

**ANNUAL FINANCIAL REPORT**  
**TIPTON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2019**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

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

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

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

***GREG HOWELL  
ELISHA CROWELL, CISA, CFE  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Tipton County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

## ***Finding***

The following is a summary of the audit finding:

### **OFFICE OF COUNTY EXECUTIVE**

- ◆ The Animal Control Department had operating deficiencies.

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# INTRODUCTORY SECTION

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# Tipton County Officials

## June 30, 2019

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### **Officials**

Jeff Huffman, County Executive  
Shannon Reed, Director of Public Works  
Dr. John Combs, Director of Schools  
Kristie Maxwell, Trustee  
Rose Cousar, Assessor of Property  
Mary Gaither, County Clerk  
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk  
Virginia Gray, Clerk and Master  
Claudia Peeler, Register of Deeds  
Jeffrey Chumley, Sheriff  
Walter Thomas Bailey, Budget and Accounts Director

### **Board of County Commissioners**

Jeff Huffman, County Executive, Chairman	Jonathan Murphy
Walker Adams	Michael Naifeh
James Adkins	Stephen Shopher
Chris Armstrong	Michelle Smith
Sheila Barlow	James Lamont Sneed
David Copeland	Glenn Turner
Thomas Dunavant	Harold Twisdale
Courtney Fee	Robert Wilson
Richard Kelley	Rusty Wooten
Jeff Mason	

### **Board of Education**

Marty Burlison, Chairman	Laurie McClerkin
Steve Clark	Belinda Rozell
Isaiah Davidson	Grant Shipley, Sr.
Alvis Ferrell	Farrel Vincent
Richard Ellis Joyner	

### **Audit Committee**

Walker Adams, Chairman  
Courtney Fee  
Robert Wilson



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## Independent Auditor's Report

Tipton County Executive and  
Board of County Commissioners  
Tipton County, Tennessee

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

### ***Other Matters***

#### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of county and school changes in the total OPEB liability and related ratios - other postemployment benefits plans, 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 Tipton County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Tipton County School Department (a discretely presented component unit), miscellaneous schedules, and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

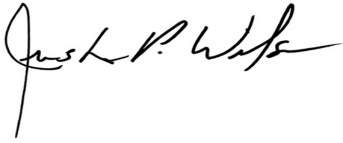
The introductory section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019, on our consideration of Tipton 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 Tipton 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 Tipton 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 prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 18, 2019

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Tipton County School Department</u>
<u>ASSETS</u>		
Cash	\$ 36,790	\$ 0
Equity in Pooled Cash and Investments	27,102,921	26,127,153
Accounts Receivable	110,116	0
Due from Other Governments	1,344,961	1,133,080
Property Taxes Receivable	13,577,555	12,100,765
Allowance for Uncollectible Property Taxes	(414,407)	(372,155)
Accrued Interest Receivable	89,929	0
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	137,199
Net Pension Asset - Agent Plan	2,503,695	2,493,701
Net Pension Asset - Teacher Retirement Plan	0	250,141
Net Pension Asset - Teacher Legacy Pension Plan	0	3,928,406
Capital Assets Not Depreciated:		
Land	2,583,516	3,631,433
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,615,625	17,422,531
Infrastructure	11,837,115	61,396
Other Capital Assets	2,577,172	3,985,948
Total Assets	<u>\$ 66,964,988</u>	<u>\$ 70,899,598</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 808,232
Pension Changes in Assumptions	440,048	2,770,228
Pension Changes in Proportion	0	81,378
Pension Contributions after Measurement Date	535,895	4,504,501
OPEB Changes in Assumptions	0	243,785
OPEB Changes in Proportion	0	372,359
OPEB Contributions after Measurement Date	50,811	331,053
Total Deferred Outflows of Resources	<u>\$ 1,026,754</u>	<u>\$ 9,111,536</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 2,534,927
Accrued Interest Payable	11,998	0
Noncurrent Liabilities:		
Due Within One Year - Debt	9,211,000	0
Due Within One Year - Other	576,840	192,709
Due in More Than One Year - Debt	700,000	0
Due in More Than One Year - Other	1,980,869	8,575,920
Total Liabilities	<u>\$ 12,480,707</u>	<u>\$ 11,303,556</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Tipton County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,814,998	\$ 11,413,357
Pension Changes in Experience	838,721	6,145,067
Pension Changes in Investment Earnings	163,913	1,032,374
Pension Changes in Proportion	0	149,239
OPEB Changes in Experience	71,904	799,676
OPEB Changes in Assumptions	152,457	351,273
Total Deferred Inflows of Resources	<u>\$ 14,041,993</u>	<u>\$ 19,890,986</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 21,537,428	\$ 25,101,308
Restricted for:		
General Government	752,481	0
Finance	112,700	0
Administration of Justice	121,307	0
Public Safety	387,252	0
Public Health and Welfare	56,242	0
Highway/Public Works	858,342	0
Debt Service	9,094,828	0
Capital Projects	608,058	1,840,884
Education	0	284,827
Operation of Non-instructional Services	0	2,717,963
Pensions	2,503,695	6,672,248
Hybrid Retirement Stabilization Funds	0	137,199
Unrestricted	<u>5,436,709</u>	<u>12,062,163</u>
Total Net Position	<u>\$ 41,469,042</u>	<u>\$ 48,816,592</u>

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



Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Tipton County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,612,601	\$ 458,003	\$ 264,133	\$ 2,830,764	\$ 940,299	\$ 0
Finance	1,532,165	1,378,112	0	0	(154,053)	0
Administration of Justice	1,749,603	1,172,515	54,501	0	(522,587)	0
Public Safety	9,960,991	932,794	205,933	176,982	(8,645,282)	0
Public Health and Welfare	5,372,968	637,773	443,394	0	(4,291,801)	0
Social, Cultural, and Recreational Services	372,442	18,961	10,807	0	(342,674)	0
Agriculture and Natural Resources	205,492	0	0	0	(205,492)	0
Highways/Public Works	5,404,835	12,425	2,749,367	712,998	(1,930,045)	0
Interest on Long-term Debt	203,189	0	0	0	(203,189)	0
<b>Total Primary Government</b>	<b>\$ 27,414,286</b>	<b>\$ 4,610,583</b>	<b>\$ 3,728,135</b>	<b>\$ 3,720,744</b>	<b>\$ (15,354,824)</b>	<b>\$ 0</b>
Component Unit:						
Tipton County School Department	\$ 88,601,362	\$ 2,131,387	\$ 9,163,050	\$ 0	\$ 0	\$ (77,306,925)
<b>Total Component Unit</b>	<b>\$ 88,601,362</b>	<b>\$ 2,131,387</b>	<b>\$ 9,163,050</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (77,306,925)</b>

(Continued)

Exhibit B

Tipton County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Tipton County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,430,012	\$ 11,690,868
Property Taxes Levied for Debt Service					3,690,397	0
Local Option Sales Taxes					430,948	5,089,766
Wheel Tax					3,286,316	0
Litigation Tax					204,332	0
Business Tax					158,375	207,500
Wholesale Beer Tax					233,286	0
Other Local Taxes					158,712	22,387
Grants and Contributions Not Restricted to Specific Programs					2,417,826	66,911,310
Unrestricted Investment Income					1,183,198	0
Miscellaneous					318,230	70,842
Total General Revenues					<u>\$ 21,511,632</u>	<u>\$ 83,992,673</u>
Change in Net Position					\$ 6,156,808	\$ 6,685,748
Net Position, July 1, 2018					<u>35,312,234</u>	<u>42,130,844</u>
Net Position, June 30, 2019					<u>\$ 41,469,042</u>	<u>\$ 48,816,592</u>

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,790	\$ 36,790
Equity in Pooled Cash and Investments	12,119,425	1,556,703	10,481,053	478,867	2,448,899	27,084,947
Accounts Receivable	99,098	0	0	420	10,598	110,116
Due from Other Governments	489,323	725,913	477	128,771	477	1,344,961
Due from Other Funds	36,790	18,474	0	0	0	55,264
Property Taxes Receivable	8,479,968	742,761	3,819,916	0	534,910	13,577,555
Allowance for Uncollectible Property Taxes	(256,768)	(22,752)	(117,010)	0	(17,877)	(414,407)
Accrued Interest Receivable	89,929	0	0	0	0	89,929
Total Assets	<u>\$ 21,057,765</u>	<u>\$ 3,021,099</u>	<u>\$ 14,184,436</u>	<u>\$ 608,058</u>	<u>\$ 3,013,797</u>	<u>\$ 41,885,155</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,290	\$ 37,290
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,290</u>	<u>\$ 37,290</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 8,009,375	\$ 700,820	\$ 3,604,218	\$ 0	\$ 500,585	\$ 12,814,998
Deferred Delinquent Property Taxes	171,883	15,519	79,813	0	13,827	281,042
Other Deferred/Unavailable Revenue	173,868	366,689	203	203	203	541,166
Total Deferred Inflows of Resources	<u>\$ 8,355,126</u>	<u>\$ 1,083,028</u>	<u>\$ 3,684,234</u>	<u>\$ 203</u>	<u>\$ 514,615</u>	<u>\$ 13,637,206</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Finance	\$ 20,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,460

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Administration of Justice	\$ 121,307	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,307
Restricted for Public Safety	44,398	0	0	0	342,538	386,936
Restricted for Public Health and Welfare	25,171	0	0	0	0	25,171
Restricted for Other Operations	749,030	0	0	0	0	749,030
Restricted for Highways/Public Works	0	669,797	0	0	0	669,797
Restricted for Debt Service	0	0	9,027,013	0	0	9,027,013
Restricted for Capital Projects	0	0	0	607,855	0	607,855
Restricted for Other Purposes	3,451	0	0	0	0	3,451
Committed:						
Committed for General Government	1,523,120	0	0	0	0	1,523,120
Committed for Public Health and Welfare	0	0	0	0	2,119,354	2,119,354
Committed for Highways/Public Works	0	1,268,274	0	0	0	1,268,274
Committed for Debt Service	0	0	1,473,189	0	0	1,473,189
Committed for Other Purposes	1,655,240	0	0	0	0	1,655,240
Assigned:						
Assigned for General Government	2,204	0	0	0	0	2,204
Assigned for Finance	562	0	0	0	0	562
Assigned for Administration of Justice	1,495	0	0	0	0	1,495
Assigned for Public Safety	4,126	0	0	0	0	4,126
Assigned for Public Health and Welfare	915,679	0	0	0	0	915,679
Assigned for Social, Cultural, and Recreational Services	12,967	0	0	0	0	12,967
Unassigned	7,623,429	0	0	0	0	7,623,429
Total Fund Balances	\$ 12,702,639	\$ 1,938,071	\$ 10,500,202	\$ 607,855	\$ 2,461,892	\$ 28,210,659
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,057,765	\$ 3,021,099	\$ 14,184,436	\$ 608,058	\$ 3,013,797	\$ 41,885,155

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

Exhibit C-2

Tipton 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)	\$	28,210,659	
 (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,583,516	
Add: buildings and improvements net of accumulated depreciation		5,615,625	
Add: infrastructure net of accumulated depreciation		11,837,115	
Add: other capital assets net of accumulated depreciation		<u>2,577,172</u>	22,613,428
 (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loan payable	\$	(8,135,000)	
Less: note payable		(1,076,000)	
Less: bonds payable		(700,000)	
Less: compensated absences payable		(812,106)	
Less: landfill closure/postclosure care costs		(188,798)	
Less: net OPEB liability		(1,556,805)	
Less: accrued interest on bonds and the note		<u>(11,998)</u>	(12,480,707)
 (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	975,943	
Less: deferred inflows of resources related to pensions		(1,002,634)	
Add: deferred outflows of resources related to OPEB		50,811	
Less: deferred inflows of resources related to OPEB		<u>(224,361)</u>	(200,241)
 (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			
			2,503,695
 (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			822,208
Net position of governmental activities (Exhibit A)	\$		<u><u>41,469,042</u></u>

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

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,902,601	\$ 2,391,650	\$ 3,930,650	\$ 274	\$ 535,697	\$ 18,760,872
Licenses and Permits	191,607	0	0	0	0	191,607
Fines, Forfeitures, and Penalties	330,307	0	0	0	75,733	406,040
Charges for Current Services	207,771	1,542	0	0	414,385	623,698
Other Local Revenues	1,461,851	155,384	1,518	420	155,333	1,774,506
Fees Received From County Officials	2,422,670	0	0	0	0	2,422,670
State of Tennessee	2,212,293	3,362,616	0	0	0	5,574,909
Federal Government	229,473	0	0	2,701,791	169,877	3,101,141
Other Governments and Citizens Groups	301,823	281,150	150,000	10,277	0	743,250
<b>Total Revenues</b>	<b>\$ 19,260,396</b>	<b>\$ 6,192,342</b>	<b>\$ 4,082,168</b>	<b>\$ 2,712,762</b>	<b>\$ 1,351,025</b>	<b>\$ 33,598,693</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 2,117,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,117,160
Finance	1,590,059	0	0	0	0	1,590,059
Administration of Justice	1,747,226	0	0	0	1,230	1,748,456
Public Safety	9,823,959	0	0	0	145,708	9,969,667
Public Health and Welfare	1,063,794	0	0	0	51,085	1,114,879
Social, Cultural, and Recreational Services	371,508	0	0	0	0	371,508
Agriculture and Natural Resources	208,471	0	0	0	0	208,471
Other Operations	1,080,767	0	0	0	0	1,080,767
Highways	0	6,827,103	0	0	1,136,605	7,963,708
Debt Service:						
Principal on Debt	0	0	1,354,000	0	0	1,354,000
Interest on Debt	0	0	205,457	0	0	205,457
Other Debt Service	0	0	129,812	0	0	129,812

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 3,446,179	\$ 0	\$ 3,446,179
Total Expenditures	\$ 18,002,944	\$ 6,827,103	\$ 1,689,269	\$ 3,446,179	\$ 1,334,628	\$ 31,300,123
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,257,452	\$ (634,761)	\$ 2,392,899	\$ (733,417)	\$ 16,397	\$ 2,298,570
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 79,875	\$ 8,341	\$ 0	\$ 0	\$ 0	\$ 88,216
Total Other Financing Sources (Uses)	\$ 79,875	\$ 8,341	\$ 0	\$ 0	\$ 0	\$ 88,216
Net Change in Fund Balances	\$ 1,337,327	\$ (626,420)	\$ 2,392,899	\$ (733,417)	\$ 16,397	\$ 2,386,786
Fund Balance, July 1, 2018	11,365,312	2,564,491	8,107,303	1,341,272	2,445,495	25,823,873
Fund Balance, June 30, 2019	\$ 12,702,639	\$ 1,938,071	\$ 10,500,202	\$ 607,855	\$ 2,461,892	\$ 28,210,659

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

Exhibit C-4

Tipton 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)		\$ 2,386,786
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,543,443	
Less: current-year depreciation expense	<u>(1,785,092)</u>	758,351
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(67,033)
Less: gain on disposal of capital assets		
(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	\$ 822,208	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(512,507)</u>	309,701
(4) The issuance of long-term debt (e.g., other loans, notes, bonds, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal payments on note	\$ 524,000	
Add: principal payments on other loan	<u>830,000</u>	1,354,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 2,268	
Change in compensated absences payable	(45,281)	
Change in landfill closure/postclosure care costs	46,842	
Change in net OPEB liability	947,428	
Change in deferred outflows related to OPEB	(26,448)	
Change in deferred inflows related to OPEB	(100,127)	
Change in net pension asset	973,401	
Change in deferred outflows related to pensions	(94,844)	
Change in deferred inflows related to pensions	<u>(288,236)</u>	1,415,003
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,156,808</u>

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



Exhibit C-5

Tipton County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,902,601	\$ 0	\$ 0	\$ 11,902,601	\$ 11,554,130	\$ 11,554,130	\$ 348,471
Licenses and Permits	191,607	0	0	191,607	141,000	141,000	50,607
Fines, Forfeitures, and Penalties	330,307	0	0	330,307	347,785	347,785	(17,478)
Charges for Current Services	207,771	0	0	207,771	197,750	197,750	10,021
Other Local Revenues	1,461,851	0	0	1,461,851	480,230	482,305	979,546
Fees Received From County Officials	2,422,670	0	0	2,422,670	2,350,000	2,350,000	72,670
State of Tennessee	2,212,293	0	0	2,212,293	2,074,500	2,029,500	182,793
Federal Government	229,473	0	0	229,473	131,958	164,005	65,468
Other Governments and Citizens Groups	301,823	0	0	301,823	231,000	407,100	(105,277)
Total Revenues	\$ 19,260,396	\$ 0	\$ 0	\$ 19,260,396	\$ 17,508,353	\$ 17,673,575	\$ 1,586,821
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 173,048	\$ (1,650)	\$ 1,486	\$ 172,884	\$ 209,875	\$ 219,875	\$ 46,991
Beer Board	3,122	0	0	3,122	3,380	3,380	258
County Mayor/Executive	323,904	(74)	0	323,830	343,891	343,891	20,061
Election Commission	378,533	(585)	0	377,948	401,763	450,263	72,315
Register of Deeds	336,637	(1,539)	359	335,457	348,312	348,312	12,855
Planning	306,068	0	0	306,068	325,672	325,672	19,604
Building	285,439	0	0	285,439	336,212	336,212	50,773
Codes Compliance	12,792	0	0	12,792	14,174	14,174	1,382
Geographical Information Systems	147,289	0	0	147,289	160,250	160,250	12,961
County Buildings	103,354	(1,884)	359	101,829	102,400	110,400	8,571
Other General Administration	46,974	0	0	46,974	98,200	98,200	51,226
<u>Finance</u>							
Accounting and Budgeting	282,424	(11,000)	0	271,424	304,536	304,536	33,112
Property Assessor's Office	397,163	0	0	397,163	485,957	485,957	88,794
Reappraisal Program	16,466	0	120	16,586	36,852	36,852	20,266
County Trustee's Office	370,101	0	442	370,543	396,568	396,568	26,025
County Clerk's Office	523,905	(12,800)	0	511,105	536,196	536,196	25,091

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 706,257	\$ (150)	\$ 1,450	\$ 707,557	\$ 750,526	\$ 754,526	\$ 46,969
General Sessions Court	303,737	0	0	303,737	309,726	306,626	2,889
Drug Court	0	0	0	0	15,000	15,000	15,000
Chancery Court	313,722	0	0	313,722	369,261	365,261	51,539
Juvenile Court	187,267	0	45	187,312	165,547	193,647	6,335
District Attorney General	47,326	0	0	47,326	65,000	65,000	17,674
Probate Court	134,481	0	0	134,481	139,969	139,969	5,488
Other Administration of Justice	34,108	0	0	34,108	40,175	45,175	11,067
Victim Assistance Programs	20,328	0	0	20,328	30,000	30,000	9,672
<u>Public Safety</u>							
Sheriff's Department	5,687,671	(16,341)	345	5,671,675	5,681,657	5,807,413	135,738
Administration of the Sexual Offender Registry	6,243	0	0	6,243	8,000	8,000	1,757
Jail	2,856,839	(3,600)	2,918	2,856,157	3,044,550	3,004,750	148,593
Workhouse	221,672	0	0	221,672	280,870	256,870	35,198
Fire Prevention and Control	511,760	0	462	512,222	530,215	530,215	17,993
Civil Defense	203,533	0	0	203,533	270,642	270,642	67,109
Other Emergency Management	287,516	0	0	287,516	290,951	290,951	3,435
Other Public Safety	48,725	0	0	48,725	0	55,000	6,275
<u>Public Health and Welfare</u>							
Local Health Center	85,303	0	12,000	97,303	91,355	124,855	27,552
Rabies and Animal Control	338,499	0	0	338,499	348,665	363,348	24,849
Ambulance/Emergency Medical Services	147,649	0	0	147,649	135,000	160,000	12,351
Dental Health Program	347,494	0	0	347,494	401,500	401,500	54,006
General Welfare Assistance	23,162	0	0	23,162	23,163	23,163	1
Sanitation Management	121,687	0	0	121,687	141,010	141,010	19,323
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	62,000	0	0	62,000	62,000	62,000	0
Libraries	293,521	(395)	13,074	306,200	348,420	348,420	42,220
Parks and Fair Boards	15,987	0	0	15,987	19,000	19,000	3,013

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	90,398	0	0	90,398	124,123	124,123	33,725
Soil Conservation	118,073	0	0	118,073	117,656	121,656	3,583
<u>Other Operations</u>							
Tourism	68,000	0	0	68,000	68,000	68,000	0
Industrial Development	419,656	0	0	419,656	481,315	498,915	79,259
Other Economic and Community Development	169,033	0	0	169,033	191,329	191,329	22,296
Veterans' Services	39,168	0	0	39,168	46,720	46,720	7,552
Employee Benefits	10,018	0	0	10,018	20,000	20,000	9,982
Miscellaneous	374,892	0	0	374,892	523,225	487,725	112,833
Total Expenditures	\$ 18,002,944	\$ (50,018)	\$ 33,060	\$ 17,985,986	\$ 19,248,808	\$ 19,521,547	\$ 1,535,561
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,257,452	\$ 50,018	\$ (33,060)	\$ 1,274,410	\$ (1,740,455)	\$ (1,847,972)	\$ 3,122,382
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 79,875	\$ 0	\$ 0	\$ 79,875	\$ 0	\$ 43,685	\$ 36,190
Total Other Financing Sources	\$ 79,875	\$ 0	\$ 0	\$ 79,875	\$ 0	\$ 43,685	\$ 36,190
Net Change in Fund Balance	\$ 1,337,327	\$ 50,018	\$ (33,060)	\$ 1,354,285	\$ (1,740,455)	\$ (1,804,287)	\$ 3,158,572
Fund Balance, July 1, 2018	11,365,312	(50,018)	0	11,315,294	9,062,932	9,062,932	2,252,362
Fund Balance, June 30, 2019	\$ 12,702,639	\$ 0	\$ (33,060)	\$ 12,669,579	\$ 7,322,477	\$ 7,258,645	\$ 5,410,934

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

Exhibit C-6

Tipton 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	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	\$ 2,391,650	\$ 0	\$ 0	\$ 2,391,650	\$ 2,350,315	\$ 2,350,315	\$ 41,335
Charges for Current Services	1,542	0	0	1,542	2,500	2,500	(958)
Other Local Revenues	155,384	0	0	155,384	70,000	70,000	85,384
State of Tennessee	3,362,616	0	0	3,362,616	3,364,000	3,364,000	(1,384)
Federal Government	0	0	0	0	960,000	960,000	(960,000)
Other Governments and Citizens Groups	281,150	0	0	281,150	279,000	279,000	2,150
Total Revenues	<u>\$ 6,192,342</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,192,342</u>	<u>\$ 7,025,815</u>	<u>\$ 7,025,815</u>	<u>\$ (833,473)</u>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 602,631	\$ (110)	\$ 0	\$ 602,521	\$ 619,900	\$ 626,900	\$ 24,379
Highway and Bridge Maintenance	3,440,755	0	30	3,440,785	3,584,600	3,618,600	177,815
Operation and Maintenance of Equipment	537,935	0	0	537,935	618,000	623,000	85,065
Other Charges	617,168	0	0	617,168	628,355	643,355	26,187
Employee Benefits	726,476	0	0	726,476	817,500	817,500	91,024
Capital Outlay	902,138	0	125	902,263	1,606,500	1,545,500	643,237
Total Expenditures	<u>\$ 6,827,103</u>	<u>\$ (110)</u>	<u>\$ 155</u>	<u>\$ 6,827,148</u>	<u>\$ 7,874,855</u>	<u>\$ 7,874,855</u>	<u>\$ 1,047,707</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (634,761)</u>	<u>\$ 110</u>	<u>\$ (155)</u>	<u>\$ (634,806)</u>	<u>\$ (849,040)</u>	<u>\$ (849,040)</u>	<u>\$ 214,234</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,341	\$ 0	\$ 0	\$ 8,341	\$ 0	\$ 0	\$ 8,341
Total Other Financing Sources	<u>\$ 8,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,341</u>
Net Change in Fund Balance	\$ (626,420)	\$ 110	\$ (155)	\$ (626,465)	\$ (849,040)	\$ (849,040)	\$ 222,575
Fund Balance, July 1, 2018	<u>2,564,491</u>	<u>(110)</u>	<u>0</u>	<u>2,564,381</u>	<u>2,564,491</u>	<u>2,564,491</u>	<u>(110)</u>
Fund Balance, June 30, 2019	<u>\$ 1,938,071</u>	<u>\$ 0</u>	<u>\$ (155)</u>	<u>\$ 1,937,916</u>	<u>\$ 1,715,451</u>	<u>\$ 1,715,451</u>	<u>\$ 222,465</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,150,369
Due from Other Governments	<u>770,000</u>
Total Assets	<u>\$ 2,920,369</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 770,000
Due to Litigants, Heirs, and Others	<u>2,150,369</u>
Total Liabilities	<u>\$ 2,920,369</u>

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

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**TIPTON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Tipton 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 Tipton County:

**A. Reporting Entity**

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton County (the primary government) and its component units. The financial statements of the Tipton County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

Administrative Office:

Tipton County Emergency Communications District  
220 Highway 51 North, Suite 4  
Covington, TN 38019

**B. Government-wide and Fund Financial Statements**

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

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



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

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

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

Fund financial statements of Tipton County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Tipton County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

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

Fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Tipton County reports the following major governmental funds:

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

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

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

**General Capital Projects Fund** – This fund accounts for general capital expenditures of the county.

Additionally, Tipton County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Tipton County. 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 Tipton 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 Tipton County School Department reports the following fund types:

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

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

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 Tipton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Tipton 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. No

investments required to be reported at fair value were held at the balance sheet date.

**2. Receivables and Payables**

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

Property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.60 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

**3. Restricted Assets**

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Tipton 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

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

**4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 18
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These

items are for pension changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share of contributions, and employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. 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.

**7. Long-term Debt and Long-term Obligations**

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

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

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

## 8. Net Position and Fund Balance

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

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

As of June 30, 2019, Tipton County had \$8,835,000 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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



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

**Discretely Presented Tipton 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 Tipton 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 Tipton County School Department**

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

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

**Primary Government**

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

**Discretely Presented Tipton 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**

**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, and the School Department's Education Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2019, Tipton County had outstanding encumbrances in the budget funds as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 33,060
Highway/Public Works	155
General Capital Projects	<u>329,907</u>
 Total	 <u>\$ 363,122</u>

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

##### **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the

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

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

### **Investments**

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

Tipton County has no pooled or nonpooled investments at June 30, 2019.

### **TCRS Stabilization Trust**

**Legal Provisions.** The Tipton 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 Tipton 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 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 Tipton 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	\$ 42,531
Developed Market International Equity	N/A	N/A	19,208
Emerging Market International Equity	N/A	N/A	5,488
U.S. Fixed Income	N/A	N/A	27,440
Real Estate	N/A	N/A	13,720
Short-term Securities	N/A	N/A	1,372
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>27,440</u>
Total			<u>\$ 137,199</u>

Investment by fair value level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 42,531	\$ 42,531	0	0	0
Developed Market International Equity	19,208	19,208	0	0	0
Emerging Market International Equity	5,488	5,488	0	0	0
U.S. Fixed Income	27,440	0	27,440	0	0
Real Estate	13,720	0	0	13,720	0
Short-term Securities	1,372	0	1,372	0	0
Private Equity and Strategic Lending	27,440	0	0	0	27,440
Total	<u>\$ 137,199</u>	<u>\$ 67,227</u>	<u>\$ 28,812</u>	<u>\$ 13,720</u>	<u>\$ 27,440</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 Tipton 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 Tipton 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. Tipton 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 Tipton 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	\$ 2,583,516	\$ 0	\$ 0	\$ 2,583,516
Construction in Progress	2,956,314	0	(2,956,314)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 5,539,830</b>	<b>\$ 0</b>	<b>\$ (2,956,314)</b>	<b>\$ 2,583,516</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,626,045	\$ 3,017,188	\$ 0	\$ 10,643,233
Infrastructure	33,546,952	2,015,224	(16,708)	35,545,468
Other Capital Assets	11,496,229	467,345	(234,161)	11,729,413
<b>Total Capital Assets Depreciated</b>	<b>\$ 52,669,226</b>	<b>\$ 5,499,757</b>	<b>\$ (250,869)</b>	<b>\$ 57,918,114</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,675,831	\$ 351,777	\$ 0	\$ 5,027,608
Infrastructure	22,938,417	786,644	(16,708)	23,708,353
Other Capital Assets	8,672,698	646,671	(167,128)	9,152,241
<b>Total Accumulated Depreciation</b>	<b>\$ 36,286,946</b>	<b>\$ 1,785,092</b>	<b>\$ (183,836)</b>	<b>\$ 37,888,202</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 16,382,280</b>	<b>\$ 3,714,665</b>	<b>\$ (67,033)</b>	<b>\$ 20,029,912</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 21,922,110</b>	<b>\$ 3,714,665</b>	<b>\$ (3,023,347)</b>	<b>\$ 22,613,428</b>

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

**Governmental Activities:**

General Government	\$ 96,921
Finance	4,267
Administration of Justice	58,176
Public Safety	559,378
Public Health and Welfare	16,289
Social, Cultural, and Recreational Services	3,589
Highways/Public Works	<u>1,046,472</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,785,092</u></u>

**Discretely Presented Tipton County School Department**

**Governmental Activities:**

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 3,631,433	\$ 0	\$ 3,631,433
Total Capital Assets Not Depreciated	<u>\$ 3,631,433</u>	<u>\$ 0</u>	<u>\$ 3,631,433</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 115,740,170	\$ 412,024	\$ 116,152,194
Infrastructure	167,075	0	167,075
Other Capital Assets	12,201,599	872,710	13,074,309
Total Capital Assets Depreciated	<u>\$ 128,108,844</u>	<u>\$ 1,284,734</u>	<u>\$ 129,393,578</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 96,712,329	\$ 2,017,334	\$ 98,729,663
Infrastructure	86,149	19,530	105,679
Other Capital Assets	8,428,744	659,617	9,088,361
Total Accumulated Depreciation	<u>\$ 105,227,222</u>	<u>\$ 2,696,481</u>	<u>\$ 107,923,703</u>
Total Capital Assets Depreciated, Net	<u>\$ 22,881,622</u>	<u>\$ (1,411,747)</u>	<u>\$ 21,469,875</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 26,513,055</u></u>	<u><u>\$ (1,411,747)</u></u>	<u><u>\$ 25,101,308</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2019. Depreciation expense was charged to functions of the discretely presented Tipton County School Department as follows:

**Governmental Activities:**

Instruction	\$ 1,652,757
Support Services	856,004
Operation of Non-instructional Services	<u>187,720</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,696,481</u>

**C. Construction Commitments**

At June 30, 2019, the General Capital Projects Fund had uncompleted construction contracts of approximately \$251,379 for the construction of a healthcare training facility. Funding has been received for these future expenditures.

**D. 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>
General	Nonmajor governmental	\$ 36,790
Highway/Public Works	General	17,974
Highway/Public Works	Nonmajor governmental	500

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.

The receivable in the Highway/Public Works Fund totaling \$17,974 was in transit from the General Fund at June 30, 2019.

**Interfund Transfers:**

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

**Discretely Presented Tipton County School Department**

Transfer Out	Transfer In		Purpose
	General Purpose School Fund	Nonmajor Governmental Fund	
General Purpose School Fund	\$ 0	\$ 1,250,000	Capital outlay
Nonmajor governmental fund	93,225	0	Indirect costs

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

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Note, and Other Loans**

General Obligation Bonds - Tipton 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. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Tipton 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 and credit of the government. The capital outlay note and other loan outstanding were issued for original terms of three years for the note and 20 years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and other loan included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	2.50 to 4.625%	4-1-22	\$ 9,000,000	\$ 700,000
Direct Borrowing and Direct Placement:				
Capital Outlay Note	1.76	8-19-19	1,600,000	1,076,000
Other Loan	Variable	9-19-19	16,000,000	8,135,000

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2019, the variable interest rate was 2.39 percent based on the LIBOR rate, and other fees totaled 0.58 percent of the outstanding loan principal.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 0	\$ 32,375	\$ 32,375
2021	0	32,375	32,375
2022	700,000	32,375	732,375
Total	\$ 700,000	\$ 97,125	\$ 797,125

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2020	\$ 1,076,000	\$ 7,470	\$ 1,083,470
Total	\$ 1,076,000	\$ 7,470	\$ 1,083,470

Year Ending June 30	Other Loan - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 8,135,000	\$ 98,939	\$ 8,623	\$ 8,242,562
Total	\$ 8,135,000	\$ 98,939	\$ 8,623	\$ 8,242,562

There is \$10,500,202 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$11, based on the 2010 federal census. Total debt per capita, including bonds, the note, and other loan, totaled \$162, 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	Note - Direct Placement	Other Loan - Direct Placement
Balance, July 1, 2018	\$ 700,000	\$ 1,600,000	\$ 8,965,000
Reductions	0	(524,000)	(830,000)
Balance, June 30, 2019	<u>\$ 700,000</u>	<u>\$ 1,076,000</u>	<u>\$ 8,135,000</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,076,000</u>	<u>\$ 8,135,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 9,911,000
Less: Balance Due Within One Year - Debt	<u>(9,211,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 700,000</u>

**F. Long-term Obligations**

Changes in Long-term Obligations

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

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2018	\$ 766,825	\$ 235,640	\$ 2,504,233
Additions	584,482	4,243	295,194
Reductions	(539,201)	(51,085)	(1,242,622)
Balance, June 30, 2019	<u>\$ 812,106</u>	<u>\$ 188,798</u>	<u>\$ 1,556,805</u>
Balance Due Within One Year	<u>\$ 525,755</u>	<u>\$ 51,085</u>	<u>\$ 0</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 2,557,709
Less: Balance Due Within One Year - Other	<u>(576,840)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,980,869</u>

**Discretely Presented Tipton County School Department**

Changes in Long-term Obligations

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

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018	\$ 539,173	\$ 8,124,813
Additions	265,887	1,479,674
Reductions	(192,709)	(1,448,209)
Balance, June 30, 2019	<u>\$ 612,351</u>	<u>\$ 8,156,278</u>
Balance Due Within One Year	<u>\$ 192,709</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 8,768,629
Less: Balance Due Within One Year - Other	<u>(192,709)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,575,920</u>

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

**G. On-Behalf Payments**

**Discretely Presented Tipton County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$142,149. 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**

**Primary Government**

Liability, Property, and Casualty

Tipton County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims in excess of \$100,000 for each insured event.

Workers' Compensation Insurance

Tipton County participates in the Local Government Workers' Compensation Fund (LWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County



Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays annual premiums to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

#### Employee Health Insurance

Tipton 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, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

#### **Discretely Presented Tipton County School Department**

##### Liability, Property, and Casualty

The discretely presented Tipton County School Department participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The School Department pays annual premiums to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims in excess of \$100,000 for each insured event.

##### Workers' Compensation Insurance

The School Department does not provide workers' compensation insurance coverage for its employees.

##### Employee Health Insurance

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

**B. Accounting Changes**

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

The Board of Education is a defendant in a class action complaint regarding a data security breach. The case was dismissed, however, plaintiffs refiled with the Circuit Court of Tipton County on March 25, 2019, requesting class action certification. In response, the Tipton County Board of Education filed a Motion to Dismiss on May 24, 2019. The attorney is reasonably confident that the Board of Education will prevail in the Court of Appeals.

**D. Change in Administration**

On June 30, 2018, Dr. William Bib left the Office of Director of Schools and was succeeded by Dr. John Combs on July 1, 2018.

**E. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Tipton County closed its sanitary landfill in 1998. The \$188,798 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Lauderdale, and Tipton counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district.

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

funding for the board. Tipton County contributed \$50,000 to HTL Advantage during the year.

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

Administrative Offices:

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

HTL Advantage  
1469 South Main Street  
Covington, TN 38019

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Tipton County and non-certified employees of the discretely presented Tipton County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 50.1 percent and the non-certified employees of the discretely presented School Department comprised 49.9 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](http://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	330
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	419
Active Employees	664
 Total	 <u>1,413</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. Tipton 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 Tipton County was \$1,021,187 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Tipton 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)

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

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

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

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

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

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2017	\$ 64,567,441	\$ 67,700,722	\$ (3,133,281)
Changes for the Year:			
Service Cost	\$ 1,787,653	\$ 0	\$ 1,787,653
Interest	4,714,410	0	4,714,410
Differences Between Expected and Actual Experience	(841,643)	0	(841,643)
Changes in Assumptions	0	0	0
Contributions-Employer	0	997,688	(997,688)
Contributions-Employees	0	999,485	(999,485)
Net Investment Income	0	5,589,571	(5,589,571)
Benefit Payments, Including Refunds of Employee Contributions	(2,657,497)	(2,657,497)	0
Administrative Expense	0	(62,209)	62,209
Other Changes	0	0	0
Net Changes	\$ 3,002,923	\$ 4,867,038	\$ (1,864,115)
Balance, June 30, 2018	\$ 67,570,364	\$ 72,567,760	\$ (4,997,396)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	50.1%	\$ 33,852,752	\$ 36,356,448	\$ (2,503,695)
School Department	49.9%	33,717,612	36,211,312	(2,493,701)
Total		\$ 67,570,364	\$ 72,567,760	\$ (4,997,396)

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



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

Net Pension Liability (Asset) \$ 3,765,920 \$ (4,997,396) \$ (12,284,242)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2019, Tipton County recognized (negative) pension expense of (\$35,113).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,674,094
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	327,172
Changes in Assumptions	878,340	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	1,021,187	N/A
Total	<u>\$ 1,899,527</u>	<u>\$ 2,001,266</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 975,943	\$ 1,002,634
School Department	923,584	998,632
Total	<u>\$ 1,899,527</u>	<u>\$ 2,001,266</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	\$ 149,556
2021	(281,018)
2022	(681,644)
2023	(309,820)
2024	0
Thereafter	0

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

**Discretely Presented Tipton County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Tipton County and non-certified employees of the discretely presented Tipton County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 50.1 percent and the non-certified employees of the discretely presented School Department comprised 49.9 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Tipton 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](http://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 \$127,574, which is 1.94 percent of covered payroll. In addition, employer contributions of \$130,273, which is 1.99 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, 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 (\$250,141) 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 .551545 percent. The proportion as of June 30, 2017, was .564050 percent.

*Pension Expense.* For the year ended June 30, 2019, the School Department recognized pension expense of \$85,838.

*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	\$ 14,167	\$ 9,963
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	14,130
Changes in Assumptions	11,801	0
Changes in Proportion of Net Pension Liability (Asset)	5,423	175
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	127,574	N/A
Total	<u>\$ 158,965</u>	<u>\$ 24,268</u>

The School Department's employer contributions of \$127,574, 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	\$ (1,417)
2021	(1,866)
2022	(3,880)
2023	(187)
2024	1,695
Thereafter	12,778

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 investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability      \$      38,672      \$      (250,141)      \$      (462,928)

*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 Tipton 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](http://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 Tipton County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$3,891,635, 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 (\$3,928,406) 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 1.116368 percent. The proportion measured at June 30, 2017, was 1.128668 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2019, the School Department recognized (negative) pension expense of (\$1,179,732).

*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	\$ 794,065	\$ 5,299,731
Changes in Assumptions	2,320,135	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	854,985
Changes in Proportion of Net Pension Liability (Asset)	75,955	149,064
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	<u>3,891,635</u>	<u>N/A</u>
Total	<u>\$ 7,081,790</u>	<u>\$ 6,303,780</u>

The School Department's employer contributions of \$3,891,635 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 754,612
2021	(1,309,752)
2022	(2,186,909)
2023	(371,576)
2024	0
Thereafter	0

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	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 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability    \$ 30,282,627    \$ (3,928,406)    \$ (32,233,270)

*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 \$328,161 and teachers contributed \$126,085 to this deferred compensation pension plan.

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

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

**OPEB Provided through State Administered Public Entity Risk Pools**

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

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

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

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

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

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

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

taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

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

### **Local Government OPEB Plan (Primary Government)**

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

*Benefits provided.* Tipton County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. During the year, Tipton County provided direct subsidies of \$391 to \$1,431 per month toward the cost of the insurance plan selected by the retiree. The LGP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

#### **Employees Covered by Benefit Terms**

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

	<u>Tipton County</u>
Retirees and Beneficiaries	5
Inactive, nonretired members	0
Active Members Eligible for Future Benefits	217
Active Members Not Eligible for Future Benefits	15
Total	<u><u>237</u></u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2019, the county paid \$50,811 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ <u>2,504,233</u>
Changes for the Year:	
Service Cost	\$ 200,288
Interest	94,906
Changes in Benefit Terms	(1,038,601)
Difference between Expected and Actuarial Experience	(79,893)
Changes in Assumption and Other Inputs	(46,869)
Benefit Payments	<u>(77,259)</u>
Net Changes	<u>\$ (947,428)</u>
Balance June 30, 2018	<u><u>\$ 1,556,805</u></u>



*OPEB Expense (Negative OPEB Expense) and Deferred Outflows or Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the county recognized OPEB (negative) expense of (\$770,042). At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 71,904
Changes of Assumptions/Inputs	0	152,457
Net Difference Between Projected and Benefits Paid After the Measurement Date	<u>50,811</u>	<u>0</u>
Total	<u>\$ 50,811</u>	<u>\$ 224,361</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	Amount
2020	\$ (26,635)
2021	(26,635)
2022	(26,635)
2023	(26,635)
2024	(26,635)
Thereafter	(91,186)

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

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

<u>Discount Rate</u>	Current		
	1% Decrease	Discount Rate	1% Increase
	2.62%	3.62%	4.62%
Total OPEB Liability	\$ 1,692,512	\$ 1,556,805	\$ 1,430,304

*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:

	Current		
	1% Decrease	Trend Rate	1% Increase
	5.75 to 2.81%	6.75 to 3.81%	7.75 to 4.81%
Total OPEB Liability	\$ 1,361,914	\$ 1,556,805	\$ 1,790,997

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

*Plan description.* Employees of the Tipton 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 Tipton County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard

PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Tipton County School Department provided direct subsidies of \$78 to \$130 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>
Retirees and Beneficiaries	42
Inactive, nonretired members	1
Active Members Eligible for Future Benefits	975
Active Members Not Eligible for Future Benefits	110
Total	<u><u>1,128</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 \$331,053 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Tipton County</u>	<u>State of</u>	<u>Total OPEB</u>
	<u>School Department</u>	<u>TN</u>	
	<u>69.043%</u>	<u>30.958%</u>	
Balance July 1, 2017	\$ 8,124,813	\$ 4,217,113	\$ 12,341,926
Changes for the Year:			
Service Cost	\$ 498,160	\$ 223,366	\$ 721,526
Interest	315,434	141,436	456,870
Changes in Benefit Terms	(245,820)	(110,222)	(356,042)
Difference between Expected and Actuarial Experience	(884,748)	(396,706)	(1,281,454)
Changes in Assumption and Other Inputs	269,719	120,937	390,656
Benefit Payments	(317,640)	(142,425)	(460,065)
Changes in Proportion of Total OPEB Liability	396,361	(396,361)	
Net Changes	\$ 31,465	\$ (559,974)	\$ (528,509)
Balance June 30, 2018	\$ 8,156,278	\$ 3,657,139	\$ 11,813,417

The Tipton 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 Tipton County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$169,475 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Tipton County School Department's proportionate share of the collective OPEB liability was 69.043 percent and the State of Tennessee's share was 30.958 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department recognized OPEB expense of \$505,927, including the state's share of the expense. At June 30, 2018, 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	\$ 799,677
Changes of Assumptions/Inputs	243,785	351,273
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	372,359	0
Benefits Paid After the Measurement Date of June 30, 2108	<u>331,053</u>	<u>0</u>
Total	<u>\$ 947,197</u>	<u>\$ 1,150,950</u>

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

Year Ending June 30	School Department
2020	\$ (61,846)
2021	(61,846)
2022	(61,846)
2023	(61,846)
2024	(61,846)
Thereafter	(225,576)

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

*Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 8,807,954	\$ 8,156,278	\$ 7,536,775
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*Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 7,127,112	\$ 8,156,278	\$ 9,387,375
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**I. Purchasing Laws**

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act provides for the Purchasing Committee to make all purchases estimated to exceed \$10,000. Purchases estimated to be \$10,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$10,000.

Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes provide for the Public Works Committee to make all purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Tipton 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
<b>Total Pension Liability</b>					
Service Cost	\$ 1,539,402	\$ 1,596,507	\$ 1,592,397	\$ 1,656,350	\$ 1,787,653
Interest	3,848,940	4,075,784	4,312,406	4,551,879	4,714,410
Differences Between Actual and Expected Experience	(399,838)	(363,478)	(532,845)	(999,742)	(841,643)
Changes in Assumption	0	0	0	1,463,900	0
Benefit Payments, Including Refunds of Employee Contributions	(1,947,793)	(2,094,273)	(2,205,220)	(2,280,637)	(2,657,497)
Net Change in Total Pension Liability	\$ 3,040,711	\$ 3,214,540	\$ 3,166,738	\$ 4,391,750	\$ 3,002,923
Total Pension Liability, Beginning	50,753,702	53,794,413	57,008,953	60,175,691	64,567,441
Total Pension Liability, Ending (a)	\$ 53,794,413	\$ 57,008,953	\$ 60,175,691	\$ 64,567,441	\$ 67,570,364
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 1,771,288	\$ 1,782,100	\$ 1,839,642	\$ 1,760,920	\$ 997,688
Contributions - Employee	913,650	922,605	965,191	997,493	999,485
Net Investment Income	7,914,371	1,733,421	1,553,827	6,869,848	5,589,571
Benefit Payments, Including Refunds of Employee Contributions	(1,947,793)	(2,094,273)	(2,205,220)	(2,280,637)	(2,657,497)
Administrative Expense	(26,438)	(34,098)	(51,315)	(58,612)	(62,209)
Other	0	0	27,400	699	0
Net Change in Plan Fiduciary Net Position	\$ 8,625,078	\$ 2,309,755	\$ 2,129,525	\$ 7,289,711	\$ 4,867,038
Plan Fiduciary Net Position, Beginning	47,346,653	55,971,731	58,281,486	60,411,011	67,700,722
Plan Fiduciary Net Position, Ending (b)	\$ 55,971,731	\$ 58,281,486	\$ 60,411,011	\$ 67,700,722	\$ 72,567,760
Net Pension Liability (Asset), Ending (a - b)	\$ (2,177,318)	\$ (1,272,533)	\$ (235,320)	\$ (3,133,281)	\$ (4,997,396)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.05%	102.23%	100.39%	104.85%	107.40%
Covered Payroll	\$ 18,241,839	\$ 18,353,247	\$ 18,937,174	\$ 19,919,896	\$ 19,954,954
Net Pension Liability (Asset) as a Percentage of Covered Payroll	11.94%	6.93%	(1.24)%	(15.73)%	(25.04)%

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

Tipton 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	\$ 1,771,288	\$ 1,646,286	\$ 1,698,664	\$ 1,760,920	\$ 764,275	\$ 716,873
Less Contributions in Relation to the Actuarially Determined Contribution	(1,771,288)	(1,782,100)	(1,839,642)	(1,760,920)	(997,688)	(1,021,187)
Contribution Deficiency (Excess)	\$ 0	\$ (135,814)	\$ (140,978)	\$ 0	\$ (233,413)	\$ (304,314)
Covered Payroll	\$ 18,241,839	\$ 18,353,247	\$ 18,937,174	\$ 19,919,896	\$ 19,954,954	\$ 20,423,740
Contributions as a Percentage of Covered Payroll	9.71%	9.71%	9.71%	8.84%	5.00%	5.00%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 49,218	\$ 103,400	\$ 148,083	\$ 78,599	\$ 127,574
Less Contributions in Relation to the Contractually Required Contribution	(49,218)	(103,400)	(148,083)	(192,794)	(127,574)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (114,195)</u>	<u>\$ 0</u>
Covered Payroll	\$ 1,230,461	\$ 2,584,984	\$ 3,677,730	\$ 4,819,845	\$ 6,575,979
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.03%	4.00%	1.94%

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

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 3,876,376	\$ 3,789,647	\$ 3,685,290	\$ 3,606,764	\$ 3,549,516	\$ 3,891,635
Less Contributions in Relation to the Contractually Required Contribution	(3,876,376)	(3,789,647)	(3,685,290)	(3,606,764)	(3,549,516)	(3,891,635)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 43,652,880	\$ 41,920,873	\$ 40,766,458	\$ 39,926,947	\$ 39,091,593	\$ 37,204,924
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit E-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.579985%	0.587492%	0.564050%	0.551545%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (23,824)	\$ (61,160)	\$ (148,818)	\$ (250,141)
Covered Payroll	\$ 1,230,461	\$ 2,584,984	\$ 3,677,730	\$ 4,819,845
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.05)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	1.112178%	1.119830%	1.129328%	1.128668%	1.116368%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (180,724)	\$ 458,721	\$ 7,057,676	\$ (369,282)	\$ (3,928,406)
Covered Payroll	\$ 43,652,880	\$ 41,920,873	\$ 40,766,458	\$ 39,926,947	\$ 39,091,593
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%	17.31%	(0.92)%	(10.05)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit E-7

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

	<u>2017</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 213,387	\$ 200,288
Interest	75,956	94,906
Changes in Benefit Terms	0	(1,038,601)
Differences Between Actual and Expected Experience	0	(79,893)
Changes in Assumptions or Other Inputs	(138,193)	(46,869)
Benefit Payments	(69,518)	(77,259)
Net Change in Total OPEB Liability	\$ 81,632	\$ (947,428)
Total OPEB Liability, Beginning	<u>2,422,601</u>	<u>2,504,233</u>
 Total OPEB Liability, Ending	 <u>\$ 2,504,233</u>	 <u>\$ 1,556,805</u>
 Covered Employee Payroll	 \$ 11,411,332	 \$ 10,971,340
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.95%	14.19%

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

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

2017	2.92%
2018	3.56%
2019	3.62 %

Exhibit E-8

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

	2017	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 779,979	\$ 721,526
Interest	373,635	456,870
Changes in Benefit Terms	0	(356,042)
Differences Between Actual and Expected Experience	0	(1,281,454)
Changes in Assumptions or Other Inputs	(631,374)	390,656
Benefit Payments	(392,132)	(460,065)
Net Change in Total OPEB Liability	\$ 130,108	\$ (528,509)
Total OPEB Liability, Beginning	12,211,818	12,341,926
Total OPEB Liability, Ending	<u>\$ 12,341,926</u>	<u>\$ 11,813,417</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,217,113	\$ 3,657,139
Employer Proportionate Share of the Total OPEB Liability	8,124,813	8,156,278
Covered Employee Payroll	\$ 50,457,856	\$ 53,449,137
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.10%	15.26%

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

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

2017	2.92%
2018	3.56%
2019	3.62%



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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4.0%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.25%

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Tipton County’s garbage collection operations.

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

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

Exhibit F-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 36,790	\$ 36,790
Equity in Pooled Cash and Investments	2,106,361	342,538	0	2,448,899
Accounts Receivable	10,598	0	0	10,598
Due from Other Governments	477	0	0	477
Property Taxes Receivable	534,910	0	0	534,910
Allowance for Uncollectible Property Taxes	(17,877)	0	0	(17,877)
Total Assets	\$ 2,634,469	\$ 342,538	\$ 36,790	\$ 3,013,797
<u>LIABILITIES</u>				
Due to Other Funds	\$ 500	\$ 0	\$ 36,790	\$ 37,290
Total Liabilities	\$ 500	\$ 0	\$ 36,790	\$ 37,290
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 500,585	\$ 0	\$ 0	\$ 500,585
Deferred Delinquent Property Taxes	13,827	0	0	13,827
Other Deferred/Unavailable Revenue	203	0	0	203
Total Deferred Inflows of Resources	\$ 514,615	\$ 0	\$ 0	\$ 514,615
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 342,538	\$ 0	\$ 342,538

(Continued)

Exhibit F-1

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

FUND BALANCES (Cont.)

Committed:

Committed for Public Health and Welfare  
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
\$ 2,119,354	\$ 0	\$ 0	\$ 2,119,354
<u>\$ 2,119,354</u>	<u>\$ 342,538</u>	<u>\$ 0</u>	<u>\$ 2,461,892</u>
<u>\$ 2,634,469</u>	<u>\$ 342,538</u>	<u>\$ 36,790</u>	<u>\$ 3,013,797</u>

Exhibit F-2

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Local Taxes	\$ 535,697	\$ 0	\$ 0	\$ 535,697
Fines, Forfeitures, and Penalties	0	75,733	0	75,733
Charges for Current Services	413,155	0	1,230	414,385
Other Local Revenues	145,681	9,652	0	155,333
Federal Government	0	169,877	0	169,877
Total Revenues	<u>\$ 1,094,533</u>	<u>\$ 255,262</u>	<u>\$ 1,230</u>	<u>\$ 1,351,025</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 1,230	\$ 1,230
Public Safety	0	145,708	0	145,708
Public Health and Welfare	51,085	0	0	51,085
Highways	1,136,605	0	0	1,136,605
Total Expenditures	<u>\$ 1,187,690</u>	<u>\$ 145,708</u>	<u>\$ 1,230</u>	<u>\$ 1,334,628</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (93,157)</u>	<u>\$ 109,554</u>	<u>\$ 0</u>	<u>\$ 16,397</u>
Net Change in Fund Balances	\$ (93,157)	\$ 109,554	\$ 0	\$ 16,397
Fund Balance, July 1, 2018	2,212,511	232,984	0	2,445,495
Fund Balance, June 30, 2019	<u>\$ 2,119,354</u>	<u>\$ 342,538</u>	<u>\$ 0</u>	<u>\$ 2,461,892</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 535,697	\$ 509,600	\$ 509,600	\$ 26,097
Charges for Current Services	413,155	337,500	372,500	40,655
Other Local Revenues	145,681	100,100	100,100	45,581
State of Tennessee	0	35,000	0	0
Total Revenues	<u>\$ 1,094,533</u>	<u>\$ 982,200</u>	<u>\$ 982,200</u>	<u>\$ 112,333</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Postclosure Care Costs	\$ 51,085	\$ 75,000	\$ 75,000	\$ 23,915
<u>Highways</u>				
Litter and Trash Collection	1,136,605	1,205,350	1,205,350	68,745
Total Expenditures	<u>\$ 1,187,690</u>	<u>\$ 1,280,350</u>	<u>\$ 1,280,350</u>	<u>\$ 92,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (93,157)</u>	<u>\$ (298,150)</u>	<u>\$ (298,150)</u>	<u>\$ 204,993</u>
Net Change in Fund Balance	\$ (93,157)	\$ (298,150)	\$ (298,150)	\$ 204,993
Fund Balance, July 1, 2018	2,212,511	2,212,511	2,212,511	0
Fund Balance, June 30, 2019	<u><u>\$ 2,119,354</u></u>	<u><u>\$ 1,914,361</u></u>	<u><u>\$ 1,914,361</u></u>	<u><u>\$ 204,993</u></u>

Exhibit F-4

Tipton 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	\$ 75,733	\$ 90,000	\$ 90,000	\$ (14,267)
Other Local Revenues	9,652	1,100	1,100	8,552
State of Tennessee	0	500	500	(500)
Federal Government	169,877	100,000	100,000	69,877
Total Revenues	<u>\$ 255,262</u>	<u>\$ 191,600</u>	<u>\$ 191,600</u>	<u>\$ 63,662</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 145,708	\$ 242,000	\$ 261,000	\$ 115,292
Total Expenditures	<u>\$ 145,708</u>	<u>\$ 242,000</u>	<u>\$ 261,000</u>	<u>\$ 115,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 109,554</u>	<u>\$ (50,400)</u>	<u>\$ (69,400)</u>	<u>\$ 178,954</u>
Net Change in Fund Balance	\$ 109,554	\$ (50,400)	\$ (69,400)	\$ 178,954
Fund Balance, July 1, 2018	<u>232,984</u>	<u>232,984</u>	<u>232,984</u>	<u>0</u>
Fund Balance, June 30, 2019	<u>\$ 342,538</u>	<u>\$ 182,584</u>	<u>\$ 163,584</u>	<u>\$ 178,954</u>



# **Major Governmental Funds**

## **General Debt Service Fund**

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

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## **Capital Projects Fund**

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

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Exhibit G-1

Tipton 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	\$ 3,930,650	\$ 3,755,986	\$ 3,755,986	\$ 174,664
Other Local Revenues	1,518	0	0	1,518
Other Governments and Citizens Groups	150,000	150,000	150,000	0
<b>Total Revenues</b>	<b>\$ 4,082,168</b>	<b>\$ 3,905,986</b>	<b>\$ 3,905,986</b>	<b>\$ 176,182</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 524,000	\$ 524,000	\$ 524,000	\$ 0
Education	830,000	830,000	830,000	0
<u>Interest on Debt</u>				
General Government	23,549	23,549	23,549	0
Education	181,908	435,800	382,861	200,953
<u>Other Debt Service</u>				
General Government	75,883	145,000	145,000	69,117
Education	53,929	30,000	82,939	29,010
<b>Total Expenditures</b>	<b>\$ 1,689,269</b>	<b>\$ 1,988,349</b>	<b>\$ 1,988,349</b>	<b>\$ 299,080</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,392,899	\$ 1,917,637	\$ 1,917,637	\$ 475,262
Net Change in Fund Balance	\$ 2,392,899	\$ 1,917,637	\$ 1,917,637	\$ 475,262
Fund Balance, July 1, 2018	8,107,303	8,107,303	8,107,303	0
<b>Fund Balance, June 30, 2019</b>	<b>\$ 10,500,202</b>	<b>\$ 10,024,940</b>	<b>\$ 10,024,940</b>	<b>\$ 475,262</b>

Exhibit G-2

Tipton 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	\$ 274	\$ 0	\$ 274	\$ 0	\$ 0	\$ 274
Other Local Revenues	420	0	420	0	0	420
State of Tennessee	0	0	0	255,560	255,560	(255,560)
Federal Government	2,701,791	0	2,701,791	3,020,120	3,020,120	(318,329)
Other Governments and Citizens Groups	10,277	0	10,277	51,940	51,940	(41,663)
<b>Total Revenues</b>	<b>\$ 2,712,762</b>	<b>\$ 0</b>	<b>\$ 2,712,762</b>	<b>\$ 3,327,620</b>	<b>\$ 3,327,620</b>	<b>\$ (614,858)</b>
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 3,384,836	\$ 329,907	\$ 3,714,743	\$ 4,361,390	\$ 4,361,390	\$ 646,647
Other General Government Projects	61,343	0	61,343	307,500	307,500	246,157
<b>Total Expenditures</b>	<b>\$ 3,446,179</b>	<b>\$ 329,907</b>	<b>\$ 3,776,086</b>	<b>\$ 4,668,890</b>	<b>\$ 4,668,890</b>	<b>\$ 892,804</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (733,417)	\$ (329,907)	\$ (1,063,324)	\$ (1,341,270)	\$ (1,341,270)	\$ 277,946
Net Change in Fund Balance	\$ (733,417)	\$ (329,907)	\$ (1,063,324)	\$ (1,341,270)	\$ (1,341,270)	\$ 277,946
Fund Balance, July 1, 2018	1,341,272	0	1,341,272	1,341,270	1,341,270	2
<b>Fund Balance, June 30, 2019</b>	<b>\$ 607,855</b>	<b>\$ (329,907)</b>	<b>\$ 277,948</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 277,948</b>

# Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,150,369	\$ 2,150,369
Due from Other Governments	770,000	0	770,000
Total Assets	<u>\$ 770,000</u>	<u>\$ 2,150,369</u>	<u>\$ 2,920,369</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 770,000	\$ 0	\$ 770,000
Due to Litigants, Heirs, and Others	0	2,150,369	2,150,369
Total Liabilities	<u>\$ 770,000</u>	<u>\$ 2,150,369</u>	<u>\$ 2,920,369</u>

## Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,622,405	\$ 4,622,405	\$ 0
Due from Other Governments	730,000	770,000	730,000	770,000
<b>Total Assets</b>	<b>\$ 730,000</b>	<b>\$ 5,392,405</b>	<b>\$ 5,352,405</b>	<b>\$ 770,000</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 730,000	\$ 5,392,405	\$ 5,352,405	\$ 770,000
<b>Total Liabilities</b>	<b>\$ 730,000</b>	<b>\$ 5,392,405</b>	<b>\$ 5,352,405</b>	<b>\$ 770,000</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,370,475	\$ 13,674,131	\$ 13,894,237	\$ 2,150,369
<b>Total Assets</b>	<b>\$ 2,370,475</b>	<b>\$ 13,674,131</b>	<b>\$ 13,894,237</b>	<b>\$ 2,150,369</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,370,475	\$ 13,674,131	\$ 13,894,237	\$ 2,150,369
<b>Total Liabilities</b>	<b>\$ 2,370,475</b>	<b>\$ 13,674,131</b>	<b>\$ 13,894,237</b>	<b>\$ 2,150,369</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,370,475	\$ 13,674,131	\$ 13,894,237	\$ 2,150,369
Equity in Pooled Cash and Investments	0	4,622,405	4,622,405	0
Due from Other Governments	730,000	770,000	730,000	770,000
<b>Total Assets</b>	<b>\$ 3,100,475</b>	<b>\$ 19,066,536</b>	<b>\$ 19,246,642</b>	<b>\$ 2,920,369</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 730,000	\$ 5,392,405	\$ 5,352,405	\$ 770,000
Due to Litigants, Heirs, and Others	2,370,475	13,674,131	13,894,237	2,150,369
<b>Total Liabilities</b>	<b>\$ 3,100,475</b>	<b>\$ 19,066,536</b>	<b>\$ 19,246,642</b>	<b>\$ 2,920,369</b>

# Tipton County School Department

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 53,669,058	\$ 850,973	\$ 2,969,081	\$ (49,849,004)
Support Services	27,560,350	0	1,560,685	(25,999,665)
Operation of Non-instructional Services	7,371,954	1,280,414	4,633,284	(1,458,256)
Total Governmental Activities	\$ 88,601,362	\$ 2,131,387	\$ 9,163,050	\$ (77,306,925)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 11,690,868
Local Option Sales Taxes				5,089,766
Business Tax				207,500
Other Local Taxes				22,387
Grants and Contributions Not Restricted to Specific Programs				66,911,310
Miscellaneous				70,842
Total General Revenues				\$ 83,992,673
Change in Net Position				\$ 6,685,748
Net Position, July 1, 2018				42,130,844
Net Position, June 30, 2019				\$ 48,816,592



Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	Funds	Funds	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 21,398,491	\$ 4,728,662	\$ 26,127,153
Due from Other Governments	1,102,895	30,185	1,133,080
Property Taxes Receivable	12,100,765	0	12,100,765
Allowance for Uncollectible Property Taxes	(372,155)	0	(372,155)
Restricted Assets	137,199	0	137,199
Total Assets	<u>\$ 34,367,195</u>	<u>\$ 4,758,847</u>	<u>\$ 39,126,042</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 2,534,927	\$ 0	\$ 2,534,927
Total Liabilities	<u>\$ 2,534,927</u>	<u>\$ 0</u>	<u>\$ 2,534,927</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 11,413,357	\$ 0	\$ 11,413,357
Deferred Delinquent Property Taxes	255,484	0	255,484
Other Deferred/Unavailable Revenue	424,000	0	424,000
Total Deferred Inflows of Resources	<u>\$ 12,092,841</u>	<u>\$ 0</u>	<u>\$ 12,092,841</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 284,827	\$ 0	\$ 284,827
Restricted for Operation of Non-instructional Services	0	2,717,963	2,717,963
Restricted for Capital Projects	0	1,840,884	1,840,884
Restricted for Hybrid Retirement Stabilization Funds	137,199	0	137,199
Assigned:			
Assigned for Education	0	200,000	200,000
Unassigned	19,317,401	0	19,317,401
Total Fund Balances	<u>\$ 19,739,427</u>	<u>\$ 4,758,847</u>	<u>\$ 24,498,274</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,367,195</u>	<u>\$ 4,758,847</u>	<u>\$ 39,126,042</u>

Exhibit I-3

Tipton County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Tipton 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)		\$	24,498,274
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	3,631,433	
Add: buildings and improvements net of accumulated depreciation		17,422,531	
Add: infrastructure net of accumulated depreciation		61,396	
Add: other capital assets net of accumulated depreciation		<u>3,985,948</u>	25,101,308
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(612,351)	
Less: net OPEB liability		<u>(8,156,278)</u>	(8,768,629)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	8,164,339	
Less: deferred inflows of resources related to pensions		(7,326,680)	
Add: deferred outflows related to OPEB		947,197	
Less: deferred inflows related to OPEB		<u>(1,150,949)</u>	633,907
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	2,493,701	
Add: net pension asset - teacher retirement plan		250,141	
Add: net pension asset - teacher legacy pension plan		<u>3,928,406</u>	6,672,248
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>679,484</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>48,816,592</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 17,219,975	\$ 0	\$ 17,219,975
Licenses and Permits	4,159	0	4,159
Fines, Forfeitures, and Penalties	2,123	0	2,123
Charges for Current Services	1,046,450	1,073,184	2,119,634
Other Local Revenues	87,398	11,526	98,924
State of Tennessee	65,387,181	0	65,387,181
Federal Government	6,203	10,193,233	10,199,436
Other Governments and Citizens Groups	194,492	0	194,492
Total Revenues	<u>\$ 83,947,981</u>	<u>\$ 11,277,943</u>	<u>\$ 95,225,924</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 52,405,129	\$ 3,717,246	\$ 56,122,375
Support Services	25,813,120	1,815,209	27,628,329
Operation of Non-Instructional Services	2,095,044	5,438,826	7,533,870
Capital Outlay	1,002,818	0	1,002,818
Debt Service:			
Other Debt Service	150,000	0	150,000
Capital Projects	0	86,849	86,849
Total Expenditures	<u>\$ 81,466,111</u>	<u>\$ 11,058,130</u>	<u>\$ 92,524,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,481,870</u>	<u>\$ 219,813</u>	<u>\$ 2,701,683</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 93,225	\$ 1,250,000	\$ 1,343,225
Transfers Out	(1,250,000)	(93,225)	(1,343,225)
Total Other Financing Sources (Uses)	<u>\$ (1,156,775)</u>	<u>\$ 1,156,775</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,325,095	\$ 1,376,588	\$ 2,701,683
Fund Balance, July 1, 2018	18,414,332	3,382,259	21,796,591
Fund Balance, June 30, 2019	<u>\$ 19,739,427</u>	<u>\$ 4,758,847</u>	<u>\$ 24,498,274</u>

Exhibit I-5

Tipton County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Tipton 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)		\$ 2,701,683
(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	\$ 1,284,734	
Less: current-year depreciation expense	<u>(2,696,481)</u>	(1,411,747)
(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	\$ 679,484	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(618,298)</u>	61,186
(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 compensated absences payable	\$ (73,178)	
Change in net OPEB liability	(31,465)	
Change in deferred outflows related to OPEB	632,254	
Change in deferred inflows related to OPEB	(775,661)	
Change in net pension asset - agent plan	890,714	
Change in net pension asset - teacher retirement plan	101,323	
Change in net pension asset - teacher legacy pension plan	3,559,124	
Change in deferred outflows related to pensions	(206,290)	
Change in deferred inflows related to pensions	<u>1,237,805</u>	<u>5,334,626</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,685,748</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 169,815	\$ 2,717,963	\$ 2,887,778	\$ 1,840,884	\$ 4,728,662
Due from Other Governments	30,185	0	30,185	0	30,185
Total Assets	<u>\$ 200,000</u>	<u>\$ 2,717,963</u>	<u>\$ 2,917,963</u>	<u>\$ 1,840,884</u>	<u>\$ 4,758,847</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Operation of Non-instructional Services	\$ 0	\$ 2,717,963	\$ 2,717,963	\$ 0	\$ 2,717,963
Restricted for Capital Projects	0	0	0	1,840,884	1,840,884
Assigned:					
Assigned for Education	200,000	0	200,000	0	200,000
Total Fund Balances	<u>\$ 200,000</u>	<u>\$ 2,717,963</u>	<u>\$ 2,917,963</u>	<u>\$ 1,840,884</u>	<u>\$ 4,758,847</u>

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,073,184	\$ 1,073,184	\$ 0	\$ 1,073,184
Other Local Revenues	0	11,526	11,526	0	11,526
Federal Government	5,942,439	4,250,794	10,193,233	0	10,193,233
Total Revenues	<u>\$ 5,942,439</u>	<u>\$ 5,335,504</u>	<u>\$ 11,277,943</u>	<u>\$ 0</u>	<u>\$ 11,277,943</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 3,717,246	\$ 0	\$ 3,717,246	\$ 0	\$ 3,717,246
Support Services	1,815,209	0	1,815,209	0	1,815,209
Operation of Non-Instructional Services	316,759	5,122,067	5,438,826	0	5,438,826
Capital Projects	0	0	0	86,849	86,849
Total Expenditures	<u>\$ 5,849,214</u>	<u>\$ 5,122,067</u>	<u>\$ 10,971,281</u>	<u>\$ 86,849</u>	<u>\$ 11,058,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 93,225</u>	<u>\$ 213,437</u>	<u>\$ 306,662</u>	<u>\$ (86,849)</u>	<u>\$ 219,813</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 1,250,000	\$ 1,250,000
Transfers Out	(93,225)	0	(93,225)	0	(93,225)
Total Other Financing Sources (Uses)	<u>\$ (93,225)</u>	<u>\$ 0</u>	<u>\$ (93,225)</u>	<u>\$ 1,250,000</u>	<u>\$ 1,156,775</u>

(Continued)

Exhibit I-7

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
Net Change in Fund Balances	\$ 0	\$ 213,437	\$ 213,437	\$ 1,163,151	\$ 1,376,588
Fund Balance, July 1, 2018	200,000	2,504,526	2,704,526	677,733	3,382,259
Fund Balance, June 30, 2019	\$ 200,000	\$ 2,717,963	\$ 2,917,963	\$ 1,840,884	\$ 4,758,847

Exhibit I-8

Tipton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Tipton 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	\$ 17,219,975	\$ 17,325,000	\$ 17,320,000	\$ (100,025)
Licenses and Permits	4,159	5,000	5,000	(841)
Fines, Forfeitures, and Penalties	2,123	2,000	2,000	123
Charges for Current Services	1,046,450	1,010,000	1,010,000	36,450
Other Local Revenues	87,398	145,000	145,000	(57,602)
State of Tennessee	65,387,181	65,238,000	65,688,922	(301,741)
Federal Government	6,203	25,000	25,000	(18,797)
Other Governments and Citizens Groups	194,492	0	60,000	134,492
Total Revenues	\$ 83,947,981	\$ 83,750,000	\$ 84,255,922	\$ (307,941)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 41,010,401	\$ 42,553,000	\$ 42,174,000	\$ 1,163,599
Alternative Instruction Program	895,045	1,009,000	1,009,000	113,955
Special Education Program	8,034,571	8,584,000	8,363,000	328,429
Career and Technical Education Program	2,465,112	2,665,000	2,665,000	199,888
<u>Support Services</u>				
Health Services	808,264	859,000	859,000	50,736
Other Student Support	2,091,046	1,943,000	2,244,300	153,254
Regular Instruction Program	1,890,012	2,025,000	2,015,000	124,988
Special Education Program	612,002	629,000	644,000	31,998
Career and Technical Education Program	57,676	59,000	59,000	1,324
Technology	993,514	914,000	1,014,000	20,486
Other Programs	142,149	0	145,122	2,973
Board of Education	913,426	958,000	1,018,000	104,574
Director of Schools	318,823	332,000	340,000	21,177
Office of the Principal	5,996,934	6,355,000	6,217,000	220,066
Fiscal Services	522,606	569,000	569,000	46,394
Operation of Plant	3,894,881	4,111,000	4,171,000	276,119
Maintenance of Plant	1,668,453	1,764,000	1,764,000	95,547
Transportation	5,903,334	6,066,000	6,066,000	162,666
<u>Operation of Non-Instructional Services</u>				
Food Service	150,926	180,000	180,000	29,074
Community Services	885,077	830,000	1,004,500	119,423
Early Childhood Education	1,059,041	1,095,000	1,095,000	35,959
<u>Capital Outlay</u>				
Regular Capital Outlay	1,002,818	650,000	1,040,000	37,182
<u>Other Debt Service</u>				
Education	150,000	150,000	150,000	0
Total Expenditures	\$ 81,466,111	\$ 84,300,000	\$ 84,805,922	\$ 3,339,811
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,481,870	\$ (550,000)	\$ (550,000)	\$ 3,031,870
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 93,225	\$ 50,000	\$ 50,000	\$ 43,225
Transfers Out	(1,250,000)	0	(1,250,000)	0
Total Other Financing Sources	\$ (1,156,775)	\$ 50,000	\$ (1,200,000)	\$ 43,225

(Continued)



Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ 1,325,095	\$ (500,000)	\$ (1,750,000)	\$ 3,075,095
Fund Balance, July 1, 2018	18,414,332	18,414,332	18,414,332	0
Fund Balance, June 30, 2019	<u>\$ 19,739,427</u>	<u>\$ 17,914,332</u>	<u>\$ 16,664,332</u>	<u>\$ 3,075,095</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,942,439	\$ 5,496,885	\$ 6,843,502	\$ (901,063)
Total Revenues	<u>\$ 5,942,439</u>	<u>\$ 5,496,885</u>	<u>\$ 6,843,502</u>	<u>\$ (901,063)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,434,690	\$ 1,032,616	\$ 1,576,701	\$ 142,011
Special Education Program	2,168,018	2,142,286	2,244,722	76,704
Career and Technical Education Program	114,538	108,742	114,625	87
<u>Support Services</u>				
Health Services	248,236	242,220	258,462	10,226
Other Student Support	131,186	332,088	373,872	242,686
Regular Instruction Program	1,111,286	1,265,585	1,462,050	350,764
Special Education Program	136,300	127,943	153,168	16,868
Career and Technical Education Program	3,440	4,200	3,440	0
Office of the Principal	41,412	41,598	41,607	195
Transportation	143,349	87,983	151,433	8,084
<u>Operation of Non-Instructional Services</u>				
Community Services	316,759	0	354,234	37,475
Total Expenditures	<u>\$ 5,849,214</u>	<u>\$ 5,385,261</u>	<u>\$ 6,734,314</u>	<u>\$ 885,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 93,225</u>	<u>\$ 111,624</u>	<u>\$ 109,188</u>	<u>\$ (15,963)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (93,225)	\$ (111,623)	\$ (109,186)	\$ 15,961
Total Other Financing Sources	<u>\$ (93,225)</u>	<u>\$ (111,623)</u>	<u>\$ (109,186)</u>	<u>\$ 15,961</u>
Net Change in Fund Balance	\$ 0	\$ 1	\$ 2	\$ (2)
Fund Balance, July 1, 2018	200,000	200,000	200,000	0
Fund Balance, June 30, 2019	<u>\$ 200,000</u>	<u>\$ 200,001</u>	<u>\$ 200,002</u>	<u>\$ (2)</u>

Exhibit I-10

Tipton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Tipton 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	\$ 1,073,184	\$ 1,680,000	\$ 1,680,000	\$ (606,816)
Other Local Revenues	11,526	20,000	20,000	(8,474)
Federal Government	4,250,794	4,050,000	4,050,000	200,794
Total Revenues	<u>\$ 5,335,504</u>	<u>\$ 5,750,000</u>	<u>\$ 5,750,000</u>	<u>\$ (414,496)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,122,067	\$ 5,750,000	\$ 5,750,000	\$ 627,933
Total Expenditures	<u>\$ 5,122,067</u>	<u>\$ 5,750,000</u>	<u>\$ 5,750,000</u>	<u>\$ 627,933</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 213,437</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 213,437</u>
Net Change in Fund Balance	\$ 213,437	\$ 0	\$ 0	\$ 213,437
Fund Balance, July 1, 2018	<u>2,504,526</u>	<u>2,205,192</u>	<u>2,205,192</u>	<u>299,334</u>
Fund Balance, June 30, 2019	<u>\$ 2,717,963</u>	<u>\$ 2,205,192</u>	<u>\$ 2,205,192</u>	<u>\$ 512,771</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Tipton County, Tennessee  
Schedule of Changes in Long-term Note, Other Loan and Bonds  
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>NOTE PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Capital Outlay Note, Series 2017	\$ 1,600,000	1.76 %	10-24-17	8-19-19	\$ 1,600,000	\$ 524,000	\$ 1,076,000
Total Note Payable					<u>\$ 1,600,000</u>	<u>\$ 524,000</u>	<u>\$ 1,076,000</u>
<u>OTHER LOAN PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Construction	16,000,000	Variable	4-30-07	9-19-19	8,965,000	830,000	8,135,000
Total Other Loan Payable					<u>\$ 8,965,000</u>	<u>\$ 830,000</u>	<u>\$ 8,135,000</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Elementary School	9,000,000	2.5 to 4.625	9-1-02	4-1-22	\$ 700,000	\$ 0	\$ 700,000
Total Bonds Payable					<u>\$ 700,000</u>	<u>\$ 0</u>	<u>\$ 700,000</u>

Exhibit J-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2020	\$ 1,076,000	\$ 7,470	\$ 1,083,470
Total	\$ 1,076,000	\$ 7,470	\$ 1,083,470

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2020	\$ 8,135,000	\$ 98,939	\$ 8,623	\$ 8,242,562
Total	\$ 8,135,000	\$ 98,939	\$ 8,623	\$ 8,242,562

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 0	\$ 32,375	\$ 32,375
2021	0	32,375	32,375
2022	700,000	32,375	732,375
Total	\$ 700,000	\$ 97,125	\$ 797,125

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED TIPTON COUNTY</u>			
<u>SCHOOL DEPARTMENT</u>			
General Purpose School	Education Capital Projects	Capital outlay	\$ 1,250,000
School Federal Projects	General Purpose School	Indirect costs	<u>93,225</u>
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 1,343,225</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 128,530	\$ 400,000	Local Government Property and Casualty Fund
Director of Public Works	Section 8-24-102, <i>TCA</i> , and Public Works Committee	115,357	400,000	"
Director of Schools	State Board of Education and County Board of Education	140,000 (1)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	90,035	2,500,000	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	90,035	400,000	Local Government Property and Casualty Fund
Director of Accounts and Budgets	County Commission	90,634 (2)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	90,035	400,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	90,035	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	90,035 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	90,035	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	108,609 (4)	400,000	"
Employees Bonds:				
Public Employee Dishonesty - County Departments			400,000	"
Public Employee Dishonesty - School Department			400,000	"

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

(2) Includes a longevity payment of \$600.

(3) Does not include special commissioner fees of \$1,230.

(4) Includes a law enforcement training supplement of \$1,200.



Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,828,314	\$ 489,263	\$ 0	\$ 0	\$ 684,983	\$ 3,522,735
Trustee's Collections - Prior Year	140,716	10,824	0	0	15,979	64,946
Trustee's Collections - Bankruptcy	189	9	0	0	32	85
Circuit Clerk/Clerk and Master Collections - Prior Years	163,868	12,142	0	0	14,635	75,261
Interest and Penalty	34,742	2,488	0	0	3,340	15,894
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	1,486
Payments in-Lieu-of Taxes - Other	1,057,631	11,870	0	0	16,618	85,465
<u>County Local Option Taxes</u>						
Local Option Sales Tax	425,907	0	0	0	0	0
Hotel/Motel Tax	148,446	0	0	0	0	0
Wheel Tax	1,643,158	0	0	0	1,643,158	0
Litigation Tax - General	154,382	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	49,950
Business Tax	146,873	9,101	0	0	12,905	63,829
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	50,999
Wholesale Beer Tax	158,375	0	0	0	0	0
Total Local Taxes	\$ 11,902,601	\$ 535,697	\$ 0	\$ 0	\$ 2,391,650	\$ 3,930,650
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 59,403	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	48,623	0	0	0	0	0
<u>Permits</u>						
Beer Permits	3,424	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	\$ 80,157	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 191,607	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,157	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,891	0	0	0	0	0
Drug Control Fines	2,828	0	2,077	0	0	0
Drug Court Fees	1,861	0	0	0	0	0
Jail Fees	4,851	0	0	0	0	0
DUI Treatment Fines	1,613	0	0	0	0	0
Data Entry Fee - Circuit Court	262	0	0	0	0	0
Victims Assistance Assessments	3,778	0	0	0	0	0
<u>Criminal Court</u>						
Fines	12,235	0	0	0	0	0
DUI Treatment Fines	1,378	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	53,525	0	0	0	0	0
Officers Costs	72,043	0	0	0	0	0
Game and Fish Fines	3,506	0	0	0	0	0
Drug Control Fines	7,895	0	8,730	0	0	0
Drug Court Fees	6,656	0	0	0	0	0
Jail Fees	46,164	0	0	0	0	0
DUI Treatment Fines	8,703	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,097	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 2,751	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	16,079	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	495	0	0	0	0	0
Officers Costs	1,591	0	0	0	0	0
Data Entry Fee - Juvenile Court	82	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,964	0	0	0	0	0
Data Entry Fee - Chancery Court	10,222	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	30,795	0	64,926	0	0	0
Other Fines, Forfeitures, and Penalties	23,885	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 330,307</b>	<b>\$ 0</b>	<b>\$ 75,733</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 78,592	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	3,795	0	0	0	0
Surcharge - Waste Tire Disposal	0	46,495	0	0	0	0
Other General Service Charges	92,461	284,273	0	0	0	0
<u>Fees</u>						
Copy Fees	20	0	0	0	0	0
Library Fees	18,961	0	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0	0
Telephone Commissions	57,555	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vending Machine Collections	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,542	\$ 0
Constitutional Officers' Fees and Commissions	0	0	0	1,230	0	0
Data Processing Fee - Register	17,830	0	0	0	0	0
Data Processing Fee - Sheriff	2,242	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,330	0	0	0	0	0
Data Processing Fee - County Clerk	6,702	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	2,370	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 207,771</b>	<b>\$ 413,155</b>	<b>\$ 0</b>	<b>\$ 1,230</b>	<b>\$ 1,542</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,183,198	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	67,823	0	0	0	0	0
Sale of Materials and Supplies	945	0	0	0	0	0
Commissary Sales	49,734	0	0	0	0	0
Sale of Maps	1,810	0	0	0	0	0
Sale of Recycled Materials	0	145,215	0	0	0	0
Retirees' Insurance Payments	0	186	0	0	6,161	0
Miscellaneous Refunds	84,400	280	370	0	24,005	1,518
Expenditure Credits	480	0	0	0	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	33,250	0	0	0	0	0
Sale of Equipment	8,825	0	9,262	0	48,022	0
Sale of Property	6,710	0	0	0	0	0
Damages Recovered from Individuals	945	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 7,841	\$ 0	\$ 20	\$ 0	\$ 0	\$ 0
Performance Bond Forfeitures	0	0	0	0	77,196	0
<u>Other Local Revenues</u>						
Other Local Revenues	15,890	0	0	0	0	0
Total Other Local Revenues	<u>\$ 1,461,851</u>	<u>\$ 145,681</u>	<u>\$ 9,652</u>	<u>\$ 0</u>	<u>\$ 155,384</u>	<u>\$ 1,518</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 561,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	163,719	0	0	0	0	0
General Sessions Court Clerk	317,844	0	0	0	0	0
Clerk and Master	262,928	0	0	0	0	0
Juvenile Court Clerk	47,812	0	0	0	0	0
Register	239,201	0	0	0	0	0
Sheriff	24,256	0	0	0	0	0
Trustee	805,522	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 2,422,670</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	28,800	0	0	0	0	0
Other Public Safety Grants	33,357	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 207,334	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Health and Welfare Grants	20,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	387,565	0
State Aid Program	0	0	0	0	233,919	0
Litter Program	35,385	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	72,887	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	10,256	0	0	0	0	0
Alcoholic Beverage Tax	118,174	0	0	0	0	0
State Revenue Sharing - T.V.A.	902,844	0	0	0	0	0
State Revenue Sharing - Telecommunications	66,961	0	0	0	0	0
Board of Jurors	2,675	0	0	0	0	0
Contracted Prisoner Boarding	653,718	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,697,059	0
Petroleum Special Tax	0	0	0	0	44,073	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	10,807	0	0	0	0	0
Other State Revenues	11,472	0	0	0	0	0
Total State of Tennessee	\$ 2,212,293	\$ 0	\$ 0	\$ 0	\$ 3,362,616	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Homeland Security Grants	\$ 32,138	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	24,673	0	0	0	0	0
Other Federal through State	149,080	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	169,877	0	0	0
Other Direct Federal Revenue	23,582	0	0	0	0	0
Total Federal Government	<u>\$ 229,473</u>	<u>\$ 0</u>	<u>\$ 169,877</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 160,352	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000
Contracted Services	88,002	0	0	0	10,883	0
<u>Citizens Groups</u>						
Donations	2,000	0	0	0	0	0
<u>Other</u>						
Other	51,469	0	0	0	270,267	0
Total Other Governments and Citizens Groups	<u>\$ 301,823</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 281,150</u>	<u>\$ 150,000</u>
Total	<u>\$ 19,260,396</u>	<u>\$ 1,094,533</u>	<u>\$ 255,262</u>	<u>\$ 1,230</u>	<u>\$ 6,192,342</u>	<u>\$ 4,082,168</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$	0	\$	12,525,295
Trustee's Collections - Prior Year		0		232,465
Trustee's Collections - Bankruptcy		0		315
Circuit Clerk/Clerk and Master Collections - Prior Years		0		265,906
Interest and Penalty		0		56,464
Payments in-Lieu-of Taxes - T.V.A.		0		1,486
Payments in-Lieu-of Taxes - Other		0		1,171,584
<u>County Local Option Taxes</u>				
Local Option Sales Tax		0		425,907
Hotel/Motel Tax		0		148,446
Wheel Tax		0		3,286,316
Litigation Tax - General		0		154,382
Litigation Tax - Jail, Workhouse, or Courthouse		0		49,950
Business Tax		274		232,982
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0		50,999
Wholesale Beer Tax		0		158,375
Total Local Taxes	\$	274	\$	18,760,872
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	\$	0	\$	59,403
Cable TV Franchise		0		48,623
<u>Permits</u>				
Beer Permits		0		3,424

(Continued)



Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Licenses and Permits (Cont.)</u>				
<u>Permits (Cont.)</u>				
Building Permits	\$	0	\$	80,157
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>191,607</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	2,157
Officers Costs		0		7,891
Drug Control Fines		0		4,905
Drug Court Fees		0		1,861
Jail Fees		0		4,851
DUI Treatment Fines		0		1,613
Data Entry Fee - Circuit Court		0		262
Victims Assistance Assessments		0		3,778
<u>Criminal Court</u>				
Fines		0		12,235
DUI Treatment Fines		0		1,378
<u>General Sessions Court</u>				
Fines		0		53,525
Officers Costs		0		72,043
Game and Fish Fines		0		3,506
Drug Control Fines		0		16,625
Drug Court Fees		0		6,656
Jail Fees		0		46,164
DUI Treatment Fines		0		8,703
Data Entry Fee - General Sessions Court		0		4,097

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Courtroom Security Fee	\$	0	\$	2,751
Victims Assistance Assessments		0		16,079
<u>Juvenile Court</u>				
Fines		0		495
Officers Costs		0		1,591
Data Entry Fee - Juvenile Court		0		82
<u>Chancery Court</u>				
Officers Costs		0		2,964
Data Entry Fee - Chancery Court		0		10,222
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		95,721
Other Fines, Forfeitures, and Penalties		0		23,885
Total Fines, Forfeitures, and Penalties	\$	0	\$	406,040
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Tippling Fees	\$	0	\$	78,592
Solid Waste Disposal Fee		0		3,795
Surcharge - Waste Tire Disposal		0		46,495
Other General Service Charges		0		376,734
<u>Fees</u>				
Copy Fees		0		20
Library Fees		0		18,961
Greenbelt Late Application Fee		0		300
Telephone Commissions		0		57,555

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Vending Machine Collections	\$	0	\$	1,542
Constitutional Officers' Fees and Commissions		0		1,230
Data Processing Fee - Register		0		17,830
Data Processing Fee - Sheriff		0		2,242
Sexual Offender Registration Fee - Sheriff		0		9,330
Data Processing Fee - County Clerk		0		6,702
Vehicle Insurance Coverage and Reinstatement Fees		0		2,370
Total Charges for Current Services	\$	0	\$	623,698
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	0	\$	1,183,198
Lease/Rentals		0		67,823
Sale of Materials and Supplies		0		945
Commissary Sales		0		49,734
Sale of Maps		0		1,810
Sale of Recycled Materials		0		145,215
Retirees' Insurance Payments		0		6,347
Miscellaneous Refunds		420		110,993
Expenditure Credits		0		480
<u>Nonrecurring Items</u>				
Revenue from Joint Ventures		0		33,250
Sale of Equipment		0		66,109
Sale of Property		0		6,710
Damages Recovered from Individuals		0		945

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items (Cont.)</u>				
Contributions and Gifts	\$	0	\$	7,861
Performance Bond Forfeitures		0		77,196
<u>Other Local Revenues</u>				
Other Local Revenues		0		15,890
Total Other Local Revenues	\$	420	\$	1,774,506
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	561,388
Circuit Court Clerk		0		163,719
General Sessions Court Clerk		0		317,844
Clerk and Master		0		262,928
Juvenile Court Clerk		0		47,812
Register		0		239,201
Sheriff		0		24,256
Trustee		0		805,522
Total Fees Received From County Officials	\$	0	\$	2,422,670
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	4,500
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		28,800
Other Public Safety Grants		0		33,357

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$	0	\$	207,334
Other Health and Welfare Grants		0		20,000
<u>Public Works Grants</u>				
Bridge Program		0		387,565
State Aid Program		0		233,919
Litter Program		0		35,385
<u>Other State Revenues</u>				
Income Tax		0		72,887
Beer Tax		0		17,959
Vehicle Certificate of Title Fees		0		10,256
Alcoholic Beverage Tax		0		118,174
State Revenue Sharing - T.V.A.		0		902,844
State Revenue Sharing - Telecommunications		0		66,961
Board of Jurors		0		2,675
Contracted Prisoner Boarding		0		653,718
Gasoline and Motor Fuel Tax		0		2,697,059
Petroleum Special Tax		0		44,073
Registrar's Salary Supplement		0		15,164
Other State Grants		0		10,807
Other State Revenues		0		11,472
Total State of Tennessee	\$	0	\$	5,574,909
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	2,701,791	\$	2,701,791

(Continued)

Exhibit J-5

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

	<u>Capital Projects</u>	
	General Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Homeland Security Grants	\$ 0	\$ 32,138
Law Enforcement Grants	0	24,673
Other Federal through State	0	149,080
<u>Direct Federal Revenue</u>		
Asset Forfeiture Funds	0	169,877
Other Direct Federal Revenue	0	23,582
Total Federal Government	<u>\$ 2,701,791</u>	<u>\$ 3,101,141</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 310,352
Contracted Services	0	98,885
<u>Citizens Groups</u>		
Donations	0	2,000
<u>Other</u>		
Other	10,277	332,013
Total Other Governments and Citizens Groups	<u>\$ 10,277</u>	<u>\$ 743,250</u>
Total	<u>\$ 2,712,762</u>	<u>\$ 33,598,693</u>

Exhibit J-6

Tipton County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Tipton 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	\$ 11,155,328	\$ 0	\$ 0	\$ 11,155,328
Trustee's Collections - Prior Year	207,465	0	0	207,465
Trustee's Collections - Bankruptcy	271	0	0	271
Circuit Clerk/Clerk and Master Collections - Prior Years	240,015	0	0	240,015
Interest and Penalty	50,603	0	0	50,603
Payments in-Lieu-of Taxes - Other	270,640	0	0	270,640
<u>County Local Option Taxes</u>				
Local Option Sales Tax	5,065,766	0	0	5,065,766
Business Tax	207,500	0	0	207,500
Mixed Drink Tax	22,387	0	0	22,387
Total Local Taxes	<u>\$ 17,219,975</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,219,975</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,229	\$ 0	\$ 0	\$ 3,229
<u>Permits</u>				
Other Permits	930	0	0	930
Total Licenses and Permits	<u>\$ 4,159</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,159</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 2,123	\$ 0	\$ 0	\$ 2,123
Total Fines, Forfeitures, and Penalties	<u>\$ 2,123</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,123</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 16,250	\$ 0	\$ 0	\$ 16,250
Tuition - Other	832,600	0	0	832,600
Lunch Payments - Children	0	0	634,774	634,774
Lunch Payments - Adults	0	0	70,619	70,619
Income from Breakfast	0	0	99,283	99,283
A la Carte Sales	0	0	266,743	266,743
Receipts from Individual Schools	197,600	0	0	197,600
Other Charges for Services	0	0	1,765	1,765
Total Charges for Current Services	<u>\$ 1,046,450</u>	<u>\$ 0</u>	<u>\$ 1,073,184</u>	<u>\$ 2,119,634</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 6,926	\$ 0	\$ 11,526	\$ 18,452
Lease/Rentals	3,360	0	0	3,360
E-Rate Funding	6,270	0	0	6,270
Miscellaneous Refunds	70,570	0	0	70,570
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	272	0	0	272
Total Other Local Revenues	<u>\$ 87,398</u>	<u>\$ 0</u>	<u>\$ 11,526</u>	<u>\$ 98,924</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 142,149	\$ 0	\$ 0	\$ 142,149

(Continued)



Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 62,975,040	\$ 0	\$ 0	\$ 62,975,040
Early Childhood Education	1,036,454	0	0	1,036,454
School Food Service	45,998	0	0	45,998
Other State Education Funds	649,737	0	0	649,737
Career Ladder Program	182,841	0	0	182,841
<u>Other State Revenues</u>				
Other State Grants	315,514	0	0	315,514
Other State Revenues	39,448	0	0	39,448
Total State of Tennessee	<u>\$ 65,387,181</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,387,181</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,505,661	\$ 2,505,661
USDA - Commodities	0	0	295,695	295,695
Breakfast	0	0	1,003,364	1,003,364
USDA - Other	0	0	446,074	446,074
Vocational Education - Basic Grants to States	0	174,840	0	174,840
Title I Grants to Local Education Agencies	0	2,430,525	0	2,430,525
Special Education - Grants to States	0	2,658,497	0	2,658,497
Special Education Preschool Grants	0	117,213	0	117,213
English Language Acquisition Grants	6,203	0	0	6,203
Safe and Drug-free Schools - State Grants	0	318,040	0	318,040
Eisenhower Professional Development State Grants	0	221,106	0	221,106
Other Federal through State	0	22,218	0	22,218
Total Federal Government	<u>\$ 6,203</u>	<u>\$ 5,942,439</u>	<u>\$ 4,250,794</u>	<u>\$ 10,199,436</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Governments and Citizens Groups</u>				
<u>Other</u>				
Other	\$ 194,492	\$ 0	\$ 0	\$ 194,492
Total Other Governments and Citizens Groups	\$ 194,492	\$ 0	\$ 0	\$ 194,492
 Total	 \$ 83,947,981	 \$ 5,942,439	 \$ 5,335,504	 \$ 95,225,924

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	88,300	
Social Security		6,755	
Audit Services		24,810	
Dues and Memberships		11,024	
Legal Services		4,588	
Legal Notices, Recording, and Court Costs		13,174	
Travel		5,734	
Office Supplies		372	
Liability Insurance		17,994	
Workers' Compensation Insurance		297	
Total County Commission			\$ 173,048

Beer Board

Board and Committee Members Fees	\$	2,900	
Social Security		222	
Total Beer Board			3,122

County Mayor/Executive

County Official/Administrative Officer	\$	128,530	
Accountants/Bookkeepers		35,019	
Secretary(ies)		41,883	
Part-time Personnel		19,992	
Longevity Pay		900	
Social Security		16,368	
Pensions		10,272	
Employee and Dependent Insurance		39,437	
Unemployment Compensation		101	
Communication		3,581	
Travel		14,893	
Other Contracted Services		1,650	
Office Supplies		3,399	
Utilities		4,198	
Building and Contents Insurance		665	
Liability Insurance		327	
Vehicle and Equipment Insurance		546	
Workers' Compensation Insurance		532	
Other Charges		611	
Office Equipment		1,000	
Total County Mayor/Executive			323,904

Election Commission

County Official/Administrative Officer	\$	78,866	
Secretary(ies)		32,813	
Clerical Personnel		18,324	
Longevity Pay		4,700	
Overtime Pay		2,938	
Election Commission		11,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	77,803	
Social Security		15,417	
Pensions		5,725	
Employee and Dependent Insurance		15,787	
Unemployment Compensation		132	
Other Fringe Benefits		4,500	
Audit Services		25,570	
Communication		6,838	
Dues and Memberships		3,550	
Janitorial Services		4,224	
Legal Notices, Recording, and Court Costs		11,169	
Maintenance and Repair Services - Buildings		2,340	
Maintenance and Repair Services - Equipment		17,742	
Pest Control		160	
Postal Charges		6,766	
Printing, Stationery, and Forms		5,585	
Rentals		1,800	
Travel		4,704	
Office Supplies		5,027	
Utilities		6,398	
Building and Contents Insurance		1,067	
Liability Insurance		5,159	
Workers' Compensation Insurance		360	
Other Charges		675	
Data Processing Equipment		1,394	
Total Election Commission			\$ 378,533

Register of Deeds

County Official/Administrative Officer	\$	90,035	
Clerical Personnel		124,657	
Longevity Pay		5,700	
Social Security		15,793	
Pensions		10,734	
Employee and Dependent Insurance		31,292	
Unemployment Compensation		84	
Other Fringe Benefits		4,500	
Communication		3,141	
Dues and Memberships		135	
Travel		3,434	
Other Contracted Services		10,000	
Office Supplies		3,392	
Utilities		6,125	
Building and Contents Insurance		1,000	
Liability Insurance		655	
Workers' Compensation Insurance		556	
Data Processing Equipment		25,404	
Total Register of Deeds			336,637

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	67,544	
Clerical Personnel		40,525	
Longevity Pay		7,400	
Other Salaries and Wages		89,530	
Board and Committee Members Fees		8,600	
Social Security		15,779	
Pensions		9,880	
Employee and Dependent Insurance		26,778	
Unemployment Compensation		112	
Communication		3,747	
Maintenance and Repair Services - Vehicles		1,347	
Travel		1,275	
Tuition		2,256	
Other Contracted Services		10,911	
Gasoline		4,146	
Office Supplies		2,836	
Uniforms		402	
Utilities		3,170	
Building and Contents Insurance		1,055	
Liability Insurance		455	
Vehicle and Equipment Insurance		1,797	
Workers' Compensation Insurance		4,080	
Other Charges		1,125	
Data Processing Equipment		1,318	
Total Planning			\$ 306,068

Building

Salary Supplements	\$	4,801
Custodial Personnel		74,262
Maintenance Personnel		90,577
Longevity Pay		2,600
Social Security		12,037
Pensions		8,242
Employee and Dependent Insurance		32,668
Unemployment Compensation		112
Other Fringe Benefits		9,000
Communication		3,213
Maintenance and Repair Services - Buildings		5,667
Maintenance and Repair Services - Vehicles		2,975
Pest Control		250
Custodial Supplies		602
Equipment and Machinery Parts		284
Gasoline		8,491
Small Tools		3,746
Uniforms		6,357
Utilities		7,042
Building and Contents Insurance		579

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Liability Insurance	\$	455	
Vehicle and Equipment Insurance		2,147	
Workers' Compensation Insurance		9,332	
Total Building			\$ 285,439

Codes Compliance

Other Salaries and Wages	\$	11,592	
Social Security		887	
Unemployment Compensation		29	
Workers' Compensation Insurance		284	
Total Codes Compliance			12,792

Geographical Information Systems

Supervisor/Director	\$	67,544	
Part-time Personnel		25,130	
Longevity Pay		2,700	
Social Security		6,939	
Pensions		3,377	
Employee and Dependent Insurance		17,034	
Unemployment Compensation		56	
Communication		1,476	
Dues and Memberships		410	
Maintenance and Repair Services - Office Equipment		13,546	
Maintenance and Repair Services - Vehicles		684	
Travel		1,993	
Gasoline		1,144	
Office Supplies		4,303	
Liability Insurance		227	
Vehicle and Equipment Insurance		482	
Workers' Compensation Insurance		244	
Total Geographical Information Systems			147,289

County Buildings

Communication	\$	1,000	
Contracts with Private Agencies		9,592	
Janitorial Services		11,076	
Maintenance and Repair Services - Buildings		22,492	
Pest Control		797	
Other Contracted Services		3,400	
Building Improvements		54,997	
Total County Buildings			103,354

Other General Administration

Communication	\$	1,881	
Maintenance and Repair Services - Buildings		12,386	
Other Contracted Services		1,916	
Utilities		27,660	
Building and Contents Insurance		3,131	
Total Other General Administration			46,974

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	90,034	
Clerical Personnel		89,020	
Longevity Pay		2,900	
Social Security		13,027	
Pensions		8,953	
Employee and Dependent Insurance		28,420	
Unemployment Compensation		84	
Other Fringe Benefits		3,250	
Communication		3,396	
Maintenance and Repair Services - Office Equipment		14,594	
Postal Charges		3,648	
Travel		7,337	
Office Supplies		4,483	
Utilities		3,960	
Building and Contents Insurance		646	
Liability Insurance		491	
Workers' Compensation Insurance		460	
Data Processing Equipment		7,662	
Office Equipment		59	
Total Accounting and Budgeting			\$ 282,424

Property Assessor's Office

County Official/Administrative Officer	\$	90,035	
Secretary(ies)		124,081	
Clerical Personnel		29,623	
Longevity Pay		5,300	
Other Salaries and Wages		725	
Social Security		17,897	
Pensions		11,322	
Employee and Dependent Insurance		41,594	
Unemployment Compensation		141	
Other Fringe Benefits		3,000	
Communication		3,390	
Contracts with Private Agencies		31,025	
Data Processing Services		17,035	
Dues and Memberships		1,850	
Maintenance and Repair Services - Office Equipment		3,000	
Travel		2,208	
Tuition		1,079	
Duplicating Supplies		406	
Office Supplies		1,831	
Utilities		7,903	
Building and Contents Insurance		1,238	
Liability Insurance		818	
Workers' Compensation Insurance		668	
Data Processing Equipment		228	
Office Equipment		766	
Total Property Assessor's Office			397,163

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Other Salaries and Wages	\$	3,538	
Social Security		271	
Unemployment Compensation		13	
Data Processing Services		5,243	
Maintenance and Repair Services - Vehicles		1,099	
Postal Charges		2,678	
Gasoline		1,170	
Liability Insurance		164	
Vehicle and Equipment Insurance		806	
Workers' Compensation Insurance		1,484	
Total Reappraisal Program			\$ 16,466

County Trustee's Office

County Official/Administrative Officer	\$	90,035	
Clerical Personnel		152,192	
Longevity Pay		7,500	
In-service Training		685	
Social Security		18,536	
Pensions		12,111	
Employee and Dependent Insurance		22,043	
Unemployment Compensation		112	
Other Fringe Benefits		6,000	
Advertising		450	
Communication		2,806	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		11,916	
Travel		4,398	
Other Contracted Services		13,190	
Office Supplies		5,569	
Utilities		6,408	
Building and Contents Insurance		1,019	
Liability Insurance		818	
Premiums on Corporate Surety Bonds		13,168	
Workers' Compensation Insurance		660	
Data Processing Equipment		125	
Office Equipment		110	
Total County Trustee's Office			370,101

County Clerk's Office

County Official/Administrative Officer	\$	90,035
Clerical Personnel		247,874
Longevity Pay		9,500
Social Security		25,344
Pensions		15,739
Employee and Dependent Insurance		46,197
Unemployment Compensation		213
Other Fringe Benefits		10,000

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Communication	\$	7,270	
Dues and Memberships		834	
Maintenance and Repair Services - Office Equipment		13,161	
Postal Charges		19,964	
Printing, Stationery, and Forms		533	
Travel		3,305	
Data Processing Supplies		5,993	
Duplicating Supplies		91	
Office Supplies		4,990	
Utilities		3,495	
Building and Contents Insurance		1,233	
Liability Insurance		1,309	
Workers' Compensation Insurance		896	
Data Processing Equipment		15,300	
Office Equipment		629	
Total County Clerk's Office			\$ 523,905

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	90,035	
Clerical Personnel		386,490	
Longevity Pay		16,100	
Other Salaries and Wages		503	
Jury and Witness Expense		22,887	
Social Security		35,916	
Pensions		22,759	
Employee and Dependent Insurance		63,220	
Unemployment Compensation		306	
Other Fringe Benefits		4,500	
Communication		5,326	
Dues and Memberships		195	
Maintenance and Repair Services - Office Equipment		18,897	
Postal Charges		14,821	
Travel		3,585	
Office Supplies		12,153	
Utilities		1,801	
Building and Contents Insurance		1,875	
Liability Insurance		1,964	
Vehicle and Equipment Insurance		331	
Workers' Compensation Insurance		1,264	
Data Processing Equipment		845	
Furniture and Fixtures		484	
Total Circuit Court			706,257

General Sessions Court

Judge(s)	\$	176,364
Assistant(s)		62,092

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Longevity Pay	\$	2,400	
Social Security		15,333	
Pensions		11,923	
Employee and Dependent Insurance		23,732	
Unemployment Compensation		28	
Communication		4,296	
Dues and Memberships		829	
Travel		1,395	
Office Supplies		739	
Utilities		1,784	
Building and Contents Insurance		1,856	
Liability Insurance		327	
Workers' Compensation Insurance		612	
Office Equipment		27	
Total General Sessions Court			\$ 303,737

Chancery Court

County Official/Administrative Officer	\$	90,035	
Clerical Personnel		123,672	
Longevity Pay		3,200	
Social Security		16,002	
Pensions		10,529	
Employee and Dependent Insurance		19,784	
Unemployment Compensation		124	
Other Fringe Benefits		3,000	
Communication		3,605	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		6,472	
Maintenance and Repair Services - Office Equipment		10,948	
Other Contracted Services		11,958	
Office Supplies		8,879	
Utilities		1,954	
Building and Contents Insurance		2,007	
Liability Insurance		818	
Workers' Compensation Insurance		640	
Total Chancery Court			313,722

Juvenile Court

Youth Service Officer(s)	\$	51,251	
Clerical Personnel		35,114	
Part-time Personnel		8,400	
Longevity Pay		1,200	
Social Security		6,684	
Pensions		4,318	
Unemployment Compensation		56	
Communication		2,384	
Dues and Memberships		120	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Maintenance and Repair Services - Vehicles	\$	364	
Printing, Stationery, and Forms		712	
Travel		1,997	
Other Contracted Services		62,694	
Food Supplies		49	
Gasoline		1,415	
Office Supplies		2,869	
Utilities		364	
Building and Contents Insurance		367	
Liability Insurance		327	
Vehicle and Equipment Insurance		523	
Workers' Compensation Insurance		1,660	
Data Processing Equipment		3,750	
Law Enforcement Equipment		199	
Office Equipment		450	
Total Juvenile Court			\$ 187,267

District Attorney General

Clerical Personnel	\$	34,606	
Social Security		2,539	
Pensions		1,730	
Employee and Dependent Insurance		6,697	
Unemployment Compensation		28	
Travel		1,474	
Liability Insurance		164	
Workers' Compensation Insurance		88	
Total District Attorney General			47,326

Probate Court

Probation Officer(s)	\$	47,749	
Clerical Personnel		43,787	
Longevity Pay		3,300	
Social Security		7,046	
Pensions		4,577	
Employee and Dependent Insurance		9,779	
Unemployment Compensation		56	
Communication		689	
Contracts with Other Public Agencies		8,400	
Travel		158	
Other Contracted Services		1,294	
Office Supplies		1,950	
Utilities		439	
Building and Contents Insurance		367	
Liability Insurance		327	
Workers' Compensation Insurance		240	
Communication Equipment		3,002	
Data Processing Equipment		365	
Law Enforcement Equipment		956	
Total Probate Court			134,481

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Communication	\$	1,548	
Janitorial Services		9,360	
Maintenance and Repair Services - Buildings		16,298	
Maintenance and Repair Services - Equipment		1,415	
Pest Control		852	
Utilities		3,478	
Building and Contents Insurance		1,157	
Total Other Administration of Justice			\$ 34,108

Victim Assistance Programs

Remittance of Revenue Collected	\$	20,328	
Total Victim Assistance Programs			20,328

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	107,409	
Assistant(s)		136,548	
Deputy(ies)		1,636,481	
Investigator(s)		543,026	
Captain(s)		62,081	
Lieutenant(s)		167,598	
Sergeant(s)		199,653	
Accountants/Bookkeepers		37,251	
Medical Personnel		126,750	
Salary Supplements		57,600	
Clerical Personnel		149,038	
Part-time Personnel		74,131	
Longevity Pay		41,100	
Overtime Pay		135,164	
Other Salaries and Wages		117,047	
In-service Training		25,387	
Social Security		248,441	
Pensions		164,911	
Employee and Dependent Insurance		681,936	
Unemployment Compensation		1,859	
Other Fringe Benefits		28,500	
Communication		38,431	
Confidential Drug Enforcement Payments		2,500	
Dues and Memberships		9,923	
Evaluation and Testing		4,915	
Maintenance and Repair Services - Equipment		2,133	
Maintenance and Repair Services - Office Equipment		6,439	
Maintenance and Repair Services - Vehicles		79,536	
Travel		5,368	
Gasoline		150,563	
Office Supplies		15,178	
Uniforms		36,739	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Utilities	\$	7,343	
Other Supplies and Materials		9,734	
Building and Contents Insurance		4,024	
Liability Insurance		98,230	
Vehicle and Equipment Insurance		54,592	
Workers' Compensation Insurance		118,282	
Data Processing Equipment		4,329	
Law Enforcement Equipment		16,890	
Motor Vehicles		224,398	
Office Equipment		957	
Other Equipment		55,256	
Total Sheriff's Department			\$ 5,687,671

Administration of the Sexual Offender Registry

In-service Training	\$	1,581	
Remittance of Revenue Collected		3,200	
Office Supplies		1,462	
Total Administration of the Sexual Offender Registry			6,243

Jail

Captain(s)	\$	12,056	
Lieutenant(s)		54,995	
Sergeant(s)		214,345	
Medical Personnel		69,268	
Guards		920,832	
Cafeteria Personnel		99,670	
Part-time Personnel		14,452	
Longevity Pay		14,600	
Overtime Pay		16,336	
Other Salaries and Wages		75,615	
In-service Training		7,113	
Social Security		107,507	
Pensions		65,319	
Employee and Dependent Insurance		271,132	
Unemployment Compensation		1,345	
Other Fringe Benefits		4,500	
Communication		4,013	
Dues and Memberships		1,412	
Maintenance and Repair Services - Equipment		21,871	
Maintenance and Repair Services - Office Equipment		4,057	
Transportation - Other than Students		2,691	
Travel		668	
Custodial Supplies		31,345	
Drugs and Medical Supplies		274,807	
Food Supplies		197,426	
Office Supplies		9,734	
Prisoners Clothing		19,368	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	19,815	
Utilities		182,855	
Testing		1,752	
Building and Contents Insurance		11,628	
Liability Insurance		47,615	
Vehicle and Equipment Insurance		2,036	
Workers' Compensation Insurance		61,372	
Data Processing Equipment		2,670	
Food Service Equipment		6,851	
Office Equipment		3,768	
Total Jail			\$ 2,856,839

Workhouse

Guards	\$	57,387	
Longevity Pay		6,500	
Overtime Pay		681	
Other Salaries and Wages		48,224	
Social Security		6,459	
Pensions		2,445	
Employee and Dependent Insurance		8,866	
Unemployment Compensation		144	
Other Fringe Benefits		3,000	
Communication		3,496	
Janitorial Services		20,916	
Maintenance and Repair Services - Buildings		22,392	
Maintenance and Repair Services - Equipment		23,760	
Pest Control		1,294	
Uniforms		1,575	
Liability Insurance		818	
Workers' Compensation Insurance		2,331	
Building Construction		11,384	
Total Workhouse			221,672

Fire Prevention and Control

Supervisor/Director	\$	59,225	
Salary Supplements		2,500	
Social Security		4,286	
Pensions		2,961	
Employee and Dependent Insurance		11,140	
Unemployment Compensation		28	
Other Fringe Benefits		3,000	
Communication		2,213	
Contributions		392,636	
Dues and Memberships		270	
Maintenance and Repair Services - Buildings		7,063	
Maintenance and Repair Services - Vehicles		140	
Travel		1,534	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Gasoline	\$	2,750	
Office Supplies		831	
Uniforms		1,288	
Utilities		11,276	
Building and Contents Insurance		1,243	
Liability Insurance		327	
Vehicle and Equipment Insurance		1,802	
Workers' Compensation Insurance		536	
Other Equipment		4,711	
Total Fire Prevention and Control			\$ 511,760

Civil Defense

Supervisor/Director	\$	51,763	
Part-time Personnel		2,722	
Longevity Pay		2,400	
Other Salaries and Wages		51,659	
Social Security		8,098	
Pensions		5,171	
Employee and Dependent Insurance		13,558	
Unemployment Compensation		67	
Communication		9,413	
Dues and Memberships		130	
Maintenance and Repair Services - Buildings		2,753	
Maintenance and Repair Services - Equipment		205	
Maintenance and Repair Services - Office Equipment		300	
Maintenance and Repair Services - Vehicles		636	
Pest Control		540	
Postal Charges		56	
Travel		1,137	
Gasoline		1,668	
Office Supplies		398	
Utilities		5,597	
Building and Contents Insurance		2,198	
Liability Insurance		164	
Vehicle and Equipment Insurance		4,873	
Workers' Compensation Insurance		1,216	
Other Equipment		36,811	
Total Civil Defense			203,533

Other Emergency Management

Communication	\$	261,526	
Utilities		24,087	
Building and Contents Insurance		1,903	
Total Other Emergency Management			287,516

Other Public Safety

Other Salaries and Wages	\$	41,943	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Social Security	\$	3,012	
Pensions		2,084	
Workers' Compensation Insurance		1,686	
Total Other Public Safety	\$		48,725

Public Health and Welfare

Local Health Center

Communication	\$	10,386	
Contracts with Government Agencies		12,456	
Janitorial Services		18,900	
Maintenance and Repair Services - Buildings		15,251	
Pest Control		825	
Postal Charges		120	
Other Contracted Services		2,113	
Drugs and Medical Supplies		1,462	
Office Supplies		2,255	
Utilities		19,583	
Building and Contents Insurance		1,952	
Total Local Health Center			85,303

Rabies and Animal Control

Communication	\$	3,780	
Legal Notices, Recording, and Court Costs		174	
Maintenance and Repair Services - Buildings		424	
Maintenance and Repair Services - Equipment		1,291	
Maintenance and Repair Services - Vehicles		4,072	
Pest Control		495	
Travel		415	
Veterinary Services		20,652	
Other Contracted Services		270,517	
Animal Food and Supplies		11,777	
Custodial Supplies		1,960	
Office Supplies		2,111	
Uniforms		576	
Utilities		12,402	
Other Supplies and Materials		1,536	
Building and Contents Insurance		341	
Liability Insurance		818	
Refunds		260	
Vehicle and Equipment Insurance		929	
Workers' Compensation Insurance		3,596	
Office Equipment		373	
Total Rabies and Animal Control			338,499

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	147,500	
Maintenance and Repair Services - Buildings		149	
Total Ambulance/Emergency Medical Services			147,649

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program

Medical Personnel	\$	139,992	
Clerical Personnel		126,092	
Longevity Pay		5,600	
Social Security		19,732	
Pensions		11,889	
Employee and Dependent Insurance		13,524	
Unemployment Compensation		158	
Communication		128	
Travel		10,448	
Drugs and Medical Supplies		12,183	
Liability Insurance		3,088	
Workers' Compensation Insurance		4,660	
Total Dental Health Program			\$ 347,494

General Welfare Assistance

Bus Drivers	\$	14,000	
Dues and Memberships		9,162	
Total General Welfare Assistance			23,162

Sanitation Management

Supervisor/Director	\$	25,276	
Guards		36,476	
Part-time Personnel		154	
Longevity Pay		3,300	
Social Security		4,434	
Pensions		3,090	
Employee and Dependent Insurance		29,038	
Unemployment Compensation		54	
Advertising		6,662	
Communication		550	
Contributions		2,715	
Dues and Memberships		785	
Maintenance and Repair Services - Vehicles		45	
Postal Charges		72	
Travel		161	
Gasoline		2,538	
Office Supplies		434	
Uniforms		500	
Utilities		333	
Other Supplies and Materials		3,770	
Liability Insurance		327	
Workers' Compensation Insurance		68	
Office Equipment		905	
Total Sanitation Management			121,687

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	48,000	
Dues and Memberships		7,000	
Other Contracted Services		7,000	
Total Senior Citizens Assistance			\$ 62,000

Libraries

Assistant(s)	\$	66,648	
Supervisor/Director		34,515	
Librarians		51,621	
Longevity Pay		1,200	
Social Security		11,551	
Pensions		3,333	
Employee and Dependent Insurance		13,394	
Unemployment Compensation		208	
Advertising		3,205	
Communication		372	
Contributions		19,000	
Postal Charges		226	
Rentals		12,000	
Travel		2,039	
Other Contracted Services		37,500	
Duplicating Supplies		1,800	
Library Books/Media		21,810	
Office Supplies		5,239	
Building and Contents Insurance		1,306	
Liability Insurance		1,473	
Workers' Compensation Insurance		500	
Office Equipment		2,679	
Other Equipment		1,902	
Total Libraries			293,521

Parks and Fair Boards

Contributions	\$	2,000	
Maintenance Agreements		13,987	
Total Parks and Fair Boards			15,987

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	52,926
Other Fringe Benefits		15,801
Communication		4,900
Dues and Memberships		285
Janitorial Services		4,224
Maintenance and Repair Services - Buildings		1,488
Maintenance and Repair Services - Equipment		1,000
Pest Control		160
Travel		897

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Office Supplies	\$	2,829	
Utilities		4,397	
Building and Contents Insurance		491	
Office Equipment		1,000	
Total Agricultural Extension Service			\$ 90,398

Soil Conservation

Secretary(ies)	\$	39,080	
Longevity Pay		600	
Other Salaries and Wages		42,946	
Social Security		5,894	
Pensions		4,101	
Employee and Dependent Insurance		16,905	
Unemployment Compensation		56	
Other Fringe Benefits		3,000	
Dues and Memberships		1,265	
Travel		2,411	
Office Supplies		336	
Building and Contents Insurance		28	
Liability Insurance		327	
Workers' Compensation Insurance		1,124	
Total Soil Conservation			118,073

Other Operations

Tourism

Contributions	\$	68,000	
Total Tourism			68,000

Industrial Development

Longevity Pay	\$	1,000	
Other Salaries and Wages		146,057	
Social Security		10,577	
Pensions		7,303	
Employee and Dependent Insurance		12,626	
Unemployment Compensation		51	
Other Fringe Benefits		3,000	
Matching Share		173,891	
Other Contracted Services		63,015	
Liability Insurance		1,389	
Workers' Compensation Insurance		747	
Total Industrial Development			419,656

Other Economic and Community Development

Clerical Personnel	\$	45,581	
Longevity Pay		2,600	
Other Salaries and Wages		35,787	
Social Security		6,114	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development (Cont.)

Pensions	\$	4,068	
Employee and Dependent Insurance		13,558	
Unemployment Compensation		56	
Communication		599	
Travel		1,956	
Other Contracted Services		58,175	
Office Supplies		175	
Liability Insurance		164	
Workers' Compensation Insurance		200	
Total Other Economic and Community Development			\$ 169,033

Veterans' Services

Clerical Personnel	\$	19,132	
Part-time Personnel		9,942	
Social Security		2,224	
Unemployment Compensation		28	
Communication		1,916	
Travel		2,574	
Duplicating Supplies		90	
Office Supplies		370	
Utilities		986	
Liability Insurance		164	
Workers' Compensation Insurance		52	
Data Processing Equipment		1,690	
Total Veterans' Services			39,168

Employee Benefits

Employee and Dependent Insurance	\$	10,018	
Total Employee Benefits			10,018

Miscellaneous

Salary Supplements	\$	5,349	
Communication		3,342	
Contributions		58,000	
Dues and Memberships		43,000	
Other Contracted Services		700	
Gasoline		89	
Building and Contents Insurance		700	
Refunds		15,797	
Trustee's Commission		230,874	
Vehicle and Equipment Insurance		484	
Office Equipment		16,557	
Total Miscellaneous			374,892

Total General Fund \$ 18,002,944

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Contracts for Postclosure Care Costs	\$ 51,085	
Total Postclosure Care Costs		\$ 51,085

Highways

Litter and Trash Collection

Foremen	\$ 48,256	
Equipment Operators	178,791	
Laborers	125,055	
Part-time Personnel	7,914	
Longevity Pay	4,600	
Overtime Pay	15,489	
Social Security	27,096	
Pensions	16,533	
Employee and Dependent Insurance	83,422	
Unemployment Compensation	263	
Other Fringe Benefits	1,333	
Communication	2,396	
Dues and Memberships	900	
Licenses	2,499	
Maintenance and Repair Services - Equipment	19,864	
Maintenance and Repair Services - Office Equipment	1,490	
Printing, Stationery, and Forms	2,000	
Travel	1,240	
Disposal Fees	345,068	
Other Contracted Services	59,804	
Diesel Fuel	45,779	
Electricity	3,905	
Equipment and Machinery Parts	14,601	
Fertilizer, Lime, and Seed	300	
Lubricants	1,400	
Office Supplies	1,911	
Road Signs	500	
Small Tools	466	
Tires and Tubes	4,873	
Uniforms	1,970	
Water and Sewer	227	
Trustee's Commission	14,061	
Other Charges	1,290	
Office Equipment	2,089	
Solid Waste Equipment	99,220	
Total Litter and Trash Collection		<u>1,136,605</u>

Total Solid Waste/Sanitation Fund		\$ 1,187,690
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(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$	4,511	
Confidential Drug Enforcement Payments		7,000	
Maintenance and Repair Services - Vehicles		1,798	
Other Contracted Services		7,866	
Office Supplies		200	
Utilities		1,242	
Other Supplies and Materials		2,438	
Refunds		19,000	
Trustee's Commission		116	
Data Processing Equipment		1,282	
Law Enforcement Equipment		16,875	
Motor Vehicles		54,279	
Other Equipment		29,101	
Total Drug Enforcement			\$ 145,708

Total Drug Control Fund \$ 145,708

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees	\$	1,230	
Total Chancery Court			\$ 1,230

Total Constitutional Officers - Fees Fund 1,230

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	115,357	
Supervisor/Director		68,183	
Accountants/Bookkeepers		40,835	
Salary Supplements		1,070	
Secretary(ies)		46,462	
Clerical Personnel		38,464	
Custodial Personnel		33,617	
Temporary Personnel		3,348	
Overtime Pay		14,747	
Other Salaries and Wages		94,817	
Board and Committee Members Fees		10,000	
Advertising		870	
Communication		18,151	
Confidential Drug Enforcement Payments		1,393	
Dues and Memberships		39,880	
Engineering Services		4,860	
Freight Expenses		19	
Maintenance and Repair Services - Buildings		2,955	
Maintenance and Repair Services - Equipment		1,105	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Maintenance and Repair Services - Office Equipment	\$	35,633	
Postal Charges		1,325	
Printing, Stationery, and Forms		554	
Travel		5,476	
Other Contracted Services		2,112	
Custodial Supplies		2,224	
Electricity		9,201	
Natural Gas		3,049	
Office Supplies		4,998	
Water and Sewer		1,116	
Other Charges		810	
Total Administration			\$ 602,631

Highway and Bridge Maintenance

Foremen	\$	158,136	
Equipment Operators		156,112	
Equipment Operators - Light		333,568	
Truck Drivers		183,346	
Laborers		233,052	
Overtime Pay		29,132	
Other Contracted Services		56,547	
Asphalt - Cold Mix		17,584	
Asphalt - Hot Mix		1,790,434	
Concrete		1,956	
Crushed Stone		299,735	
Fertilizer, Lime, and Seed		30,922	
General Construction Materials		599	
Other Road Materials		39,831	
Pipe - Metal		64,598	
Road Signs		35,000	
Small Tools		464	
Gravel and Chert		9,609	
Other Supplies and Materials		130	
Total Highway and Bridge Maintenance			3,440,755

Operation and Maintenance of Equipment

Foremen	\$	47,736
Mechanic(s)		123,842
Overtime Pay		9,658
Licenses		18
Maintenance and Repair Services - Buildings		90
Maintenance and Repair Services - Equipment		60,963
Towing Services		900
Diesel Fuel		108,980
Equipment and Machinery Parts		98,082
Garage Supplies		4,908
Gasoline		39,865

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	8,191	
Small Tools		3,931	
Tires and Tubes		29,965	
Other Charges		806	
Total Operation and Maintenance of Equipment	\$		537,935

Other Charges

Salary Supplements	\$	3,640	
Longevity Pay		5,800	
Overtime Pay		14,272	
Other Salaries and Wages		179,756	
Social Security		14,847	
Pensions		9,409	
Employee and Dependent Insurance		36,442	
Unemployment Compensation		105	
Other Fringe Benefits		6,000	
Building and Contents Insurance		3,927	
Liability Insurance		22,793	
Trustee's Commission		64,166	
Vehicle and Equipment Insurance		31,915	
Workers' Compensation Insurance		219,658	
Fines, Assessments, and Penalties		4,438	
Total Other Charges			617,168

Employee Benefits

Longevity Pay	\$	41,100	
Social Security		126,388	
Pensions		81,087	
Employee and Dependent Insurance		460,187	
Unemployment Compensation		1,031	
Other Fringe Benefits		7,098	
Uniforms		9,585	
Total Employee Benefits			726,476

Capital Outlay

Bridge Construction	\$	503,178	
Communication Equipment		1,796	
Furniture and Fixtures		735	
Highway Equipment		144,618	
Office Equipment		2,028	
State Aid Projects		249,783	
Total Capital Outlay			902,138

Total Highway/Public Works Fund \$ 6,827,103

(Continued)



Exhibit J-7

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Notes	\$ 524,000	
Total General Government		\$ 524,000
 <u>Education</u>		
Principal on Other Loans	\$ 830,000	
Total Education		830,000
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Notes	\$ 23,549	
Total General Government		23,549
 <u>Education</u>		
Interest on Bonds	\$ 32,375	
Interest on Other Loans	149,533	
Total Education		181,908
 <u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 75,883	
Total General Government		75,883
 <u>Education</u>		
Other Debt Issuance Charges	\$ 990	
Other Debt Service	52,939	
Total Education		53,929
 Total General Debt Service Fund		 \$ 1,689,269
 <u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Building Improvements	\$ 3,185,534	
Building Purchases	139,918	
Other Equipment	9,448	
Other Capital Outlay	49,936	
Total General Administration Projects		\$ 3,384,836
 <u>Other General Government Projects</u>		
Other Capital Outlay	\$ 61,343	
Total Other General Government Projects		61,343
 Total General Capital Projects Fund		 3,446,179
 Total Governmental Funds - Primary Government		 \$ 31,300,123

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 27,505,548	
Career Ladder Program	90,802	
Homebound Teachers	163,655	
Educational Assistants	943,337	
Other Salaries and Wages	20,708	
Social Security	1,667,926	
Pensions	2,767,319	
Medical Insurance	4,808,900	
Unemployment Compensation	11,424	
Employer Medicare	391,514	
Other Fringe Benefits	2,500	
Travel	23,742	
Other Contracted Services	789,451	
Instructional Supplies and Materials	349,955	
Textbooks - Bound	968,963	
Other Supplies and Materials	289,827	
In Service/Staff Development	791	
Fee Waivers	102,074	
Regular Instruction Equipment	111,965	
Total Regular Instruction Program		\$ 41,010,401

Alternative Instruction Program

Teachers	\$ 518,684	
Career Ladder Program	5,000	
Clerical Personnel	28,611	
Other Salaries and Wages	107,868	
Social Security	36,225	
Pensions	59,279	
Medical Insurance	112,745	
Unemployment Compensation	237	
Employer Medicare	8,965	
Travel	389	
Other Contracted Services	10,730	
Other Supplies and Materials	1,713	
Other Equipment	4,599	
Total Alternative Instruction Program		895,045

Special Education Program

Teachers	\$ 4,130,398
Career Ladder Program	18,935
Homebound Teachers	48,627
Educational Assistants	879,617
Speech Pathologist	739,269
Other Salaries and Wages	32,795
Social Security	338,981
Pensions	524,286

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	1,018,563	
Unemployment Compensation		2,704	
Employer Medicare		79,278	
Other Fringe Benefits		500	
Contracts for Substitute Teachers - Non-certified		57,147	
Instructional Supplies and Materials		93,158	
Other Supplies and Materials		3,896	
Other Charges		39,123	
Special Education Equipment		27,294	
Total Special Education Program			\$ 8,034,571

Career and Technical Education Program

Teachers	\$	1,658,524	
Career Ladder Program		7,000	
Other Salaries and Wages		24,780	
Social Security		95,811	
Pensions		165,518	
Medical Insurance		276,348	
Unemployment Compensation		605	
Employer Medicare		22,830	
Travel		37,995	
Other Contracted Services		66,428	
Instructional Supplies and Materials		72,830	
Textbooks - Bound		6,461	
Vocational Instruction Equipment		29,982	
Total Career and Technical Education Program			2,465,112

Support Services

Health Services

Other Salaries and Wages	\$	82,794	
Social Security		4,786	
Pensions		4,140	
Medical Insurance		14,562	
Unemployment Compensation		37	
Employer Medicare		1,119	
Travel		2,299	
Other Contracted Services		655,638	
Other Supplies and Materials		28,395	
Other Charges		14,494	
Total Health Services			808,264

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		1,049,034	
School Resource Officer		7,659	
Other Salaries and Wages		615	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	62,660	
Pensions		105,747	
Medical Insurance		140,905	
Unemployment Compensation		368	
Employer Medicare		14,655	
Contracts with Government Agencies		147,113	
Evaluation and Testing		226,336	
Travel		13,352	
Other Contracted Services		1,145	
Other Supplies and Materials		294	
Other Equipment		317,163	
Total Other Student Support			\$ 2,091,046

Regular Instruction Program

Supervisor/Director	\$	564,152	
Career Ladder Program		9,000	
Librarians		748,255	
Materials Supervisor		24,640	
Clerical Personnel		11,236	
Social Security		75,996	
Pensions		131,641	
Medical Insurance		198,506	
Unemployment Compensation		405	
Employer Medicare		18,627	
Travel		34,969	
Other Contracted Services		9,537	
Library Books/Media		49,500	
Other Supplies and Materials		2,747	
In Service/Staff Development		10,801	
Total Regular Instruction Program			1,891,012

Special Education Program

Supervisor/Director	\$	172,936	
Career Ladder Program		2,000	
Psychological Personnel		154,926	
Clerical Personnel		106,098	
Social Security		25,848	
Pensions		36,533	
Medical Insurance		59,836	
Unemployment Compensation		142	
Employer Medicare		6,045	
Other Fringe Benefits		500	
Postal Charges		200	
Travel		22,674	
In Service/Staff Development		23,114	
Other Charges		1,150	
Total Special Education Program			612,002

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	38,400	
Unemployment Compensation		24	
Employer Medicare		557	
Travel		3,296	
In Service/Staff Development		15,399	
Total Career and Technical Education Program			\$ 57,676

Technology

Supervisor/Director	\$	82,772	
Data Processing Personnel		193,657	
Social Security		16,413	
Pensions		16,810	
Medical Insurance		36,848	
Unemployment Compensation		94	
Employer Medicare		3,838	
Other Fringe Benefits		500	
Internet Connectivity		101,311	
Travel		4,657	
Other Contracted Services		113,000	
Cabling		19,484	
Software		99,999	
Other Supplies and Materials		12,911	
Other Equipment		291,220	
Total Technology			993,514

Other Programs

On-behalf Payments to OPEB	\$	142,149	
Total Other Programs			142,149

Board of Education

Board and Committee Members Fees	\$	22,800	
Social Security		1,414	
Employer Medicare		331	
Audit Services		44,250	
Dues and Memberships		22,654	
Legal Services		164,894	
Travel		19,160	
Liability Insurance		263,743	
Trustee's Commission		374,180	
Total Board of Education			913,426

Director of Schools

County Official/Administrative Officer	\$	139,000	
Career Ladder Program		1,000	
Secretary(ies)		40,575	
Other Salaries and Wages		2,500	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Social Security	\$	11,032	
Pensions		16,798	
Medical Insurance		21,919	
Unemployment Compensation		39	
Employer Medicare		2,580	
Communication		71,706	
Postal Charges		2,500	
Travel		4,560	
Office Supplies		4,614	
Total Director of Schools			\$ 318,823

Office of the Principal

Principals	\$	1,180,866	
Career Ladder Program		17,000	
Assistant Principals		2,170,029	
Secretary(ies)		1,170,862	
Social Security		266,007	
Pensions		410,274	
Medical Insurance		676,781	
Unemployment Compensation		1,684	
Employer Medicare		62,211	
Other Fringe Benefits		1,000	
Travel		32,500	
Other Contracted Services		2,622	
Office Supplies		3,495	
Other Supplies and Materials		1,603	
Total Office of the Principal			5,996,934

Fiscal Services

Supervisor/Director	\$	93,888	
Accountants/Bookkeepers		167,817	
Secretary(ies)		111,841	
Social Security		22,316	
Pensions		23,804	
Medical Insurance		50,265	
Unemployment Compensation		155	
Employer Medicare		5,219	
Travel		3,475	
Other Contracted Services		36,217	
Office Supplies		4,313	
Administration Equipment		3,296	
Total Fiscal Services			522,606

Operation of Plant

Laundry Service	\$	6,385	
Other Contracted Services		1,710,303	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	1,518,681	
Natural Gas		181,617	
Water and Sewer		236,594	
Building and Contents Insurance		241,301	
Total Operation of Plant			\$ 3,894,881

Maintenance of Plant

Supervisor/Director	\$	167,057	
Secretary(ies)		36,413	
Other Salaries and Wages		842,414	
Social Security		60,766	
Pensions		56,959	
Medical Insurance		175,361	
Unemployment Compensation		562	
Employer Medicare		14,281	
Communication		7,526	
Maintenance and Repair Services - Equipment		13,101	
Other Contracted Services		24,295	
Other Supplies and Materials		214,946	
Other Charges		4,982	
Maintenance Equipment		49,790	
Total Maintenance of Plant			1,668,453

Transportation

Supervisor/Director	\$	126,779	
Mechanic(s)		471,034	
Bus Drivers		1,870,937	
Clerical Personnel		27,570	
Social Security		132,749	
Pensions		121,179	
Medical Insurance		1,031,353	
Unemployment Compensation		2,825	
Employer Medicare		31,358	
Communication		2,856	
Laundry Service		5,440	
Maintenance and Repair Services - Vehicles		98,565	
Travel		2,237	
Other Contracted Services		114,721	
Gasoline		583,813	
Lubricants		24,263	
Tires and Tubes		68,508	
Vehicle Parts		308,550	
Other Supplies and Materials		22,870	
Vehicle and Equipment Insurance		167,302	
In Service/Staff Development		982	
Other Charges		2,933	
Transportation Equipment		684,510	
Total Transportation			5,903,334

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	51,490	
Accountants/Bookkeepers		40,575	
Social Security		5,176	
Pensions		7,415	
Medical Insurance		17,700	
Unemployment Compensation		31	
Employer Medicare		1,210	
Transportation - Other than Students		25,871	
In Service/Staff Development		1,458	
Total Food Service			\$ 150,926

Community Services

Supervisor/Director	\$	78,284	
Other Salaries and Wages		619,593	
Social Security		41,575	
Pensions		23,279	
Medical Insurance		44,402	
Unemployment Compensation		1,021	
Employer Medicare		9,823	
Travel		5,485	
Other Contracted Services		5,013	
Food Supplies		21,453	
Other Supplies and Materials		35,149	
Total Community Services			885,077

Early Childhood Education

Teachers	\$	478,674	
Educational Assistants		211,389	
Other Salaries and Wages		39,701	
Social Security		41,822	
Pensions		59,213	
Medical Insurance		165,737	
Unemployment Compensation		400	
Employer Medicare		9,781	
Travel		329	
Contracts for Substitute Teachers - Non-certified		20,756	
Instructional Supplies and Materials		11,239	
Other Charges		20,000	
Total Early Childhood Education			1,059,041

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	22,005	
Social Security		1,364	
Unemployment Compensation		48	
Employer Medicare		319	
Building Improvements		979,082	
Total Regular Capital Outlay			1,002,818

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 150,000	
Total Education		\$ 150,000

Total General Purpose School Fund \$ 81,466,111

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 595,677	
Educational Assistants	108,862	
Other Salaries and Wages	70,999	
Social Security	45,609	
Pensions	66,515	
Medical Insurance	104,920	
Unemployment Compensation	1,224	
Employer Medicare	10,667	
Other Fringe Benefits	1,000	
Contracts for Substitute Teachers - Non-certified	41,061	
Other Contracted Services	15,124	
Instructional Supplies and Materials	172,185	
Other Charges	4,719	
Regular Instruction Equipment	196,128	
Total Regular Instruction Program		\$ 1,434,690

Special Education Program

Teachers	\$ 17,085	
Educational Assistants	1,450,031	
Speech Pathologist	32,952	
Social Security	84,545	
Pensions	57,891	
Medical Insurance	369,710	
Unemployment Compensation	4,459	
Employer Medicare	20,097	
Other Fringe Benefits	250	
Contracts for Substitute Teachers - Non-certified	15,538	
Instructional Supplies and Materials	83,758	
Other Supplies and Materials	22,781	
Special Education Equipment	8,921	
Total Special Education Program		2,168,018

Career and Technical Education Program

Other Salaries and Wages	\$ 44,534
Social Security	2,697
Pensions	2,441
Medical Insurance	6,723
Unemployment Compensation	84

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Employer Medicare	\$	631	
Instructional Supplies and Materials		6,188	
Vocational Instruction Equipment		51,240	
Total Career and Technical Education Program			\$ 114,538

Support Services

Health Services

Medical Personnel	\$	117,951	
Part-time Personnel		32,245	
Social Security		9,050	
Pensions		3,079	
Medical Insurance		9,238	
Unemployment Compensation		286	
Employer Medicare		2,117	
Other Contracted Services		74,270	
Total Health Services			248,236

Other Student Support

Other Salaries and Wages	\$	55,514	
Social Security		3,186	
Pensions		5,807	
Medical Insurance		6,514	
Unemployment Compensation		54	
Employer Medicare		745	
Travel		35,700	
Other Supplies and Materials		1,789	
In Service/Staff Development		21,877	
Total Other Student Support			131,186

Regular Instruction Program

Supervisor/Director	\$	49,299	
Secretary(ies)		26,218	
Other Salaries and Wages		728,286	
Social Security		47,074	
Pensions		82,044	
Medical Insurance		115,902	
Unemployment Compensation		992	
Employer Medicare		11,010	
Travel		1,223	
Other Contracted Services		1,140	
Other Supplies and Materials		2,307	
In Service/Staff Development		44,794	
Other Equipment		997	
Total Regular Instruction Program			1,111,286

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	25,907	
Clerical Personnel		30,664	
Social Security		3,106	
Pensions		3,187	
Medical Insurance		14,562	
Unemployment Compensation		97	
Employer Medicare		727	
Operating Lease Payments		36,943	
Other Contracted Services		15,355	
Other Supplies and Materials		4,854	
In Service/Staff Development		898	
Total Special Education Program			\$ 136,300

Career and Technical Education Program

In Service/Staff Development	\$	3,440	
Total Career and Technical Education Program			3,440

Office of the Principal

Assistant Principals	\$	35,039	
Social Security		2,172	
Pensions		3,665	
Unemployment Compensation		28	
Employer Medicare		508	
Total Office of the Principal			41,412

Transportation

Bus Drivers	\$	34,945	
Other Salaries and Wages		42,455	
Social Security		4,773	
Pensions		2,002	
Unemployment Compensation		339	
Employer Medicare		1,123	
Transportation Equipment		57,712	
Total Transportation			143,349

Operation of Non-Instructional Services

Community Services

Teachers	\$	155,616	
Other Salaries and Wages		81,192	
Social Security		14,657	
Pensions		19,756	
Unemployment Compensation		243	
Employer Medicare		3,428	
Other Contracted Services		9,631	
Instructional Supplies and Materials		7,160	
Other Supplies and Materials		524	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

In Service/Staff Development	\$ 4,052	
Other Charges	20,500	
Total Community Services		<u>\$ 316,759</u>

Total School Federal Projects Fund \$ 5,849,214

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 1,679,559	
Other Salaries and Wages	37,695	
Social Security	97,690	
Pensions	64,995	
Medical Insurance	417,700	
Unemployment Compensation	4,496	
Employer Medicare	22,859	
Travel	5,609	
Other Contracted Services	53,057	
Food Supplies	2,062,132	
Uniforms	13,208	
USDA - Commodities	295,695	
Other Supplies and Materials	256,435	
Trustee's Commission	124	
In Service/Staff Development	1,857	
Food Service Equipment	108,956	
Total Food Service		<u>\$ 5,122,067</u>

Total Central Cafeteria Fund 5,122,067

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Construction	\$ 86,849	
Total Education Capital Projects		<u>\$ 86,849</u>

Total Education Capital Projects Fund 86,849

Total Governmental Funds - Tipton County School Department \$ 92,524,241

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
	\$ 4,622,405
Total Cash Receipts	<u>\$ 4,622,405</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 4,576,181
Trustee's Commission	46,224
Total Cash Disbursements	<u>\$ 4,622,405</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2018	<u>0</u>
Cash Balance, June 30, 2019	<u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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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

Tipton County Executive and  
Board of County Commissioners  
Tipton County, Tennessee

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 18, 2019.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2019-001(C).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tipton 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(A,B).

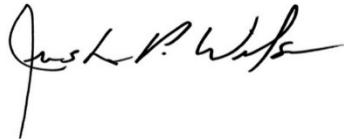
### **Tipton County's Response to Finding**

Tipton County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Tipton 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tipton 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 18, 2019

JPW/kp





JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

Tipton County Executive and  
Board of County Commissioners  
Tipton County, Tennessee

To the County Executive and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

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

### ***Opinion on Each Major Federal Program***

In our opinion, Tipton 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 Tipton 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 Tipton 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 Tipton 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.

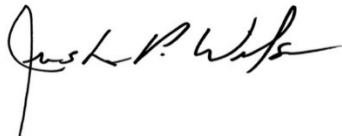
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 Tipton County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements. We issued our report thereon dated October 18, 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 18, 2019

JPW/kp

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 1,003,364
National School Lunch Program	10.555	N/A	2,951,735 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	295,695 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59710-00	52,575
Total U.S. Department of Agriculture			<u>\$ 4,303,369</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(4)	\$ 2,701,790
Total U.S. Department of Housing and Urban Development			<u>\$ 2,701,790</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 4,500
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(4)	47,326
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0064	24,673
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	(4)	8,751
Federal Asset Forfeiture Program	16.U01	N/A	169,877
Total U.S. Department of Justice			<u>\$ 255,127</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(5)	\$ 32,607
Total U.S. Department of Transportation			<u>\$ 32,607</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,430,525
Special Education Cluster: (3)			
Special Education-Grants to States	84.027	N/A	2,658,497
Special Education - Preschool Grants	84.173	N/A	117,213
Vocational Education-Basic Grants to States	84.048	N/A	174,840
Twenty- first Century Community Learning Centers	84.287	N/A	318,040
Supporting Effective Instruction State Grant	84.367	N/A	221,106
Student Support and Academic Enrichment Program	84.424	N/A	1,200
Passed-through Lauderdale County Board of Education			
English Language Acquisition State Grants	84.365	N/A	6,203
Total U.S. Department of Education			<u>\$ 5,927,624</u>
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	N/A	\$ 118
Family Planning Services	93.217	GG-19-59710-00	9,552
National State Based Tobacco Control Programs	93.305	GG-19-59710-00	1,105
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93.977	GG-19-59710-00	2,645
HIV Prevention Activities - Health Department Based	93.940	GG-19-59710-00	4,065
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59710-00	31,694
Passed-through State Department of Human Services			
CCDF Cluster: (3)			
Child Care and Development Block Grant	93.575	G1601TNCCDF	21,018
Total U.S. Department of Health and Human Services			<u>\$ 70,197</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	N/A	\$ 32,138
Total U.S. Department of Homeland Security			<u>\$ 32,138</u>
Total Expenditures of Federal Grants			<u>\$ 13,322,852</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<b>State Grants</b>			
Preventive Health and Human Services - State Department of Health	N/A	(4)	\$ 207,334
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	34360-75417	20,000
Three Star Program - State Department of Economic and Community Development	N/A	(4)	4,997
Courtroom Security Grant - Administrative Office of the Courts	N/A	(4)	5,810
Litter Program - State Department of Transportation	N/A	(4)	35,385
Family Resource Center - State Department of Education	N/A	(4)	59,823
Coordinated School Health Initiative - State Department of Education	N/A	(4)	130,000
Kindergarten Entry Inventory (KEI) - State Department of Education	N/A	(4)	10,850
Tennessee Early Literacy Network - State Department of Education	N/A	(4)	5,000
Safe Schools Act - State Department of Education	N/A	(4)	444,914
Read to be Ready Coaching Network - State Department of Human Services	N/A	(4)	10,000
Children in State of Custody - State Department of Children's Service	N/A	(4)	315,513
Early Childhood Education - Pilot/State - Department of Education	N/A	(4)	1,036,453
<b>Total State Grants</b>			<b>\$ 2,286,079</b>

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) Tipton county elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$4,250,794; Special Education Cluster total \$2,775,710; CCDF Cluster total \$21,018.
- (4) Information not available.
- (5) Z18THS358: \$12,921; Z19THS327: \$19,686.
- (6) Total for CFDA 10.555 is \$3,247,430.

Tipton County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2019

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Tipton 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
<b><u>OFFICE OF COUNTY EXECUTIVE</u></b>					
2018	188	2018-001	The Animal Control Department did not Deposit Some Funds within Three Days of Collection and did not Always Issue Receipts	N/A	Not Corrected - See Explanation on Corrective Action Plan
<b><u>OFFICE OF DIRECTOR OF PUBLIC WORKS</u></b>					
2018	189	2018-002	The Software used to Receipt Landfill Permits did not have Adequate Application Controls	N/A	Corrected
<b><u>OFFICE OF DIRECTOR OF SCHOOLS</u></b>					
2018	190	2018-003	The Office had Deficiencies in Budget Operations	N/A	Corrected

***Prior-year Federal Awards Findings***

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

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**TIPTON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2019**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Tipton County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
  - \* CFDA Number: 14.228 Community Development Block Grants/ State's Programs
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

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

### OFFICE OF COUNTY EXECUTIVE

FINDING 2019-001                      **THE ANIMAL CONTROL DEPARTMENT HAD OPERATING DEFICIENCIES**  
(A. and B. – Noncompliance Under *Government Auditing Standards*; C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of the Tipton County Animal Control Department disclosed deficiencies in the operations of the department. These deficiencies can be attributed to a lack of management oversight; a lack of understanding of state statutes, internal controls, and sound business practices; the failure of management to correct the finding noted in the prior-year audit report; and the failure to implement their corrective action plan.

- A. As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated (TCA)*, we judgmentally selected receipts for the months of November 2018 through February 2019 to trace to deposits. During this period, 15 of 115 receipts were held from four to nine days before being deposited with the county trustee. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.
- B. Official prenumbered receipts were not issued for some collections. Section 9-2-103, *TCA*, requires prenumbered receipts to be issued for all collections. Management's failure to issue prenumbered receipts for all collections weakens internal control over collections.
- C. Multiple employees operated from the same cash drawer. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer.



## RECOMMENDATION

The office should deposit all funds with the county trustee within three days of collection, and official prenumbered receipts should be issued for all collections as required by state statutes. Each employee should be assigned their own cash drawer.

## MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

We concur with this finding. Changes to the operation of the Animal Control Department have been implemented, including hiring a new director and implementing a greater degree of oversight by the Public Works Department over control of the cash box and deposits with the trustee.

### **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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY EXECUTIVE**

2019-001	The Animal Control Department had Operating Deficiencies	196
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# TIPTON COUNTY

JEFF HUFFMAN  
COUNTY EXECUTIVE  
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P.O. BOX 686  
COVINGTON, TENNESSEE 38019

W. T. BAILEY  
BUDGET AND ACCOUNTS DIRECTOR  
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## Corrective Action Plan

For the period ending June 30, 2019

### **FINDING: THE ANIMAL CONTROL DEPARTMENT HAD OPERATING DEFICIENCIES**

**Response and Corrective Action Plan Prepared by:**  
Jeff Huffman, County Executive

**Person Responsible for Implementing the Corrective Action:**  
Shannon Reed, Public Works Director

**Anticipated Completion Date of Corrective Action:**  
Completed

**Repeat Finding:** Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
Policies were implemented which should have corrected the finding, however, these policies were not followed.

**Planned Corrective Action:**  
Tipton County Animal Control has hired a new Director to oversee operations and ensure that policies are followed. The Public Works Department has taken a greater degree of control over the cash box, issuing the box to a single individual who is to be the sole user of the cash box for the day. The cash box is turned in at the end of the day and Public Works reconciles receipts with the contents of the cash box. The Public Works Department deposits these receipts with the Trustee.

  
\_\_\_\_\_  
Jeff Huffman, County Executive

Date

10/18/19

## **BEST PRACTICE**

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

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

### **TIPTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

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