Life Insurance		605	
Medical Insurance		103,036	
Unemployment Compensation		480	
Employer Medicare		14,027	
Communication		11,661	
Contracts with Other Public Agencies		118,188	
Dues and Memberships		250	
Licenses		3,250	
Maintenance and Repair Services - Vehicles		19,475	
Postal Charges		56	
Towing Services		920	
Travel		441	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Disposal Fees	\$	1,344	
Other Contracted Services		236	
Custodial Supplies		1,540	
Diesel Fuel		25,917	
Drugs and Medical Supplies		55,414	
Electricity		4,189	
Equipment and Machinery Parts		5,046	
Gasoline		24,378	
Natural Gas		2,118	
Office Supplies		583	
Propane Gas		9,545	
Tires and Tubes		6,293	
Uniforms		3,318	
Water and Sewer		775	
Other Supplies and Materials		482	
Refunds		817	
Trustee's Commission		17,467	
Vehicle and Equipment Insurance		21,236	
Workers' Compensation Insurance		87,064	
Other Charges		124,395	
Motor Vehicles		268,090	
Total Ambulance/Emergency Medical Services			\$ 2,020,822

Total Ambulance Service Fund \$ 2,020,822

Drug Control FundPublic SafetyOther Public Safety

Maintenance and Repair Services - Vehicles	\$	9,008	
Veterinary Services		1,394	
Animal Food and Supplies		1,113	
Other Supplies and Materials		4,706	
Trustee's Commission		263	
Other Charges		994	
Law Enforcement Equipment		6,500	
Motor Vehicles		31,294	
Total Other Public Safety			\$ 55,272

Total Drug Control Fund 55,272

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$	3,267	
Total Chancery Court			\$ 3,267

Total Constitutional Officers - Fees Fund 3,267

(Continued)

Exhibit J-7

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

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	79,276	
Clerical Personnel		31,535	
Overtime Pay		1,300	
Social Security		6,853	
Pensions		7,921	
Unemployment Compensation		217	
Employer Medicare		1,614	
Dues and Memberships		3,338	
Postal Charges		56	
Travel		1,048	
Custodial Supplies		318	
Office Supplies		1,285	
Uniforms		11,396	
Total Administration			\$ 146,157

Highway and Bridge Maintenance

Mechanic(s)	\$	31,644	
Equipment Operators		122,837	
Truck Drivers		136,946	
Laborers		156,209	
Overtime Pay		47,956	
Social Security		28,975	
Pensions		31,488	
Unemployment Compensation		4,358	
Employer Medicare		6,776	
Rentals		11,105	
Other Contracted Services		173	
Asphalt - Cold Mix		436,772	
Asphalt - Hot Mix		702,726	
Concrete		8,614	
Crushed Stone		420,518	
Other Road Materials		42,600	
Pipe - Metal		65,657	
Road Signs		2,299	
Wood Products		754	
Total Highway and Bridge Maintenance			2,258,407

Operation and Maintenance of Equipment

Foremen	\$	116,618	
Mechanic(s)		35,805	
Overtime Pay		16,658	
Social Security		10,518	
Pensions		12,260	
Unemployment Compensation		1,621	
Employer Medicare		2,444	
Maintenance and Repair Services - Equipment		4,516	
Maintenance and Repair Services - Vehicles		3,230	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Towing Services	\$	225	
Other Contracted Services		1,969	
Diesel Fuel		93,247	
Equipment and Machinery Parts		118,725	
Garage Supplies		1,346	
Gasoline		24,945	
Lubricants		3,705	
Propane Gas		3,254	
Small Tools		203	
Tires and Tubes		24,824	
Other Supplies and Materials		24,339	
Total Operation and Maintenance of Equipment			\$ 500,452

Other Charges

Communication	\$	5,210	
Electricity		1,818	
Natural Gas		1,642	
Water and Sewer		542	
Trustee's Commission		24,814	
Vehicle and Equipment Insurance		20,836	
Workers' Compensation Insurance		1,420	
Other Charges		28,557	
Motor Vehicles		29,000	
Total Other Charges			113,839

Employee Benefits

Employee and Dependent Insurance	\$	53,895	
Life Insurance		490	
Workers' Compensation Insurance		69,590	
Total Employee Benefits			123,975

Capital Outlay

Highway Equipment	\$	327,252	
Total Capital Outlay			327,252

Principal on DebtHighways and Streets

Principal on Notes	\$	127,197	
Total Highways and Streets			127,197

Interest on DebtHighways and Streets

Interest on Notes	\$	13,831	
Total Highways and Streets			13,831

Total Highway/Public Works Fund \$ 3,611,110

(Continued)

Exhibit J-7

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 165,000	
Principal on Other Loans	917,200	
Total General Government		\$ 1,082,200

Interest on DebtGeneral Government

Interest on Bonds	\$ 68,095	
Interest on Other Loans	314,954	
Total General Government		383,049

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 20,587	
Other Debt Service	124,210	
Total General Government		144,797

Total General Debt Service Fund \$ 1,610,046

Rural Debt Service FundPrincipal on DebtEducation

Principal on Bonds	\$ 430,000	
Principal on Other Loans	182,000	
Total Education		\$ 612,000

Interest on DebtEducation

Interest on Bonds	\$ 164,631	
Interest on Other Loans	15,989	
Total Education		180,620

Other Debt ServiceEducation

Trustee's Commission	\$ 13,520	
Other Debt Service	7,943	
Total Education		21,463

Total Rural Debt Service Fund 814,083

General Capital Projects FundGeneral GovernmentCounty Buildings

Building Improvements	\$ 4,621	
Total County Buildings		\$ 4,621

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Administration of Justice

General Sessions Court

Furniture and Fixtures	\$ 5,499	
Total General Sessions Court		\$ 5,499

Public Safety

Sheriff's Department

Motor Vehicles	\$ 29,999	
Total Sheriff's Department		29,999

Social, Cultural, and Recreational Services

Libraries

Data Processing Equipment	\$ 1,186	
Total Libraries		1,186

Highways

Capital Outlay

Trustee's Commission	\$ 1,025	
Total Capital Outlay		1,025

Capital Projects

Highway and Street Capital Projects

Right-of-Way	\$ 557	
Total Highway and Street Capital Projects		557

Total General Capital Projects Fund		\$ 42,887
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Trustee's Commission	\$ 3,015	
Total Education Capital Projects		\$ 3,015

Total Education Capital Projects Fund		3,015
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Total Governmental Funds - Primary Government		<u>\$ 18,122,166</u>
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Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,245,997	
Career Ladder Program		38,003	
Career Ladder Extended Contracts		12,000	
Homebound Teachers		46,530	
Educational Assistants		492,172	
Other Salaries and Wages		487,613	
Certified Substitute Teachers		131,445	
Social Security		492,207	
Pensions		803,938	
Life Insurance		9,083	
Medical Insurance		1,480,269	
Unemployment Compensation		4,729	
Employer Medicare		115,224	
Other Fringe Benefits		5,250	
Instructional Supplies and Materials		171,912	
Textbooks - Bound		214,240	
In Service/Staff Development		3,301	
Other Charges		9,199	
Regular Instruction Equipment		6,526	
Total Regular Instruction Program			\$ 11,769,638

Alternative Instruction Program

Teachers	\$	47,905	
Educational Assistants		14,430	
Social Security		3,235	
Pensions		6,103	
Medical Insurance		17,567	
Unemployment Compensation		36	
Employer Medicare		756	
Total Alternative Instruction Program			90,032

Special Education Program

Teachers	\$	786,623	
Career Ladder Program		3,000	
Homebound Teachers		44,724	
Educational Assistants		156,151	
Certified Substitute Teachers		21,672	
Social Security		59,236	
Pensions		84,572	
Medical Insurance		126,744	
Unemployment Compensation		775	
Employer Medicare		13,854	
Contracts with Private Agencies		12,413	
Other Contracted Services		29,843	
Instructional Supplies and Materials		13,195	
Other Supplies and Materials		13,654	
Total Special Education Program			1,366,456

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	423,624	
Career Ladder Program		1,000	
Educational Assistants		42,043	
Social Security		27,268	
Pensions		45,073	
Medical Insurance		69,568	
Unemployment Compensation		344	
Employer Medicare		6,377	
Other Supplies and Materials		66	
Total Career and Technical Education Program			\$ 615,363

Support Services

Attendance

Supervisor/Director	\$	64,343	
Career Ladder Program		1,083	
Social Security		4,054	
Pensions		6,913	
Unemployment Compensation		19	
Employer Medicare		948	
Travel		1,717	
Other Charges		640	
Total Attendance			79,717

Health Services

Supervisor/Director	\$	57,237	
Medical Personnel		50,160	
Other Salaries and Wages		117,724	
Social Security		12,577	
Pensions		18,411	
Medical Insurance		47,847	
Unemployment Compensation		165	
Employer Medicare		2,936	
Travel		7,706	
Other Supplies and Materials		26,423	
Other Charges		10,073	
Total Health Services			351,259

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		214,411	
Secretary(ies)		22,408	
Social Security		13,942	
Pensions		23,172	
Medical Insurance		48,405	
Unemployment Compensation		125	
Employer Medicare		3,261	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Evaluation and Testing	\$	10,615	
Travel		164	
Total Other Student Support			\$ 339,503

Regular Instruction Program

Supervisor/Director	\$	67,497	
Career Ladder Program		9,000	
Librarians		354,887	
Secretary(ies)		14,631	
Social Security		25,825	
Pensions		46,914	
Medical Insurance		52,119	
Unemployment Compensation		178	
Employer Medicare		6,040	
Travel		13,348	
Library Books/Media		21,783	
In Service/Staff Development		27,799	
Other Charges		96,169	
Other Equipment		130,563	
Total Regular Instruction Program			866,753

Special Education Program

Supervisor/Director	\$	67,547	
Career Ladder Program		1,000	
Psychological Personnel		49,529	
Secretary(ies)		31,655	
Social Security		8,539	
Pensions		14,611	
Medical Insurance		15,775	
Unemployment Compensation		63	
Employer Medicare		1,997	
Travel		14,635	
Other Contracted Services		5,274	
Total Special Education Program			210,625

Career and Technical Education Program

Supervisor/Director	\$	82,142	
Social Security		5,049	
Pensions		7,312	
Medical Insurance		6,727	
Unemployment Compensation		20	
Employer Medicare		1,181	
Total Career and Technical Education Program			102,431

Technology

Supervisor/Director	\$	53,755	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Salaries and Wages	\$	167,300	
Social Security		13,023	
Pensions		15,046	
Medical Insurance		34,246	
Unemployment Compensation		128	
Employer Medicare		3,046	
Internet Connectivity		43,800	
Cabling		13,398	
Software		278,160	
Total Technology			\$ 621,902

Other Programs

On-behalf Payments to OPEB	\$	97,952	
Total Other Programs			97,952

Board of Education

Secretary to Board	\$	30,655	
Board and Committee Members Fees		39,900	
Social Security		4,374	
Pensions		3,114	
Medical Insurance		5,406	
Unemployment Compensation		151	
Employer Medicare		1,023	
Dues and Memberships		16,074	
Legal Services		1,420	
Travel		20,796	
Other Contracted Services		37,324	
Other Supplies and Materials		1,825	
Liability Insurance		737	
Trustee's Commission		95,269	
Workers' Compensation Insurance		146,047	
Other Charges		42,862	
Total Board of Education			446,977

Director of Schools

County Official/Administrative Officer	\$	87,319	
Assistant(s)		5,714	
Career Ladder Program		1,000	
Secretary(ies)		30,655	
Social Security		7,961	
Pensions		12,518	
Medical Insurance		24,686	
Unemployment Compensation		44	
Employer Medicare		1,862	
Communication		42,484	
Postal Charges		94	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

Travel	\$	2,998	
Office Supplies		4,506	
Other Charges		16,898	
Total Director of Schools			\$ 238,739

Office of the Principal

Principals	\$	455,404	
Career Ladder Program		4,000	
Assistant Principals		121,007	
Secretary(ies)		150,514	
Social Security		42,071	
Pensions		70,081	
Medical Insurance		48,879	
Unemployment Compensation		325	
Employer Medicare		9,322	
Communication		20,046	
Total Office of the Principal			921,649

Operation of Plant

Supervisor/Director	\$	25,816	
Custodial Personnel		336,984	
Social Security		22,121	
Pensions		24,221	
Medical Insurance		28,194	
Unemployment Compensation		506	
Employer Medicare		5,173	
Disposal Fees		23,958	
Other Contracted Services		23,173	
Electricity		654,800	
Natural Gas		88,000	
Water and Sewer		86,300	
Other Supplies and Materials		136,438	
Building and Contents Insurance		164,874	
Other Charges		8,024	
Total Operation of Plant			1,628,582

Maintenance of Plant

Maintenance Personnel	\$	154,389	
Social Security		9,562	
Pensions		10,623	
Medical Insurance		26,151	
Unemployment Compensation		123	
Employer Medicare		2,236	
Other Supplies and Materials		87,391	
Other Charges		6,700	
Total Maintenance of Plant			297,175

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	29,391	
Mechanic(s)		49,953	
Bus Drivers		618,820	
Social Security		41,061	
Pensions		39,421	
Medical Insurance		2,654	
Unemployment Compensation		825	
Employer Medicare		9,642	
Maintenance and Repair Services - Vehicles		26,827	
Diesel Fuel		131,229	
Gasoline		15,544	
Tires and Tubes		19,392	
Vehicle Parts		101,150	
Other Supplies and Materials		39,317	
Other Charges		39,123	
Total Transportation			\$ 1,164,349

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	35,567	
Social Security		2,183	
Pensions		3,800	
Medical Insurance		6,727	
Unemployment Compensation		10	
Employer Medicare		511	
Travel		5,053	
Other Supplies and Materials		1,327	
Other Charges		1,321	
Total Community Services			56,499

Early Childhood Education

Supervisor/Director	\$	35,568	
Teachers		426,596	
Educational Assistants		169,241	
Certified Substitute Teachers		17,666	
Social Security		37,732	
Pensions		60,080	
Medical Insurance		74,951	
Unemployment Compensation		476	
Employer Medicare		8,836	
Travel		9,867	
Instructional Supplies and Materials		42,213	
In Service/Staff Development		9,773	
Other Charges		17,507	
Total Early Childhood Education			910,506

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Capital OutlayRegular Capital Outlay

Building Improvements	\$	433,184	
Heating and Air Conditioning Equipment		29,540	
Motor Vehicles		201,896	
Other Capital Outlay		13,500	
Total Regular Capital Outlay			\$ 678,120

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	373,029	
Total Education			373,029

Total General Purpose School Fund \$ 23,227,256

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	750,451	
Educational Assistants		160,385	
Certified Substitute Teachers		180	
Non-certified Substitute Teachers		11,043	
Social Security		54,422	
Pensions		87,089	
Medical Insurance		113,449	
Unemployment Compensation		573	
Employer Medicare		12,727	
Instructional Supplies and Materials		102,958	
Textbooks - Bound		5,865	
Other Supplies and Materials		32,909	
Other Charges		3,211	
Regular Instruction Equipment		104,709	
Total Regular Instruction Program			\$ 1,439,971

Special Education Program

Teachers	\$	150,519	
Educational Assistants		247,140	
Non-certified Substitute Teachers		12,660	
Social Security		24,730	
Pensions		32,926	
Medical Insurance		59,932	
Unemployment Compensation		454	
Employer Medicare		5,797	
Contracts with Private Agencies		48,140	
Total Special Education Program			582,298

Career and Technical Education Program

Instructional Supplies and Materials	\$	8,885	
Vocational Instruction Equipment		42,696	
Total Career and Technical Education Program			51,581

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)Support ServicesOther Student Support

Other Salaries and Wages	\$	1,432	
Social Security		89	
Pensions		129	
Unemployment Compensation		1	
Employer Medicare		21	
Other Supplies and Materials		1,417	
In Service/Staff Development		6,769	
Other Charges		7,497	
Total Other Student Support			\$ 17,355

Regular Instruction Program

Supervisor/Director	\$	67,236	
Secretary(ies)		14,629	
Other Salaries and Wages		17,100	
Non-certified Substitute Teachers		282	
Social Security		6,139	
Pensions		9,466	
Unemployment Compensation		27	
Employer Medicare		1,436	
Other Supplies and Materials		5,276	
In Service/Staff Development		36,113	
Total Regular Instruction Program			157,704

Special Education Program

Psychological Personnel	\$	45,342	
Social Security		2,568	
Pensions		3,356	
Medical Insurance		12,102	
Unemployment Compensation		21	
Employer Medicare		600	
Travel		350	
Other Contracted Services		16,920	
Other Supplies and Materials		2,296	
In Service/Staff Development		12,563	
Total Special Education Program			96,118

Career and Technical Education Program

Travel	\$	500	
In Service/Staff Development		1,282	
Total Career and Technical Education Program			1,782

Board of Education

Criminal Investigation of Applicants - TBI	\$	131	
Total Board of Education			131

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Transportation

Bus Drivers	\$	29,967	
Social Security		1,858	
Pensions		2,048	
Unemployment Compensation		27	
Employer Medicare		435	
Diesel Fuel		526	
Total Transportation			\$ 34,861

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	1,645	
Total Food Service			<u>1,645</u>

Total School Federal Projects Fund \$ 2,383,446

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	62,236	
Cafeteria Personnel		535,950	
Other Salaries and Wages		68,565	
In-service Training		15,163	
Social Security		41,050	
Pensions		46,080	
Medical Insurance		64,134	
Unemployment Compensation		915	
Employer Medicare		9,600	
Travel		7,536	
Food Preparation Supplies		1,682	
Food Supplies		765,132	
USDA - Commodities		137,888	
Other Supplies and Materials		139,966	
Other Charges		11,946	
Food Service Equipment		13,833	
Total Food Service			<u>\$ 1,921,676</u>

Total Central Cafeteria Fund 1,921,676

Total Governmental Funds - Scott County School Department \$ 27,532,378

Exhibit J-9

Scott 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	Special School District Fund	City School ADA - Oneida Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 443,521	\$ 808,644	\$ 1,252,165
Discounts on Property Taxes	0	(4,925)	(8,147)	(13,072)
Trustee's Collections - Prior Years	0	22,326	53,489	75,815
Circuit/Clerk and Master Collections - Prior Years	0	23,024	49,050	72,074
Interest and Penalty	0	3,987	8,939	12,926
Local Option Sales Tax	1,697,746	0	625,338	2,323,084
Marriage Licenses	0	0	273	273
Other Local Revenues	0	0	70	70
Total Cash Receipts	<u>\$ 1,697,746</u>	<u>\$ 487,933</u>	<u>\$ 1,537,656</u>	<u>\$ 3,723,335</u>
<u>Cash Disbursements</u>				
Remittance of Revenue Collected	\$ 1,680,769	\$ 470,484	\$ 1,518,301	\$ 3,669,554
Trustee's Commission	16,977	9,540	24,216	50,733
Total Cash Disbursements	<u>\$ 1,697,746</u>	<u>\$ 480,024</u>	<u>\$ 1,542,517</u>	<u>\$ 3,720,287</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 7,909	\$ (4,861)	\$ 3,048
Cash Balance, July 1, 2018	0	3,109	63,587	66,696
Cash Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 11,018</u>	<u>\$ 58,726</u>	<u>\$ 69,744</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 22, 2019.

Internal Control Over Financial Reporting

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

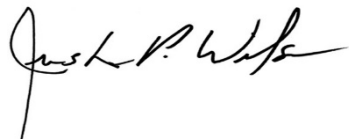
Scott County's Responses to the Findings

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

Purpose of this Report

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

October 22, 2019

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Scott 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 Scott 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 Scott 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 Scott County's internal control over compliance.

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

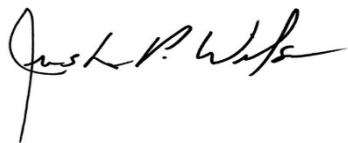
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated October 22, 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

October 22, 2019

JPW/TG

Scott County, Tennessee, and the Scott 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:			
Fresh Fruit and Vegetable Program	10.582	N/A	\$ 22,550
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	479,995
National School Lunch Program	10.555	N/A	1,250,199 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	137,888 (5)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	5,795 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-52920	22,911
Direct Program:			
Community Facilities Loans and Grants Cluster: (4)			
Community Facilities Loans and Grants	10.766	N/A	39,710
Emergency Watershed Protection Program	10.923	N/A	348,247
Total U.S. Department of Agriculture			<u>\$ 2,307,295</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(3)	\$ 288,945
Passed-through Tennessee Housing Development Agency:			
HOME Investment Partnership Program	14.239	HM-1516-29	187,444
Total U.S. Department of Housing and Urban Development			<u>\$ 476,389</u>
Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 150,944
Total Bureau of Land Management, Department of the Interior			<u>\$ 150,944</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(3)	\$ 118,899
Violence Against Women Formula Grants - Recovery Act	16.588	(3)	73,152
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	75,312
Total U.S. Department of Justice			<u>\$ 267,363</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(3)	\$ 355,761
Total U.S. Department of Transportation			<u>\$ 355,761</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,351,251
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	695,768
Special Education - Preschool Grants	84.173	N/A	18,437
Career and Technical Education - Basic Grants to States	84.048	N/A	60,132
Rural Education	84.358	N/A	50,490
Improving Teacher Quality State Grants	84.367	N/A	122,531
Total U.S. Department of Education			<u>\$ 2,298,609</u>

(Continued)

Scott County, Tennessee, and the Scott 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:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-19-52920	\$ 1,944
Family Planning Services	93.217	GG-19-52920	10,697
National State Based Tobacco Control Programs	93.305	GG-19-52920	3,525
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-19-52920	26,992
Maternal and Child Health Services Block Grant to the States	93.994	GG-18-55682	17,465
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	G1801TNCCDF	18,627
Total U.S. Department of Health and Human Services			<u>\$ 79,250</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 27,869
Total U.S. Department of Homeland Security			<u>\$ 27,869</u>
Total Expenditures of Federal Grants			<u>\$ 5,963,480</u>
<u>State Grants</u>		<u>Contract Number</u>	
Juvenile Service Program - State Commission on Children and Youth	N/A	(3)	\$ 3,613
Adult Drug Court - State Administrative Offices of the Court	N/A	(3)	4,995
Litter Program - State Department of Transportation	N/A	(3)	20,157
Drug Control Grant - State Office of Criminal Justice Programs	N/A	(3)	68,601
Health Department Programs - State Department of Health	N/A	(3)	192,278
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)	12,569
Waste Reduction - State Department of Environment and Conservation	N/A	(3)	157,254
Material Management Recycling Measurement - State Department of Environment and Conservation	N/A	(3)	5,850
Drivers Education - State Department of Education	N/A	(3)	19,376
Coordinated School Health - State Department of Education	N/A	(3)	99,711
Family Resource Center - State Department of Education	N/A	(3)	31,172
Safe Schools - State Department of Education	N/A	(3)	33,296
Read to be Ready Summer Coaching Network Grant - State Department of Human Services	N/A	(3)	9,096
Read to be Ready Summer Grant Program - State Department of Education	N/A	(3)	74,506
SPARC Grant - Tennessee Higher Education Commission	N/A	(3)	55,000
Early Childhood Education - State Department of Education	N/A	(3)	908,426
Total State Grants			<u>\$ 1,695,900</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) Scott County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Child Nutrition Cluster total \$1,873,877; Community Facilities Loans and Grants Cluster \$39,710; Special
Education Cluster \$714,205; Medicaid Cluster \$26,992; CCDF Cluster \$18,627.
(5) Total for CFDA No. 10.555 is \$1,393,882.

Scott 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 Scott 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 DIRECTOR OF FINANCE</u>					
2018	205	2018-001	The School Federal Projects Fund had a cash overdraft of \$63,540 at June 30, 2018	N/A	Corrected
<u>OFFICE OF TRUSTEE</u>					
2018	205	2018-002	The Trustee's Office had operating deficiencies	N/A	Corrected
<u>OFFICE OF CLERK AND MASTER</u>					
2018	206	2018-003	The clerk did not require a depository to adequately collateralize funds	N/A	Corrected

Prior-year Federal Awards Findings

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

SCOTT 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 Scott County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiencies 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 Number: 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF FINANCE AND SHERIFF

FINDING 2019-001

A CIVIL PENALTY OF \$12,486.80 WAS PAID TO THE U.S. DEPARTMENT OF LABOR

(Noncompliance Under *Government Auditing Standards*)

During audit fieldwork, the county's finance director made us aware that the U.S. Department of Labor had investigated the county's compliance with the Fair Labor Standards Act (FLSA). The investigation covered Sheriff's Department employees for the period December 3, 2016 through December 2, 2018. The investigation disclosed violations of the FLSA resulting from the failure to pay Sheriff's Department employees the applicable minimum wage for all hours worked and/or the failure to pay statutory overtime for hours worked in excess of 40 hours per week. These violations resulted in certain employees of the Sheriff's Department being underpaid. The county's Finance Department paid the affected employees a total of \$59,769 in back wages on January 23, 2019. The investigation also resulted in a civil penalty of \$12,486.80. The civil penalty was assessed due to the current violations and what was referred to as a "history of prior violations" resulting from a 2011 investigation. The penalty was paid to the U.S. Department of Labor on April 26, 2019. This deficiency is the result of management's failure to properly pay Sheriff's Department employees in compliance with the FLSA.

RECOMMENDATION

Sheriff's Department employees should be paid in compliance with the Fair Labor Standard Act.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Scott County government is in agreement with the recommendation.

OTHER FINDING

FINDING 2019-002

**ALLEGATIONS RELATED TO VARIOUS
DEPARTMENTS OF THE COUNTY ARE CURRENTLY
UNDER INVESTIGATION**

(Noncompliance Under *Government Auditing Standards*)

Investigations by the Comptroller's Division of Investigations are ongoing in various departments of Scott County. Findings, if any, resulting from these investigations will be included in a subsequent report.

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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF SHERIFF

2019-001	A Civil Penalty of \$12,486.80 was Paid to the U.S. Department of Labor	212
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Corrective Action Plan

FINDING: A CIVIL PENTALTY OF \$12,486.80 WAS PAID TO THE
U.S.DEPARTMENT OF LABOR

Response and Corrective Action Plan Prepared by:
Sheriff Ronald Phillips

Person Responsible for Implementing the Corrective Action:
Sheriff Ronald Phillips and dispatch Lt. Paulinda Griffith

Anticipated Completion Date of Corrective Action:
Corrective action has already been put into place at this time with scheduling, and having employees clock in and out

Repeat Finding:
No

Planned Corrective Action:

Schedules have been implemented that helps to ensure that employees are scheduled for 40 hours per week inside the dispatch center, anything over 40 hours goes into the employees comp bank. Officers are now clocked in and out, so the times are now the hours that they worked and not just there shift schedule times.

Signature: _____