



ANNUAL FINANCIAL REPORT

Cocke County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT
COCKE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020**

***COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER***

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

***MARK TREECE, CPA, CGFM
Audit Manager***

***MARIE TIDWELL, CPA
ROBERT ANDERSON, CPA, CGFM
Senior Auditors***

***KALEE TRENT
PHILIP TOBY, CGFM
GREG BRUSH, CISA
State Auditors***

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

COCKE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Cocke County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Cocke County as of and for the year ended June 30, 2020.

Results

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

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

Findings

The following are summaries of the audit findings:

COCKE COUNTY

- ◆ Cocke County Parks and Recreation Department is currently being investigated.
- ◆ Established boards have not adopted by-laws or operating procedures.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ A tax deposit due to the Internal Revenue Service was not reported timely resulting in the assessment of interest and penalty totaling \$10,997.
- ◆ Expenditures exceeded appropriations.

INTRODUCTORY SECTION

Cocke County Officials

June 30, 2020

Officials

Crystal Ottinger, County Mayor
Dwayne McCallister, Road Superintendent
Manney Moore, Director of Schools
Rob Mathis, Trustee
Angie Shelton, Assessor of Property
Jan Brockwell, County Clerk
Kristy Nease, Circuit Court Clerk
Frankie Cody, General Sessions Court Clerk
Craig Wild, Clerk and Master
Mark McGaha, Register of Deeds
Armando Fontes, Sheriff
Heather McGaha, Director of Accounts and Budgets

Board of County Commissioners

Clay Blazer, Chairman
Calvin Ball
Shalee McClure-Benson
Gayla Blazer
Dan Bright
Gary Carver
Forest Clevenger

Terry Dawson
Barry Ford
Casey Gilliam
Jonathan Laws
Kyle Shute
Norman Smith
David Veridal

Highway Commission

Ronald Blazer, Chairman
Randy Dyke
Robert Grooms
Kenneth Hall

Jerry Holt
Jack Smith
Chuck Smithpeters

Board of Education

Dr. Kenneth Johnson, Chairman
Richard Coggins
John Johnson
Rose Lovell

Darla Morgan
Otha Rolan
Jimmy Stokely

Audit Committee

Crystal Ottinger, Chairman
Clay Blazer
Angela Huskey-Grooms

Dr. Richard Lloyd
Norman Smith

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cocke County, Tennessee, as of and for the year ended June 30, 2020, 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 Cocke County, Tennessee, as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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

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

Supplementary and Other Information

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

Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

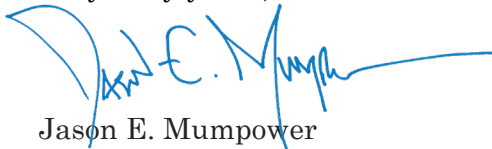
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Cocke County School Department (a discretely presented component unit), schedule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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2021, on our consideration of Cocke 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 Cocke 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 Cocke County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2021

JEM/tg

Cocke County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2020

This discussion and analysis of Cocke County's financial performance provides a narrative overview of the county's financial activities for the fiscal year ended June 30, 2020. In addition, this discussion and analysis includes an overview of the financial performance of the discretely presented Cocke County School Department, which is a component unit of Cocke County. A separate set of financial statements is not issued for the discretely presented Cocke County School Department. The intent of this discussion and analysis is to look at Cocke County's and the discretely presented Cocke County School Department's financial performance as a whole. Readers should also consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements to enhance their understanding of Cocke County's financial performance as well as the discretely presented Cocke County School Department's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Cocke County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$19 million (net position). However, it should be noted that the financial statements of Cocke County included debt of approximately \$6.9 million attributed to capital acquisitions for the discretely presented Cocke County School Department. This debt is a liability of Cocke County, but the capital assets are reported in the financial statements of the discretely presented Cocke County School Department and City of Newport School System. Therefore, Cocke County has incurred a liability, significantly decreasing its unrestricted assets with no corresponding increase in the county's capital assets.
- Cocke County's total net position increased by approximately \$4.8 million. This increase in net position was due primarily to the retirement of debt and investment in capital assets.
- The discretely presented Cocke County School Department's net position increased by approximately \$2 million. This increase in net position was due to an increase in total assets being offset by a reduction in deferred outflows of resources, total liabilities, and an increase in deferred inflows of resources, which netted to the \$2 million increase in net position.
- At the close of the fiscal year, Cocke County's governmental funds reported approximately \$17 million in total combined fund balances; this is an approximate increase of \$2.4 million from the previous period. Of this amount, approximately \$3 million represents funds that are available for spending (assigned and unassigned fund balances).
- The discretely presented Cocke County School Department's governmental funds reported approximately \$10 million in total fund balances; this is an increase of approximately \$2.1 million over the previous period.

- The total debt (bonds, other loans, capital leases, and notes payable) of Cocke County, Tennessee, decreased by approximately \$1.7 million or 8.4 percent during the current fiscal year.
- Cocke County refunded a general obligation bond issue with a separate general obligation bond issue. As a result of the advance refunding, total debt service payments over the next 11 years will be reduced \$185,643. Please see Note. IV.F. for details on the refunding.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Cocke County and the financial statements of the discretely presented Cocke County School Department. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These financial statements also contain other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the finances of Cocke County and the discretely presented Cocke County School Department in a manner similar to a private sector business. The government-wide financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of Cocke County's and its discretely presented component units' assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cocke County and its discretely presented component units is improving or deteriorating.

The Statement of Activities presents information showing how Cocke County's and its discretely presented component units' net position changed during the current fiscal year. All changes in net position are reported on the accrual basis of accounting as soon as the underlying event giving rise to the change occurs. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cocke County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Cocke County include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways; education; and interest on long-term debt. The Cocke County Government has no business-type activities to report.

The government-wide financial statements include the Coker County Government (known as the primary government), and also the legally separate School Department for which Coker County is financially responsible. The financial statements of the legally separate Coker County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report. Financial information for these component units would be reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found in Exhibits A and B of this report.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Coker County and its discretely presented Coker County School Department, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Coker County and the discretely presented Coker County School Department can be divided into two categories: governmental and fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Coker County maintains 12 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds. The General Fund is always considered a major fund. Coker County's other major funds are the Solid Waste/Sanitation, Highway/Public Works, and General Debt Service funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Please refer to the Table of Contents to locate these statements.

The discretely presented Coker County School Department maintains four individual governmental funds. Major funds of the discretely presented Coker County School Department are the General Purpose School and the School Transportation funds.

Cocke County adopts an annual budget for its General Fund, all special revenue funds (except the Constitutional Officers – Fees Fund), General Debt Service Fund, General Capital Projects Fund, and the Jail Capital Projects Fund. The discretely presented Cocke County School Department, with the approval of the county, adopts an annual budget for its General Purpose School Fund and all special revenue funds. A budgetary comparison statement has been provided for the General Fund and each of the other budgeted major funds to demonstrate compliance with these appropriated budgets.

Governmental fund financial statements can be found in the table of contents.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Cocke County’s own programs. The accounting used to report fiduciary funds is much like that used to report proprietary funds (economic resources measurement) except agency funds, which have no measurement focus. Please refer to the Table of Contents to locate these statements.

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Please refer to the Table of Contents to locate these notes.

Other Information. In addition to the basic financial statements and accompanying notes, this report contains combining and individual fund statements and schedules for Cocke County and the discretely presented Cocke County School Department. A Table of Contents has been provided to locate this information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Cocke County’s and the Discretely Presented Cocke County School Department’s Net Position

Table 1 provides a summary of Cocke County’s and the discretely presented Cocke County School Department’s net position for 2020 and a comparison to the prior year.

Table 1

	STATEMENT OF NET POSITION			
	Cocke County		Discretely Presented	
	Primary Government		Cocke County	
	2020	2019	2020	2019
Assets				
Current and Other Assets	\$ 33,521,344	\$ 30,072,640	\$ 25,912,601	\$ 19,743,206
Capital Assets	17,837,562	17,041,160	17,249,978	18,680,791
Total Assets	\$ 51,358,906	\$ 47,113,800	\$ 43,162,579	\$ 38,423,997
Total Deferred Outflows of Resources	\$ 1,498,390	\$ 1,831,025	\$ 5,579,071	\$ 6,483,977
Liabilities				
Long-term Liabilities				
Outstanding	\$ 19,829,084	\$ 21,435,603	\$ 7,752,382	\$ 9,029,724
Other Liabilities	881,619	556,777	3,990,690	3,877,938
Total Liabilities	\$ 20,710,703	\$ 21,992,380	\$ 11,743,072	\$ 12,907,662
Total Deferred Inflows of Resources	\$ 12,820,482	\$ 12,406,790	\$ 10,430,392	\$ 7,482,668
Net Position:				
Net Investment in Capital				
Assets	\$ 8,266,913	\$ 6,564,850	\$ 17,249,978	\$ 18,680,791
Restricted	8,465,498	6,084,622	9,430,252	4,459,462
Unrestricted	2,593,700	1,896,183	(112,044)	1,377,391
Total Net Position	\$ 19,326,111	\$ 14,545,655	\$ 26,568,186	\$ 24,517,644

A large portion of Cocke County's and the discretely presented Cocke County School Department's net position, \$8.3 million and \$17.2 million, respectively, reflects investment in capital assets (e.g., land, buildings, machinery, and equipment), less any debt used to acquire those assets that is still outstanding. Cocke County and the discretely presented Cocke County School Department use these capital assets to provide services to citizens; consequently, these assets are not available to meet current or future obligations. Although Cocke County's and the discretely presented Cocke County School Department's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Cocke County's and the discretely presented Cocke County School Department's net position of \$8.5 million and \$9.4 million, respectively, is subject to external restrictions on how these funds may be used.

Cocke County's and the Discretely Presented Cocke County School Department's Changes in Net Position

Table 2 shows changes in net position for fiscal year ending June 30, 2020, for the primary government and the discretely presented Cocke County School Department, respectively, as well as a comparison to the prior year.

Governmental Activities. Governmental activities increased Cocke County's net position by \$4.8 million. There were no prior-period adjustments or restatements. Net position increased because revenues exceeded expenses adding to net position.

The net position of the discretely presented Cocke County School Department increased by \$2 million. This was due to revenues exceeding expenditures.

Table 2

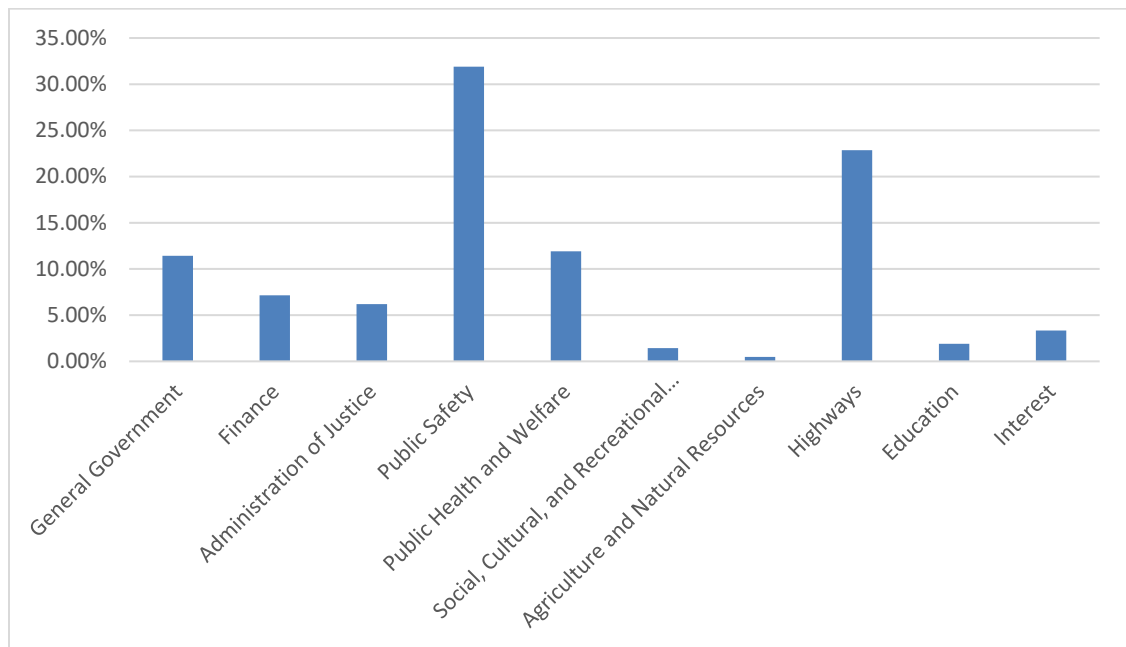
	CHANGES IN NET POSITION			
	Coke County		Discretely Presented	
	Primary Government		Coke County	
	2020	2019	School Department	2019
Revenues				
Program Revenues				
Charges for Service	\$ 2,980,779	\$ 3,102,873	\$ 189,450	\$ 263,335
Operating Grants and Contributions	3,866,114	3,303,653	8,488,523	7,556,409
Capital Grants and Contributions	1,526,028	175,320	494,629	618,227
General Revenues				
Property Taxes	12,316,787	12,007,000	4,458,607	4,326,593
Sales Taxes	2,235,585	2,135,334	3,995,891	3,795,287
Other Taxes	1,178,446	1,182,198	29,453	37,000
Grants and Contributions Not Restricted to Specific Programs	1,629,840	1,575,574	27,822,040	27,831,496
Unrestricted Investment Income	164,796	169,152	5	7
Gain on Investments	0	0	4,536	3,505
Gain on Disposal of Capital Assets	0	80,045	0	4,685
Miscellaneous	29,651	150,275	126,815	75,852
Total Revenues	\$ 25,928,026	\$ 23,881,424	\$ 45,609,949	\$ 44,512,396
Expenses				
General Government	\$ 2,416,395	\$ 2,121,466	\$ 0	\$ 0
Finance	1,546,374	1,488,326	0	0
Administration of Justice	1,346,391	1,245,460	0	0
Public Safety	6,760,250	6,712,869	0	0
Public Health and Welfare	2,532,504	2,111,804	0	0
Social, Cultural, and Recreational Services	394,038	408,477	0	0
Agriculture and Natural Resources	103,409	106,746	0	0
Highways	4,867,959	5,671,943	0	0
Education	424,089	494,157	43,559,407	42,548,747
Interest	756,161	830,264	0	0
Total Expenses	\$ 21,147,570	\$ 21,191,512	\$ 43,559,407	\$ 42,548,747
Change in Net Position	\$ 4,780,456	\$ 2,689,912	\$ 2,050,542	\$ 1,963,649
Net Position, July 1, 2019	14,545,655	11,855,743	24,517,644	22,553,995
Net Position, June 30	\$ 19,326,111	\$ 14,545,655	\$ 26,568,186	\$ 24,517,644

Governmental Program Expense

Public Safety expenses of \$6.8 million and Highway expenses of \$4.9 million are the largest expenses of Cocke County, the primary government. When combined, these two activities comprise 54.9% of the total expenses of county government. Of this amount, \$.6 million was recovered through charges for services, and \$3.9 million from operating and capital grants and contributions. The remainder of these activities, \$7 million, was funded with general government revenues such as property and sales taxes.

The following chart illustrates how the program expenses of Cocke County are distributed as a percentage of total expenses.

Chart 1



FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

As noted earlier, Cocke County and the discretely presented Cocke County School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Cocke County's and the discretely presented Cocke County School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Cocke County's and the discretely presented Cocke County School Department's financing requirements.

In the fund financial statements, governmental funds report fund balances in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which these funds can be spent. These classifications

may consist of the following: nonspendable, restricted, committed, assigned, or unassigned.

- **Nonspendable Fund Balance.** The nonspendable fund balance reflected in Cocke County's governmental funds totals \$53,932 and includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid amounts) or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance.** The restricted fund balance reflected in Cocke County's and the discretely presented Cocke County School Department's governmental funds totaling \$4,990,185 and \$2,326,644, respectively, 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.** The committed fund balance reflected in Cocke County's and the discretely presented Cocke County School Department's governmental funds totaling \$9,042,429 and \$1,354,989, respectively, 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.
- **Assigned Fund Balance.** The assigned fund balance reflected in Cocke County's governmental funds and the discretely presented Cocke County School Department's governmental fund totaling \$1,757,258 and \$2,136,146, respectively, and 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's Budget Committee is the authorized body to make assignments. Cocke County's assigned fund balance represents \$1.6 million appropriated to balance the 2020-2021 general fund budget and \$.2 million in encumbered funds from the 2019-2020 year budget that will be spent in the next fiscal year.
- **Unassigned Fund Balance.** The unassigned fund balance reflected in Cocke County's and the discretely presented Cocke County School Department's governmental funds totaling \$1,240,312 and \$4,183,221, respectively, 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. This is the residual classification for the General and General Purpose School funds.

As of June 30, 2020, Cocke County's governmental funds reported combined ending fund balances of \$17 million, an increase of \$2.4 million in comparison with the prior year. The discretely presented Cocke County School Department's governmental funds reported fund balances of \$10, million, an increase of \$2.1 million in comparison with the prior year.

BUDGETARY HIGHLIGHTS

General Fund Budgetary Highlights

During the fiscal year, there were increases in appropriations from the original budget totaling \$586,447. These changes are summarized as follows:

Table 3

GENERAL FUND BUDGET AMENDMENTS

	Original	Amended	Increase (Decrease)
Appropriations			
General Government	\$ 1,316,023	\$ 1,320,205	\$ 4,182
Finance	1,354,830	1,375,194	20,364
Administration of Justice	1,430,173	1,435,766	5,593
Public Safety	6,502,184	6,931,765	429,581
Public Health and Welfare	557,246	577,077	19,831
Social, Cultural, and Recreational Services	377,190	377,190	0
Agriculture and Natural Resources	105,721	105,721	0
Other Operations	1,359,701	1,444,231	84,530
Highways	92,100	104,475	12,375
Principal on General Government	0	9,054	9,054
Interest on General Government	0	937	937
Transfers Out	252,000	252,000	0
Total Appropriations	<u>\$ 13,347,168</u>	<u>\$ 13,933,615</u>	<u>\$ 586,447</u>

The increase in appropriations in Administration of Justice primarily reflects the addition of restricted funds for victims' assistance and drug court programs that were budgeted as the funds were received and spent that were not reflected in the original budget. The increase in appropriations in Public Safety reflects grants and revenues received by the Sheriff's Department and the Jail that were budgeted as the funds were received and spent.

At the close of the fiscal year, actual expenditures were \$1.2 million less than budgetary estimates. This is comparable to the prior year.

General Purpose School Fund Budgetary Highlights

The General Purpose School Fund is the chief operating fund of the discretely presented Cocke County School Department. During the fiscal year, there were increases in appropriations from the original budget totaling \$.7 million.

At the close of the fiscal year, actual expenditures were \$3.5 million less than budgetary estimates for the General Purpose School Fund of the discretely presented Cocke County School Department.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. Cocke County's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$8.3 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, roads and bridges. The discretely presented Cocke County School Department's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$17.2 million (net of accumulated depreciation).

Note IV.B. (Capital Assets) provides capital assets activity during the 2020 fiscal year.

Long-term Debt

Table 4

LONG-TERM DEBT AND LIABILITIES		
	Cocke County	Discretely Presented Cocke County
	Primary Government	School Department
	2020	2020
Bonds	\$ 14,375,000	\$ 0
Other Loans - City of Newport (Utilities)	1,410,803	0
Other Loans - QSCB	2,502,139	0
Capital Leases	590,438	
Landfill Postclosure Care Costs	94,115	0
Other Postemployment Benefits	433,712	7,506,940
Termination Benefits	0	245,442
Total Long-term Debt	<u>\$ 19,406,207</u>	<u>\$ 7,752,382</u>

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. Cocke County Government had total bonds, other loans, capital leases, and unamortized premium on bonds outstanding of \$19.3 million. Cocke County maintains a rating of “A+” from Standards and Poor’s for general obligation debt. Total debt per capita, including bonds, other loans, capital leases, and unamortized premium on bonds totaled \$541 based on the 2010 census for residents.

In addition to these loan agreements, Cocke County’s other long-term obligations include landfill postclosure care costs and other postemployment benefits. Additional information on the county’s long-term debt and other long-term obligations can be found in Note IV.E, F, and G of this report. Note V.C. discusses landfill closure/postclosure costs, Note V.F. discusses retirement commitments and Note V.G. discusses other postemployment benefits.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Cocke County adopted a budget for the fiscal year ending June 30, 2021, on June 29, 2020. As in prior years, many factors were considered when adopting this budget, including continuing uncertainty in the county’s economic outlook and low interest earnings on invested funds, which affect various revenue categories and limit options for tax growth.

FY 2020 was a property tax reappraisal year for Cocke County which is on a five year reappraisal cycle. Cocke County adopted the certified tax rate as calculated by the Tennessee State Board of Equalization. There was a tax rate decrease for the tax year 2020. The tax rate decreased to \$2.565 from \$2.83 reflecting an overall decrease of .265 cents. The

distribution of the tax rate among the county's funds for the 2020 and 2019 tax years is shown below:

Table 5

DISTRIBUTION OF THE PROPERTY TAX RATE

Fund	2020		2019	
	Rate	Ratio	Rate	Ratio
General	\$ 1.0983	42.82%	\$ 1.1550	40.82%
Solid Waste/Sanitation	0.2493	9.72%	0.2330	8.23%
Economic Development	0.0670	2.61%	0.0710	2.51%
Highway/Public Works	0.2710	10.57%	0.2970	10.49%
General Purpose School	0.5260	20.51%	0.5770	20.40%
School Transportation	0.2070	8.07%	0.2270	8.02%
General Debt Service	0.0399	1.56%	0.1000	3.53%
General Capital Projects	0.1065	4.15%	0.1700	6.01%
Total	<u>\$ 2.5650</u>	<u>100.00%</u>	<u>\$ 2.8300</u>	<u>100.00%</u>

The unemployment rate (not seasonally adjusted) for Cocke County as of October 2020 was 8.10 percent. For that same time period, the state's average unemployment rate was 5.3 percent and the national unemployment average was 6.7 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing Cocke County's budget for the upcoming fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Cocke County's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report, please contact the County Mayor's Office at 360 East Main Street, Courthouse Annex, Suite 146, Newport, Tennessee 37821.

BASIC FINANCIAL STATEMENTS

Exhibit A

Cocke County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Unit Cocke County School Department
<u>ASSETS</u>		
Cash	\$ 50,666	\$ 1,316,512
Equity in Pooled Cash and Investments	16,895,368	10,789,636
Investments	52,550	0
Accounts Receivable	181,079	334,553
Due from Other Governments	1,338,238	1,343,042
Due from Primary Government	0	419,629
Property Taxes Receivable	12,747,096	4,652,134
Allowance for Uncollectible Property Taxes	(524,727)	(190,802)
Prepaid Items	53,932	0
Net Pension Asset - Agent Plan	2,727,142	2,026,461
Net Pension Asset - Teacher Retirement Plan	0	179,122
Net Pension Asset - Teacher Legacy Pension Plan	0	4,898,025
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	144,289
Capital Assets:		
Assets Not Depreciated:		
Land	1,475,183	601,292
Construction in Progress	170,380	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,120,845	12,774,714
Infrastructure	11,313,767	78,310
Other Capital Assets	2,757,387	3,795,662
Total Assets	<u>\$ 51,358,906</u>	<u>\$ 43,162,579</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 350,689	\$ 0
Pension Changes in Experience	299,435	468,400
Pension Changes in Assumptions	236,862	842,264
Pension Changes in Proportion	0	34,141
Pension Contributions After Measurement Date	557,013	2,119,030
OPEB Changes in Experience	3,805	1,097,210
OPEB Changes in Assumptions	48,657	124,385
OPEB Changes in Proportion	0	565,138
OPEB Contributions After Measurement Date	1,929	328,503
Total Deferred Outflows of Resources	<u>\$ 1,498,390</u>	<u>\$ 5,579,071</u>

LIABILITIES

Accounts Payable	\$ 214,127	\$ 180,347
Accrued Payroll	0	1,930

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Cocke County School Department</u>
<u>LIABILITIES (CONT.)</u>		
Accrued Interest Payable	\$ 57,185	\$ 0
Payroll Deductions Payable	100,411	0
Contracts Payable	88,113	0
Due to Component Units	419,629	0
Due to State of Tennessee	252	29,587
Other Current Liabilities	1,902	3,778,826
Noncurrent Liabilities:		
Due Within One Year - Debt	2,232,879	0
Due Within One Year - Other	9,245	38,754
Due in More Than One Year - Debt	17,068,378	0
Due in More Than One Year - Other	518,582	7,713,628
Total Liabilities	<u>\$ 20,710,703</u>	<u>\$ 11,743,072</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 11,809,023	\$ 4,311,647
Pension Changes in Experience	480,381	3,380,039
Pension Changes in Investment Earnings	350,558	1,667,523
Pension Changes in Proportion	0	33,675
OPEB Changes in Assumptions	16,984	682,738
OPEB Changes in Experience	163,536	100,753
OPEB Changes in Proportion	0	254,017
Total Deferred Inflows of Resources	<u>\$ 12,820,482</u>	<u>\$ 10,430,392</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 8,266,913	\$ 17,249,978
Restricted for:		
General Government	29,696	0
Finance	56,202	0
Administration of Justice	1,335,283	0
Public Safety	92,202	0
Public Health and Welfare	44,640	0
Social, Cultural, and Recreational Services	14,549	0
Other Operations	583,752	0
Highways	1,718,219	0
Debt Service	119,101	0
Education	0	2,182,355
Capital Projects	1,744,712	0
Pensions	2,727,142	7,247,897
Unrestricted	<u>2,593,700</u>	<u>(112,044)</u>
Total Net Position	<u>\$ 19,326,111</u>	<u>\$ 26,568,186</u>

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

Exhibit B

Coke County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Coke County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,416,395	\$ 294,008	\$ 85,708	\$ 0	\$ (2,036,679)	\$ 0
Finance	1,546,374	989,268	0	0	(557,106)	0
Administration of Justice	1,346,391	627,267	95,251	0	(623,873)	0
Public Safety	6,760,250	600,412	705,483	0	(5,454,355)	0
Public Health and Welfare	2,532,504	45,654	253,561	0	(2,233,289)	0
Social, Cultural, and Recreational Services	394,038	414,875	100	977,178	998,115	0
Agriculture and Natural Resources	103,409	0	0	0	(103,409)	0
Highways	4,867,959	9,295	2,726,011	548,850	(1,583,803)	0
Education	424,089	0	0	0	(424,089)	0
Interest on Long-term Debt	756,161	0	0	0	(756,161)	0
Total Primary Government	\$ 21,147,570	\$ 2,980,779	\$ 3,866,114	\$ 1,526,028	\$ (12,774,649)	\$ 0
Component Unit:						
Coke County School Department	\$ 43,559,407	\$ 189,450	\$ 8,488,523	\$ 494,629	\$ 0	\$ (34,386,805)
Total Component Unit	\$ 43,559,407	\$ 189,450	\$ 8,488,523	\$ 494,629	\$ 0	\$ (34,386,805)

(Continued)

Exhibit B

Cocke County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Total Governmental Activities	Unit Cocke County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 7,041,385	\$ 3,073,326
Property Taxes Levied for Development					424,376	0
Property Taxes Levied for Highway/Public Works					1,802,736	0
Property Taxes Levied for Public Health and Welfare					1,404,489	0
Property Taxes Levied for School Transportation					0	1,385,281
Property Taxes Levied for Debt Service					626,318	0
Property Taxes for Capital Outlay					1,017,483	0
Local Option Sales Taxes					2,235,585	3,995,891
Hotel/Motel Tax					315,207	0
Litigation Tax - General					31,745	0
Litigation Tax - Special Purpose					2,781	0
Litigation Tax - Jail, Workhouse, Courthouse					133,000	0
Litigation Tax - Courthouse Security					9,910	0
Business Tax					308,476	0
Mineral Severance Tax					83,728	0
Wholesale Beer Tax					217,206	0
Mixed Drink Tax					1,169	0
Other Local Taxes					75,224	29,453
Grants and Contributions Not Restricted to Specific Programs					1,629,840	27,822,040
Unrestricted Investment Income					164,796	5
Gain on Investments					0	4,536
Miscellaneous					29,651	126,815
Total General Revenues					\$ 17,555,105	\$ 36,437,347
Change in Net Position					\$ 4,780,456	\$ 2,050,542
Net Position, July 1, 2019					14,545,655	24,517,644
Net Position, June 30, 2020					\$ 19,326,111	\$ 26,568,186

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

Exhibit C-1

Cocke County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2020

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 1,902	\$ 0	\$ 0	\$ 0	\$ 48,764	\$ 50,666
Equity in Pooled Cash and Investments	4,413,410	229,377	2,948,328	6,095,731	3,208,522	16,895,368
Investments	0	0	0	0	52,550	52,550
Accounts Receivable	143,141	3,210	0	0	34,728	181,079
Due from Other Governments	309,888	3,653	704,172	320,355	170	1,338,238
Due from Other Funds	35,854	3,902	25,380	278,821	0	343,957
Property Taxes Receivable	7,622,115	1,720,392	1,884,724	296,262	1,223,603	12,747,096
Allowance for Uncollectible Property Taxes	(306,859)	(65,874)	(77,271)	(18,666)	(56,057)	(524,727)
Prepaid Items	0	0	0	53,932	0	53,932
Total Assets	\$ 12,219,451	\$ 1,894,660	\$ 5,485,333	\$ 7,026,435	\$ 4,512,280	\$ 31,138,159
<u>LIABILITIES</u>						
Accounts Payable	\$ 92,105	\$ 92,977	\$ 29,045	\$ 0	\$ 0	\$ 214,127
Payroll Deductions Payable	85,184	1,264	13,963	0	0	100,411
Contracts Payable	0	0	0	0	88,113	88,113
Due to Other Funds	308,103	0	0	0	35,854	343,957
Due to Component Units	0	0	0	0	419,629	419,629
Due to State of Tennessee	0	0	252	0	0	252
Other Current Liabilities	1,902	0	0	0	0	1,902
Total Liabilities	\$ 487,294	\$ 94,241	\$ 43,260	\$ 0	\$ 543,596	\$ 1,168,391
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 7,079,613	\$ 1,606,981	\$ 1,746,859	\$ 257,194	\$ 1,118,376	\$ 11,809,023

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Funds Other Governmental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 204,417	\$ 41,238	\$ 52,564	\$ 17,698	\$ 42,654	\$ 358,571
Other Deferred/Unavailable Revenue	66,856	3,402	489,212	158,588	0	718,058
Total Deferred Inflows of Resources	\$ 7,350,886	\$ 1,651,621	\$ 2,288,635	\$ 433,480	\$ 1,161,030	\$ 12,885,652

FUND BALANCES

Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 53,932	\$ 0	\$ 53,932
Restricted:						
Restricted for General Government	29,696	0	0	0	0	29,696
Restricted for Finance	8,564	0	0	0	47,638	56,202
Restricted for Administration of Justice	1,335,283	0	0	0	0	1,335,283
Restricted for Public Safety	10,158	0	0	0	82,044	92,202
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	14,549	14,549
Restricted for Other Operations	0	0	0	0	571,186	571,186
Restricted for Highways/Public Works	0	0	1,176,443	0	0	1,176,443
Restricted for Capital Projects	0	0	0	0	1,714,624	1,714,624
Committed:						
Committed for Public Health and Welfare	0	148,798	0	0	0	148,798
Committed for Social, Cultural, and Recreational Services	0	0	0	0	22,948	22,948
Committed for Other Operations	0	0	0	0	354,665	354,665
Committed for Highways/Public Works	0	0	1,976,995	0	0	1,976,995
Committed for Debt Service	0	0	0	6,539,023	0	6,539,023
Assigned:						
Assigned for General Government	43,076	0	0	0	0	43,076
Assigned for Finance	4,398	0	0	0	0	4,398

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Administration of Justice	\$ 10,187	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,187
Assigned for Public Safety	52,908	0	0	0	0	52,908
Assigned for Public Health and Welfare	21,403	0	0	0	0	21,403
Assigned for Social, Cultural, and Recreational Services	43,622	0	0	0	0	43,622
Assigned for Agriculture and Natural Resources	32	0	0	0	0	32
Assigned for Other Operations	6,675	0	0	0	0	6,675
Assigned for Other Purposes	1,574,957	0	0	0	0	1,574,957
Unassigned	1,240,312	0	0	0	0	1,240,312
Total Fund Balances	<u>\$ 4,381,271</u>	<u>\$ 148,798</u>	<u>\$ 3,153,438</u>	<u>\$ 6,592,955</u>	<u>\$ 2,807,654</u>	<u>\$ 17,084,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,219,451</u>	<u>\$ 1,894,660</u>	<u>\$ 5,485,333</u>	<u>\$ 7,026,435</u>	<u>\$ 4,512,280</u>	<u>\$ 31,138,159</u>

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

Exhibit C-2

Cocke County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

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)		\$ 17,084,116
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Add: land	\$ 1,475,183	
Add: construction in progress	170,380	
Add: buildings and improvements net of accumulated depreciation	2,120,845	
Add: infrastructure net of accumulated depreciation	11,313,767	
Add: other capital assets net of accumulated depreciation	<u>2,757,387</u>	17,837,562
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (3,912,942)	
Less: bonds payable	(14,375,000)	
Less: capital lease payable	(590,438)	
Add: deferred charge on refunding	350,689	
Less: OPEB liability	(433,712)	
Less: landfill postclosure care costs	(94,115)	
Less: unamortized premium on debt	(422,877)	
Less: accrued interest on bonds, notes, and other loans payable	<u>(57,185)</u>	(19,535,580)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,093,310	
Less: deferred inflows of resources related to pensions	(830,939)	
Add: deferred outflows of resources related to OPEB	54,391	
Less: deferred inflows of resources related to OPEB	<u>(180,520)</u>	136,242
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		2,727,142
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,076,629</u>
Net position of governmental activities (Exhibit A)		<u>\$ 19,326,111</u>

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

Exhibit C-3

Cocke County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 8,996,439	\$ 1,459,913	\$ 1,962,540	\$ 2,332,148	\$ 1,487,199	\$ 16,238,239
Licenses and Permits	134,906	0	0	0	0	134,906
Fines, Forfeitures, and Penalties	122,598	0	0	0	11,408	134,006
Charges for Current Services	492,725	14,905	0	0	324,280	831,910
Other Local Revenues	53,399	30,827	10,316	164,161	818	259,521
Fees Received From County Officials	1,306,700	0	0	0	0	1,306,700
State of Tennessee	1,350,950	87,843	3,190,181	29,074	70,068	4,728,116
Federal Government	647,674	251	17,591	0	3,901	669,417
Other Governments and Citizens Groups	373,034	0	1,961	158,401	977,278	1,510,674
Total Revenues	\$ 13,478,425	\$ 1,593,739	\$ 5,182,589	\$ 2,683,784	\$ 2,874,952	\$ 25,813,489
<u>Expenditures</u>						
Current:						
General Government	\$ 1,234,732	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,234,732
Finance	1,254,417	0	0	0	291,957	1,546,374
Administration of Justice	1,327,247	0	0	0	19,144	1,346,391
Public Safety	6,536,443	0	0	0	44,220	6,580,663
Public Health and Welfare	419,977	1,959,045	0	0	0	2,379,022
Social, Cultural, and Recreational Services	314,020	0	0	0	78,157	392,177
Agriculture and Natural Resources	103,409	0	0	0	0	103,409
Other Operations	1,301,633	251	0	0	21,577	1,323,461
Highways	84,288	0	5,088,422	0	0	5,172,710
Debt Service:						
Principal on Debt	9,054	0	0	2,027,871	170,630	2,207,555
Interest on Debt	937	0	0	637,552	65,886	704,375
Other Debt Service	0	0	0	101,474	0	101,474

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	1,072,292	\$ 1,072,292
Total Expenditures	\$ 12,586,157	\$ 1,959,296	\$ 5,088,422	\$ 2,766,897	\$ 1,763,863	\$ 24,164,635
Excess (Deficiency) of Revenues Over Expenditures	\$ 892,268	\$ (365,557)	\$ 94,167	\$ (83,113)	\$ 1,111,089	\$ 1,648,854
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 1,630,000	\$ 0	\$ 1,630,000
Capital Leases Issued	0	0	329,039	0	316,409	645,448
Premiums on Debt Sold	0	0	0	264,747	0	264,747
Insurance Recovery	37,403	0	0	0	0	37,403
Transfers In	0	0	0	253,924	0	253,924
Transfers Out	(253,924)	0	0	0	0	(253,924)
Payments to Refunded Debt Escrow Agent	0	0	0	(1,832,979)	0	(1,832,979)
Total Other Financing Sources (Uses)	\$ (216,521)	\$ 0	\$ 329,039	\$ 315,692	\$ 316,409	\$ 744,619
Net Change in Fund Balances	\$ 675,747	\$ (365,557)	\$ 423,206	\$ 232,579	\$ 1,427,498	\$ 2,393,473
Fund Balance, July 1, 2019	3,705,524	514,355	2,730,232	6,360,376	1,380,156	14,690,643
Fund Balance, June 30, 2020	\$ 4,381,271	\$ 148,798	\$ 3,153,438	\$ 6,592,955	\$ 2,807,654	\$ 17,084,116

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

Exhibit C-4

Cocke 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, 2020

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)		\$ 2,393,473
(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	\$ 2,166,979	
Less: current-year depreciation expense	<u>(1,370,577)</u>	796,402
(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, 2020	\$ 1,076,629	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(962,092)</u>	114,537
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt related items.		
Add: principal payments on bonds	\$ 1,680,000	
Add: principal payments on other loans	436,832	
Add: principal payments on capital leases	90,723	
Less: bond issue proceeds	(1,630,000)	
Less: capital lease proceeds	(645,448)	
Add: debt refunded	1,800,000	
Less: change in unamortized premium on debt issuances	(220,619)	
Less: change in deferred charge on refunding	<u>(71,926)</u>	1,439,562
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 8,991	
Change in net OPEB liability	87,450	
Change in landfill postclosure care costs	7,581	
Change in net pension liability/asset	562,098	
Change in deferred outflows related to pensions	(272,672)	
Change in deferred inflows related to pensions	(224,568)	
Change in deferred outflows related to OPEB	11,963	
Change in deferred inflows related to OPEB	<u>(144,361)</u>	<u>36,482</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,780,456</u>

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

Exhibit C-5

Cocke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,996,439	\$ 0	\$ 0	\$ 8,996,439	\$ 8,450,853	\$ 8,451,853	\$ 544,586
Licenses and Permits	134,906	0	0	134,906	135,850	135,850	(944)
Fines, Forfeitures, and Penalties	122,598	0	0	122,598	140,275	164,788	(42,190)
Charges for Current Services	492,725	0	0	492,725	418,975	435,411	57,314
Other Local Revenues	53,399	0	0	53,399	46,100	53,620	(221)
Fees Received From County Officials	1,306,700	0	0	1,306,700	1,226,000	1,240,704	65,996
State of Tennessee	1,350,950	0	0	1,350,950	1,102,763	1,139,736	211,214
Federal Government	647,674	0	0	647,674	764,420	1,155,722	(508,048)
Other Governments and Citizens Groups	373,034	0	0	373,034	90,000	105,000	268,034
Total Revenues	\$ 13,478,425	\$ 0	\$ 0	\$ 13,478,425	\$ 12,375,236	\$ 12,882,684	\$ 595,741
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 85,624	\$ 0	\$ 0	\$ 85,624	\$ 103,298	\$ 103,133	\$ 17,509
Board of Equalization	3,515	0	0	3,515	5,680	5,680	2,165
Beer Board	5,473	0	259	5,732	6,750	6,750	1,018
Other Boards and Committees	3,720	0	206	3,926	7,360	7,360	3,434
County Mayor/Executive	187,333	(45)	120	187,408	218,473	206,367	18,959
County Attorney	33,188	0	2,948	36,136	40,000	39,406	3,270
Election Commission	221,706	(200)	8,380	229,886	233,587	235,424	5,538
Register of Deeds	223,300	0	5,438	228,738	235,632	235,632	6,894
Development	13,640	0	0	13,640	16,110	16,110	2,470
County Buildings	320,642	(90,425)	23,282	253,499	281,500	296,710	43,211
Other General Administration	87,190	(2,089)	2,426	87,527	90,000	90,000	2,473
Preservation of Records	49,401	0	18	49,419	77,633	77,633	28,214
<u>Finance</u>							
Accounting and Budgeting	229,028	0	1,250	230,278	246,040	245,728	15,450
Property Assessor's Office	365,296	0	285	365,581	405,009	405,009	39,428
Reappraisal Program	48,330	0	1,112	49,442	74,328	74,328	24,886
County Trustee's Office	83,498	0	35	83,533	91,705	107,705	24,172

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 528,265	\$ 0	\$ 1,715	\$ 529,980	\$ 537,748	\$ 542,424	\$ 12,444
<u>Administration of Justice</u>							
Circuit Court	435,260	(12,033)	128	423,355	458,193	463,767	40,412
General Sessions Court	437,405	0	4,382	441,787	443,111	458,198	16,411
Chancery Court	266,447	(2,188)	1,045	265,304	274,518	273,978	8,674
Juvenile Court	35,969	0	0	35,969	42,890	42,890	6,921
District Attorney General	97,549	0	3,213	100,762	177,732	143,732	42,970
Judicial Commissioners	31,160	0	1,419	32,579	33,729	33,729	1,150
Victim Assistance Programs	23,457	0	0	23,457	0	19,472	(3,985)
<u>Public Safety</u>							
Sheriff's Department	2,887,995	(105,023)	15,508	2,798,480	2,793,008	2,890,726	92,246
Special Patrols	320,072	0	0	320,072	171,088	427,501	107,429
Administration of the Sexual Offender Registry	6,690	(1,482)	0	5,208	800	6,350	1,142
Jail	2,055,815	(15,010)	5,131	2,045,936	2,058,442	2,111,940	66,004
Juvenile Services	175,226	(1,608)	5,273	178,891	227,044	226,892	48,001
Fire Prevention and Control	837,375	(8,369)	4,610	833,616	958,815	942,725	109,109
Civil Defense	124,317	(884)	14,403	137,836	134,546	155,835	17,999
Inspection and Regulation	3,803	0	0	3,803	6,178	5,678	1,875
County Coroner/Medical Examiner	62,291	0	0	62,291	71,000	71,000	8,709
Other Public Safety	62,859	(136)	7,983	70,706	81,263	93,118	22,412
<u>Public Health and Welfare</u>							
Local Health Center	278,423	0	20,821	299,244	393,082	412,913	113,669
Rabies and Animal Control	135,054	0	582	135,636	153,664	153,664	18,028
General Welfare Assistance	6,500	0	0	6,500	10,500	10,500	4,000
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	3,600	0	0	3,600	3,600	3,600	0
Libraries	70,795	0	0	70,795	70,795	70,795	0
Other Social, Cultural, and Recreational	239,625	(1,841)	43,622	281,406	302,795	302,795	21,389

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 75,409	\$ (200)	\$ 32	\$ 75,241	\$ 77,721	\$ 77,721	\$ 2,480
Soil Conservation	28,000	0	0	28,000	28,000	28,000	0
<u>Other Operations</u>							
Industrial Development	263,690	0	0	263,690	263,690	263,690	0
Veterans' Services	82,961	0	660	83,621	87,011	97,011	13,390
Other Charges	668,861	0	0	668,861	689,000	720,015	51,154
Contributions to Other Agencies	207,000	0	0	207,000	210,000	210,000	3,000
Employee Benefits	37,247	0	0	37,247	105,000	105,000	67,753
COVID-19 Grant #1	26,873	0	0	26,873	0	26,873	0
COVID-19 Grant #2	5,994	0	0	5,994	0	5,994	0
Miscellaneous	9,007	0	6,015	15,022	5,000	15,648	626
<u>Highways</u>							
Litter and Trash Collection	84,288	0	0	84,288	92,100	104,475	20,187
<u>Principal on Debt</u>							
General Government	9,054	0	0	9,054	0	9,054	0
<u>Interest on Debt</u>							
General Government	937	0	0	937	0	937	0
Total Expenditures	\$ 12,586,157	\$ (241,533)	\$ 182,301	\$ 12,526,925	\$ 13,095,168	\$ 13,681,615	\$ 1,154,690
Excess (Deficiency) of Revenues Over Expenditures	\$ 892,268	\$ 241,533	\$ (182,301)	\$ 951,500	\$ (719,932)	\$ (798,931)	\$ 1,750,431
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 37,403	\$ 0	\$ 0	\$ 37,403	\$ 2,000	\$ 56,312	\$ (18,909)
Transfers Out	(253,924)	0	0	(253,924)	(252,000)	(252,000)	(1,924)
Total Other Financing Sources	\$ (216,521)	\$ 0	\$ 0	\$ (216,521)	\$ (250,000)	\$ (195,688)	\$ (20,833)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 675,747	\$ 241,533	\$ (182,301)	\$ 734,979	\$ (969,932)	\$ (994,619)	\$ 1,729,598
Fund Balance, July 1, 2019	3,705,524	(241,533)	0	3,463,991	2,725,657	2,725,657	738,334
Fund Balance, June 30, 2020	\$ 4,381,271	\$ 0	\$ (182,301)	\$ 4,198,970	\$ 1,755,725	\$ 1,731,038	\$ 2,467,932

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

Exhibit C-6

Cocke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,459,913	\$ 0	\$ 0	\$ 1,459,913	\$ 1,389,098	\$ 1,389,098	\$ 70,815
Charges for Current Services	14,905	0	0	14,905	17,500	17,500	(2,595)
Other Local Revenues	30,827	0	0	30,827	24,000	24,000	6,827
State of Tennessee	87,843	0	0	87,843	164,231	164,231	(76,388)
Federal Government	251	0	0	251	0	0	251
Total Revenues	\$ 1,593,739	\$ 0	\$ 0	\$ 1,593,739	\$ 1,594,829	\$ 1,594,829	\$ (1,090)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 528,845	\$ (20)	\$ 3,701	\$ 532,526	\$ 685,815	\$ 573,496	\$ 40,970
Convenience Centers	1,430,200	(111)	601	1,430,690	1,105,040	1,345,108	(85,582)
<u>Other Operations</u>							
COVID-19 Grant #1	251	0	0	251	0	251	0
Total Expenditures	\$ 1,959,296	\$ (131)	\$ 4,302	\$ 1,963,467	\$ 1,790,855	\$ 1,918,855	\$ (44,612)
Excess (Deficiency) of Revenues Over Expenditures	\$ (365,557)	\$ 131	\$ (4,302)	\$ (369,728)	\$ (196,026)	\$ (324,026)	\$ (45,702)
Net Change in Fund Balance	\$ (365,557)	\$ 131	\$ (4,302)	\$ (369,728)	\$ (196,026)	\$ (324,026)	\$ (45,702)
Fund Balance, July 1, 2019	514,355	(131)	0	514,224	402,940	402,940	111,284
Fund Balance, June 30, 2020	\$ 148,798	\$ 0	\$ (4,302)	\$ 144,496	\$ 206,914	\$ 78,914	\$ 65,582

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

Exhibit C-7

Cocke 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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,962,540	\$ 0	\$ 0	\$ 1,962,540	\$ 1,857,413	\$ 1,857,413	\$ 105,127
Other Local Revenues	10,316	0	0	10,316	11,000	11,000	(684)
State of Tennessee	3,190,181	0	0	3,190,181	3,197,083	3,197,083	(6,902)
Federal Government	17,591	0	0	17,591	20,000	20,000	(2,409)
Other Governments and Citizens Groups	1,961	0	0	1,961	0	0	1,961
Total Revenues	\$ 5,182,589	\$ 0	\$ 0	\$ 5,182,589	\$ 5,085,496	\$ 5,085,496	\$ 97,093
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 278,982	\$ 0	\$ 452	\$ 279,434	\$ 288,063	\$ 288,063	\$ 8,629
Highway and Bridge Maintenance	3,177,966	(320,892)	66,261	2,923,335	3,489,343	3,489,293	565,958
Operation and Maintenance of Equipment	562,816	(633)	28,166	590,349	840,456	840,388	250,039
Quarry Operations	741,613	(282)	1,488	742,819	438,465	767,554	24,735
Other Charges	324,658	0	2,068	326,726	372,500	372,450	45,724
Employee Benefits	2,269	0	0	2,269	3,500	3,500	1,231
COVID-19 Grant #1	118	0	0	118	0	118	0
Total Expenditures	\$ 5,088,422	\$ (321,807)	\$ 98,435	\$ 4,865,050	\$ 5,432,327	\$ 5,761,366	\$ 896,316
Excess (Deficiency) of Revenues Over Expenditures	\$ 94,167	\$ 321,807	\$ (98,435)	\$ 317,539	\$ (346,831)	\$ (675,870)	\$ 993,409
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 329,039	\$ 0	\$ 0	\$ 329,039	\$ 0	\$ 329,039	\$ 0
Insurance Recovery	0	0	0	0	1,000	1,000	(1,000)
Total Other Financing Sources	\$ 329,039	\$ 0	\$ 0	\$ 329,039	\$ 1,000	\$ 330,039	\$ (1,000)

(Continued)

Exhibit C-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 423,206	\$ 321,807	\$ (98,435)	\$ 646,578	\$ (345,831)	\$ (345,831)	\$ 992,409
Fund Balance, July 1, 2019	2,730,232	(321,807)	0	2,408,425	2,680,454	2,680,454	(272,029)
Fund Balance, June 30, 2020	\$ 3,153,438	\$ 0	\$ (98,435)	\$ 3,055,003	\$ 2,334,623	\$ 2,334,623	\$ 720,380

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

Exhibit D

Coke County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,857,491
Due from Other Governments	913,955
Property Taxes Receivable	445,888
Allowance for Uncollectible Property Taxes	(18,288)
Cash Shortage	<u>26,240</u>
Total Assets	<u>\$ 4,225,286</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,341,555
Due to Litigants, Heirs, and Others	<u>2,883,731</u>
Total Liabilities	<u>\$ 4,225,286</u>

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

COCKE COUNTY, TENNESSEE
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COCKE COUNTY, TENNESSEE
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COCKE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cocke 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 Cocke County:

A. Reporting Entity

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

Blended Component Units - During the year, the county commission created the Cocke County Parks and Recreation Board and the Cocke County Board of Sanitation. By-laws and operating procedures have not been developed for those boards, and financial activity relating to parks and recreation, as well as sanitation, continued to be conducted through special revenue funds of the primary government.

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

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

Administrative Office:

Cocke County Emergency
Communications District
145 Mineral Street
Newport, TN 37821

Related Organizations – The Industrial Development Board of the City of Newport and Cocke County is a related organization of Cocke County. The county commission appoints eight of the 15 board members, but the county had no financial accountability for the organization during the year ended June 30, 2020. However, the county has expressed its intent to provide funding toward the operation of the board beginning in the following fiscal year. Based on this intent to provide future funding, the board's reporting relationship with Cocke County will be re-evaluated for the year ending June 30, 2021.

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 Cocke 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 Cocke 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.

Cocke County issues all debt for the discretely presented Cocke County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

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

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. 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. Cocke 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 fund 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.

Cocke 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Cocke County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

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

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

Additionally, Cocke County reports the following fund types:

Capital Projects Funds – These funds are used to account for the acquisition or construction of major capital facilities and other capital assets.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Cocke County, and the city school system’s share of educational revenues. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Cocke County School Department reports the following major governmental funds:

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

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

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

Private Purpose Trust Fund – The Endowment Fund is used to account for an endowment received by the school department for which the principal amount must remain intact, while interest earned is to be expended for the benefit of the Chess Club and scholarships for Cocke County students.

Amounts reported as program revenues included (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; the State Treasurer’s Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Coker County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Highway Capital Projects Fund. Coker 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. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Coker County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than investments of the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.17 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 Circuit Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. The balance in the Other Current Liabilities account totaling \$1,902 on the Statement of Net Position for the primary government represents the remaining balance in the health insurance, retirement, and payroll tax clearing account. The balance in the Other Current Liabilities account totaling \$3,778,826 on the Statement of Net Position for the discretely presented Cocke County School Department represents the

remaining balances in the teacher's insurance, retirement, and payroll clearing accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Cocke 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 Cocke County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Cocke County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 or more for buildings, improvements, and infrastructure; \$5,000 or more for machinery and other equipment; and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Vehicles and Other Capital Assets	3 - 15
Infrastructure:	
Roads	30 - 50
Bridges	30 - 50

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, pension changes in assumptions, pension changes in proportion, pension contributions after the measurement date, OPEB changes in experience, OPEB changes in assumptions, OPEB changes in proportion, OPEB contributions after the measurement date, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until 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 changes in experience, pension changes in investment earnings, pension changes in proportion, OPEB changes in assumptions, OPEB changes in experience, OPEB changes in

proportion, and various receivables for revenues, which do not meet the availability criteria for governmental funds.

7. Compensated Absences

Vacation leave benefits for employees of Cocke County and the discretely presented Cocke County School Department do not vest or accumulate and must be used within the year or lost.

It is the county's policy to permit employees to accumulate unlimited sick pay benefits. There is no liability for unpaid accumulated sick leave since Cocke County does not have a policy to pay any amounts when employees separate from service with the government.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$8,465,498 of restricted net position for the primary government, of which \$1,465,745 is restricted by enabling legislation.

As of June 30, 2020, Cocke County had \$6,870,067 in outstanding debt for capital purposes for the discretely presented Cocke County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Newport School System) based on an average daily attendance proration. This debt is a liability of Cocke County, but the capital assets acquired are reported in the financial statements of the school department and the City of Newport School System. Therefore, Cocke County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on

the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

These classifications may consist of the following:

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund includes fund balance assigned for encumbrances (\$182,301) and fund balance appropriated for use in the 2020-21 year budget totaling (\$1,574,957). Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for employee termination benefits (\$245,442), other postemployment benefits (\$390,150), and fund balance appropriated for use in the 2020-21 budget (\$1,500,416).

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

Discretely Presented Cocke 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 Cocke 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 Cocke 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 Cocke County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. **Budgetary Information**

Annual budgets are adopted on the 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 certain capital projects funds which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2020, Cocke County and the discretely presented Cocke County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 182,301
Solid Waste/Sanitation	4,302
Highway/Public Works	98,435
Nonmajor Funds:	
Industrial/Economic Development	5,000
Drug Control	10
Sports and Recreation	6,844
General Capital Projects	44,135
Jail Capital Projects	22,500
School Department:	
Major Funds:	
General Purpose School	138
School Transportation	422,834
Nonmajor Fund:	
Central Cafeteria	44,886

B. Cash Shortage – Prior Year

Former Clerk and Master – Charles Chesteen

The audit of the Constitutional Officers – Agency Fund for the 1996-97 year reported details of a \$101,822 cash shortage in the Office of Clerk and Master. The former clerk and master, Charles Chesteen, pled guilty to theft and conversion of office funds and was ordered to pay restitution totaling \$101,822. His surety bond company paid the office \$50,000, and over the past 23 years, Mr. Chesteen has paid a total of \$25,582 toward liquidating the remaining shortage, leaving a balance due the office of \$26,240 as of June 30, 2020.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
Victim Assistance Programs	\$ 3,985
Transfers Out	1,924
Solid Waste/Sanitation:	
Convenience Centers	85,582
Nonmajor governmental:	
Industrial/Economic Development:	
Public Utility Projects	378
Other General Government Projects	331
General Capital Projects:	
Other Charges	789
Jail Capital Projects:	
Public Safety Projects	22,500

In addition, expenditures exceeded total appropriations in the Solid Waste/Sanitation Fund by \$44,612, the Industrial/Economic Development Fund (a nonmajor governmental fund) by \$709, and the Jail Capital Projects Fund (a nonmajor governmental fund) by \$22,500.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term

Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer’s Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer’s Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2020, Cocke County had the following nonpooled investment carried at amortized cost using a Stable Net Asset Value.

Investment	Weighted Average Maturities (days)	Amortized Cost
Nonmajor Governmental Fund:		
Highway Capital Projects Fund:		
State Treasurer's Investment Pool	1 to 105	\$ 52,550

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cocke County has no investment policy that would further limit its investment choices. As of June 30, 2020, Cocke County’s investment in the State Treasurer’s Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-acffin-cafr.html>.

TCRS Stabilization Trust

Legal Provisions. The Cocke 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 Cocke 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. 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 value of investments and interest and dividend income. Interest income is recognized when earned. 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, 2020, 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 where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

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, 2020, the Coker 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	\$ 44,729
Developed Market International Equity	N/A	N/A	20,200
Emerging Market International Equity	N/A	N/A	5,772
U.S. Fixed Income	N/A	N/A	28,858
Real Estate	N/A	N/A	14,429
Short-term Securities	N/A	N/A	1,443
NAV - Private Equity and Strategic Lending	N/A	N/A	28,858
 Total			\$ 144,289

Investment by Fair Value Level	Fair Value Measurements Using					NAV
	Fair Value 6-30-20	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
U.S. Equity	\$ 44,729	\$ 44,729	\$ 0	\$ 0	\$ 0	0
Developed Market						
International Equity	20,200	20,200	0	0	0	0
Emerging Market						
International Equity	5,772	5,772	0	0	0	0
U.S. Fixed Income	28,858	0	28,858	0	0	0
Real Estate	14,429	0	0	14,429	0	0
Short-term Securities	1,443	0	1,443	0	0	0
Private Equity and Strategic Lending	28,858	0	0	0	0	28,858
Total	\$ 144,289	\$ 70,701	\$ 30,301	\$ 14,429	\$ 28,858	

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 Cocke 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 Cocke 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. Cocke 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 Cocke 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/2020/ag19091.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,475,183	\$ 0	\$ 0	\$ 1,475,183
Construction in Progress	30,581	496,481	356,682	170,380
Total Capital Assets Not Depreciated	\$ 1,505,764	\$ 496,481	\$ 356,682	\$ 1,645,563
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,902,375	\$ 274,158	\$ 0	\$ 4,176,533
Infrastructure	35,698,507	744,029	0	36,442,536
Other Capital Assets	7,955,146	1,008,993	0	8,964,139
Total Capital Assets Depreciated	\$ 47,556,028	\$ 2,027,180	\$ 0	\$ 49,583,208
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,958,980	\$ 96,708	\$ 0	\$ 2,055,688
Infrastructure	24,453,629	675,140	0	25,128,769
Other Capital Assets	5,608,023	598,729	0	6,206,752
Total Accumulated Depreciation	\$ 32,020,632	\$ 1,370,577	\$ 0	\$ 33,391,209
Total Capital Assets Depreciated, Net	\$ 15,535,396	\$ 656,603	\$ 0	\$ 16,191,999
Governmental Activities Capital Assets, Net	\$ 17,041,160	\$ 656,603	\$ 356,682	\$ 17,837,562

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

Governmental Activities:

General Government	\$	58,746
Public Safety		254,547
Public Health and Welfare		38,548
Social, Cultural, and Recreational Services		14,950
Highways/Public Works		<u>1,003,786</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>1,370,577</u>

Discretely Presented Cocke County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 601,292	\$ 0	\$ 601,292
Total Capital Assets Not Depreciated	<u>\$ 601,292</u>	<u>\$ 0</u>	<u>\$ 601,292</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 39,599,441	\$ 75,386	\$ 39,674,827
Infrastructure	99,599	0	99,599
Other Capital Assets	11,358,585	306,130	11,664,715
Total Capital Assets Depreciated	<u>\$ 51,057,625</u>	<u>\$ 381,516</u>	<u>\$ 51,439,141</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 25,723,992	\$ 1,176,121	\$ 26,900,113
Infrastructure	18,135	3,154	21,289
Other Capital Assets	7,235,999	633,054	7,869,053
Total Accumulated Depreciation	<u>\$ 32,978,126</u>	<u>\$ 1,812,329</u>	<u>\$ 34,790,455</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,079,499</u>	<u>\$ (1,430,813)</u>	<u>\$ 16,648,686</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,680,791</u>	<u>\$ (1,430,813)</u>	<u>\$ 17,249,978</u>

There were no decreases in capital assets to report during the year ended June 30, 2020.

For the year ended June 30, 2020, Cocke County contributed \$419,629 to the school department to purchase school buses. This \$419,629 contribution was not paid as of June 30, 2020 and is included in the Due to/Due From Component Units balance in Note IV.D. The school department has issued a purchase order for these buses. This \$419,629 contribution will be included in the additions to Other Capital Assets in the subsequent fiscal year upon the liquidation of the outstanding purchase order. The related revenues and expenditures are reflected in the primary government's General Capital Projects Fund and the school department's School Transportation Fund.

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

Governmental Activities:

Instruction	\$ 1,222,746
Support Services	510,795
Operation of Non-instructional Services	<u>78,788</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,812,329</u></u>

C. Construction Commitments

At June 30, 2020, the Highway/Public Works Fund had uncompleted construction contracts of approximately \$11,989 for the construction of a bridge. Funding for these future expenditures is expected to be received from state grants.

At June 30, 2020, the General Capital Projects Fund had uncompleted construction contracts of approximately \$44,135 for the roof replacement of the Cocke County courthouse. Funding has been provided for these future expenditures.

At June 30, 2020, the Jail Capital Projects Fund had uncompleted construction contracts of approximately \$22,500 for the construction of a new county jail. Funding has been provided for these future expenditures.

At June 30, 2020, the Other Capital Projects Fund - Library had uncompleted construction contracts of approximately \$21,850 for the construction of a community library in the City of Parrottsville, TN. Funding has been provided for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 35,854
Solid Waste/Sanitation	General	3,902
Highway/Public Works	General	25,380
General Debt Service	General	278,821

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
School Transportation	Nonmajor governmental	\$ 419,629

This balance represents contributions due from the primary government for school bus purchases.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>
	General
	Debt Service
	Fund
General Fund	\$ 253,924

The transfer from the General Fund to the General Debt Service Fund represents amounts contributed toward debt retirement from tax credit bond rebates.

Discretely Presented Cocke County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 20,000
Total	\$ 20,000

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

E. Capital Leases

On February 27, 2019, Cocke County entered into a four-year lease-purchase agreement for an air compressor for the fire department. The terms of the agreement require total lease payments of \$35,713 plus interest of 2.98 percent. Title to the equipment transferred to Cocke County upon acceptance of the equipment. The General Fund is making the lease payments.

On July 12, 2019, Cocke County entered into a four-year lease-purchase agreement for thirteen patrol vehicles for the sheriff's department. The terms of the agreement require total lease payments of \$316,409 plus interest of 2.9 percent. Title to the equipment transferred to Cocke County upon acceptance of the equipment. The General Capital Projects Fund is making the lease payments.

On May 27, 2020, Cocke County entered into a five-year lease-purchase agreement for an excavator for the highway department. The terms of the agreement require total lease payments of \$329,039 plus interest of 3.35 percent. Title to the equipment transferred to the highway department upon acceptance of the equipment. The Highway/Public Works Fund is making the lease payments.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities Primary Government</u>
Machinery and Equipment	\$ 364,752 (1)
Less: Accumulated Depreciation	(7,833)
Vehicles	316,409
Less: Accumulated Depreciation	<u>(58,824)</u>
Total Book Value	<u>\$ 614,504</u>

(1) Value of machinery and equipment includes \$10,000 paid as down payment on excavator obtained through the capital lease.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2021	\$ 166,706
2022	166,706
2023	166,706
2024	71,747
2025	<u>71,748</u>
Total Minimum Lease Payments	\$ 643,613
Less: Amount Representing Interest	<u>(53,175)</u>
Present Value of Minimum Lease Payments	<u>\$ 590,438</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Cocke County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 19 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, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Cocke County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 39 years. There were no capital outlay notes outstanding at June 30, 2020. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund and Industrial/Economic Development Funds.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds -				
Refunding	1.5 to 5%	6-1-30	\$ 18,020,000	\$ 14,375,000
Direct Borrowing and				
Direct Placement:				
Other Loans - Qualified School				
Construction Bonds	0	(1) 9-15-27	5,575,000	2,502,139
Other Loans - City of Newport	2.15 to 4.5	5-1-45	2,299,614	1,410,803
Capital Leases	2.9 to 3.35	6-15-25	681,161	590,438

(1) The effective interest rate is zero after rebate.

Cocke County has entered into the following agreements with the City of Newport to provide funding for water line extensions constructed by Newport Utilities to various developments in the county. These agreements are reflected as other loans in this report.

Description	Amount of Loan Agreement	Outstanding Principal 6-30-20	Interest Rates
<u>City of Newport-Newport Utilities</u>			
River Crest (A)	\$ 1,024,000	\$ 822,284	4.13%
River Crest (B)	300,000	240,650	4.38
Hartford	478,417	243,195	2.15
Hwy 25E	497,197	104,674	4.5
Total City of Newport - Newport Utilities		<u>\$ 1,410,803</u>	

Under the agreements, the county must pay its incremental tax revenues (excess of current taxes over base year amounts), from properties within the developments, toward the retirement of these obligations. The River Crest and Hartford agreements require minimum payments to the city each year regardless of whether the tax increments are sufficient to meet those requirements. The Highway 25E agreement requires only the payment of the tax increment each year, with interest accruing on the unpaid balance until the debt is retired.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2020, including interest payments are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,690,000	\$ 353,155	\$ 2,043,155
2022	1,665,000	311,750	1,976,750
2023	1,655,000	273,200	1,928,200
2024	1,680,000	234,100	1,914,100
2025	1,685,000	193,900	1,878,900
2026-2030	6,000,000	366,350	6,366,350
Total	<u>\$ 14,375,000</u>	<u>\$ 1,732,455</u>	<u>\$ 16,107,455</u>

The minimum annual requirements to amortize the loans payable outstanding as of June 30, 2020, to the City of Newport for the River Crest and Hartford projects, including interest payments, are presented in the following table. Annual requirements for the \$497,197 loan for the Highway 25E project are not included in the schedule since the loan is to be repaid with tax increment revenues only, and there is no defined payment schedule.

Year Ending June 30	Other Loans - Direct Placement - City of Newport		
	Principal	Interest	Total
2021	\$ 49,757	\$ 49,676	\$ 99,433
2022	51,340	48,094	99,434
2023	52,990	46,456	99,446
2024	54,688	44,759	99,447
2025	56,456	43,004	99,460
2026-2030	283,665	186,365	470,030
2031-2035	206,751	141,730	348,481
2036-2040	253,764	94,715	348,479
2041-2045	296,718	37,001	333,719
Total	\$ 1,306,129	\$ 691,800	\$ 1,997,929

Annual requirements to amortize the other loans-QSCB agreement are reflected in the following table:

Year Ending June 30	Other Loans - Direct Placement - QSCB		
	Principal	Interest	Total
2021	\$ 347,871	\$ 0	\$ 347,871
2022	347,871	0	347,871
2023	347,871	0	347,871
2024	347,871	0	347,871
2025	347,871	0	347,871
2026-2028	762,784	0	762,784
Total	\$ 2,502,139	\$ 0	\$ 2,502,139

There is \$6,592,955 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$403, based on the 2010 federal census. Total debt per capita, including bonds, other loans, capital leases, and unamortized premium on bonds, totaled \$541, based on the 2010 federal census.

The school department committed to provide one-half of the principal and administrative fees associated with the Qualified School Construction Bonds other loan issue. For the year ended June 30, 2020, the General Purpose School Fund contributed \$158,401 to the General Debt Service Fund. As of June 30, 2020, the balance on the Qualified School Construction Bonds other loan was \$2,502,139.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

	<u>Bonds</u>	<u>QSCB</u>
Balance, July 1, 2019	\$ 16,225,000	\$ 2,850,010
Additions	1,630,000	0
Reductions	<u>(3,480,000)</u>	<u>(347,871)</u>
Balance, June 30, 2020	<u>\$ 14,375,000</u>	<u>\$ 2,502,139</u>
Balance Due Within One Year	<u>\$ 1,690,000</u>	<u>\$ 347,871</u>
	Other Loans - Direct Placement - City of Newport	Capital Leases - Direct Placement
Balance, July 1, 2019	\$ 1,499,764	\$ 35,713
Additions	0	645,448
Reductions	<u>(88,961)</u>	<u>(90,723)</u>
Balance, June 30, 2020	<u>\$ 1,410,803</u>	<u>\$ 590,438</u>
Balance Due Within One Year	<u>\$ 49,757</u>	<u>\$ 145,251</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 18,878,380
Less: Balance Due Within One Year - Debt	(2,232,879)
Add: Unamortized Premium on Debt	<u>422,877</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 17,068,378</u>

Current Refunding

On October 4, 2019, Coker County current refunded \$1,800,000 of Build America Bonds issued on October 20, 2009, with a separate general obligation bond issue of \$1,630,000. Proceeds of the refunding bond, along with the premium received from the sale of the bonds (\$264,747) were used to provide resources to retire the old debt on October 4, 2019. As a result of the refunding, total debt service payments over the next 11 years will be reduced by \$185,643 and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$125,229 was obtained.

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- Employment Benefits
Balance, July 1, 2019	\$ 101,696	\$ 521,162
Additions	0	88,060
Reductions	(7,581)	(175,510)
	<hr/>	<hr/>
Balance, June 30, 2020	\$ 94,115	\$ 433,712
	<hr/>	<hr/>
Balance Due Within One Year	\$ 9,245	\$ 0
	<hr/>	<hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 527,827
Less: Balance Due Within One Year - Other	<u>(9,245)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 518,582</u>

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

Discretely Presented Cocke County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Cocke County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:	Termination Benefits	Other Postemployment Benefits
Balance, July 1, 2019	\$ 279,890	\$ 8,749,834
Additions	8,612	816,456
Reductions	(43,060)	(2,059,350)
Balance, June 30, 2020	<u>\$ 245,442</u>	<u>\$ 7,506,940</u>
Balance Due Within One Year	<u>\$ 38,754</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 7,752,382
Less: Balance Due Within One Year - Other	<u>(38,754)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 7,713,628</u>

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

H. Pledges of Future Revenues

As discussed in Note IV.F., Cocke County has pledged incremental real and personal property tax revenues from certain developments (River Crest, Hartford, and Highway 25E) toward the retirement of loan agreements entered into between the county and the City of Newport. The principal amount of these outstanding loans at June 30, 2020, was \$1,410,803. The details of the county's commitment and the annual principal and interest requirements are discussed in that note.

I. On-Behalf Payments - Discretely Presented Cocke County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cocke 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, 2020, was \$114,194. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Cocke County issued tax anticipation notes in advance of property tax collections for the General and the Solid Waste/Sanitation funds. These notes were issued internally with the General Debt Service Fund loaning cash to the General Fund (\$800,000) and the Solid Waste/Sanitation Fund (\$200,000). Short-term debt activity for the year ended June 30, 2020, was as follows:

	Balance 7-1-19	Issued	Paid	Balance 6-30-20
Tax Anticipation Notes	\$ 0	\$ 1,000,000	\$ (1,000,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

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

Cocke 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 were established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-702, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. State statute provides for the LGGIF to be self-sustaining through member premiums.

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

B. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

C. Landfill Postclosure Costs

Cocke 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. Cocke County closed its sanitary landfill in 2000. The \$94,115 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Joint Ventures

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District, Cocke, Grainger, Jefferson, and Sevier 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. Cocke County made no contributions to the DTF for the year ended June 30, 2020, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fourth Judicial District
125 Court Avenue, Suite 301
Sevierville, TN 37862

The Stokely Memorial Library is a joint venture between Cocke County and the City of Newport. The library board is comprised of nine members. The county appoints four of the board members, the Nolichucky Regional Board appoints two members, the City of Newport appoints three members. Cocke County has control over budgeting and financing of the joint venture only to the extent of representation by the four board members appointed. Contributions from Cocke County and the City of Newport provide the major funding for this entity. Cocke County contributed \$70,795 to the operations of the library during the year ended June 30, 2020. Complete financial statements for the library can be obtained from its administrative office at the following address:

Administrative Office:

Stokely Memorial Library
383 East Broadway
Newport, TN 37821

Discretely Presented Cocke County School Department

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Cocke County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49, *Tennessee Code Annotated*, and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Administrative Office:

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

E. Jointly Governed Organizations

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated, (TCA)*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center, and to further the economy and growth of the region served by the authority by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a Board of Directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center manager as an ex-officio member, is in charge of the daily operation of the center.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Cocke County and non-certified employees of the discretely presented Cocke County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.37 percent, the non-certified employees of the discretely presented school department comprise 42.63 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at

age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	289
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	367
Active Employees	476
 Total	 <u><u>1,132</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Cocke County makes employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Cocke County was \$969,132 based on a rate of 6.74 percent of covered payroll for general employees and 10.24 percent of covered payroll for public safety officers. The minimum rate established by the Board of Trustees was 4.42 percent of covered payroll for general employees and 7.92 percent for public safety officers. By law, employer contributions are required to be paid. The TCRS may intercept Cocke

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)

Cocke County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability 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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

investment policy target asset allocation for each major asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the 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 Cocke County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 45,612,125	\$ 49,229,575	\$ (3,617,450)
Changes for the Year:			
Service Cost	\$ 1,241,934	\$ 0	\$ 1,241,934
Interest	3,316,237	0	3,316,237
Differences Between Expected and Actual Experience	(540,809)	0	(540,809)
Contributions-Employer	0	914,866	(914,866)
Contributions-Employees	0	640,772	(640,772)
Net Investment Income	0	3,639,133	(3,639,133)
Benefit Payments, Including Refunds of Employee Contributions	(2,225,720)	(2,225,720)	0
Administrative Expense	0	(41,256)	41,256
Net Changes	\$ 1,791,642	\$ 2,927,795	\$ (1,136,153)
Balance, June 30, 2019	\$ 47,403,767	\$ 52,157,370	\$ (4,753,603)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.37%	\$ 27,195,541	\$ 29,922,683	\$ (2,727,142)
School Department	42.63%	20,208,226	22,234,687	(2,026,461)
Total		\$ 47,403,767	\$ 52,157,370	\$ (4,753,603)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Cocke 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% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 1,028,052	\$ (4,753,603)	\$ (9,589,441)

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

Pension Expense. For the year ended June 30, 2020, Cocke County recognized pension expense of \$681,282.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Cocke 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	\$ 521,936	\$ 837,339
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	611,048
Changes in Assumptions	412,868	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	969,132	N/A
Total	<u>\$ 1,903,936</u>	<u>\$ 1,448,387</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” 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	\$ 1,093,310	\$ 830,939
School Department	810,626	617,448
Total	<u>\$ 1,903,936</u>	<u>\$ 1,448,387</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
2021	\$ 114,030
2022	(277,346)
2023	(222,955)
2024	(127,317)
2025	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2020, Cocke County reported a payable of \$65,590 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Discretely Presented Cocke County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Cocke County and non-certified employees of the

discretely presented Cocke County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.37 percent and the non-certified employees of the discretely presented school department comprise 42.63 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cocke County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to

an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$75,942, which is 2.03 percent of covered payroll. In addition, employer contributions of \$70,317, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$179,122) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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 share of contributions to the pension plan relative to the contributions

of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .317318 percent. The proportion as of June 30, 2018, was .325654 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$57,476.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 7,427	\$ 31,270
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,573
Changes in Assumptions	6,224	0
Changes in Proportion of Net Pension Liability (Asset)	15,387	906
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	75,942	N/A
Total	<u>\$ 104,980</u>	<u>\$ 39,749</u>

The school department's employer contributions of \$75,942, 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, 2021. 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
2021	\$ (2,535)
2022	(3,694)
2023	(1,570)
2024	(487)
2025	(178)
Thereafter	(2,246)

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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 (Asset) \$ 56,753 \$ (179,122) \$ (353,477)

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 Cocke County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are

reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Cocke County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$1,630,969, which is 10.63 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, 2020, the school department reported a liability (asset) of (\$4,898,025) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .476378 percent. The proportion measured at June 30, 2018, was .461353 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$634,971.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 238,472	\$ 2,991,811
Changes in Assumptions	660,034	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,399,460
Changes in Proportion of Net Pension Liability (Asset)	18,754	32,769
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>1,630,969</u>	N/A
Total	<u>\$ 2,548,229</u>	<u>\$ 4,424,040</u>

The school department's employer contributions of \$1,630,969 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2021. 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
2021	\$ (1,018,083)
2022	(1,401,645)
2023	(620,064)
2024	(466,989)
2025	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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset 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 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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 10,015,046 \$ (4,898,025) \$ (16,760,960)

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

Cocke County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the Cocke County School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pension 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 a minimum of 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 \$187,022 and teachers contributed \$122,914 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

General retirees of Cocke County and retirees of the Cocke County Highway Department are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Cocke 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 the school department’s total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2019, actuarial valuation 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	2.20%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03 for for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%.
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 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, 2019, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect

actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Cocke 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. Cocke County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *Tennessee Code Annotated (TCA) 8-27-701* establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP, 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. Cocke County does not provide a direct subsidy for retiree insurance and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

	General County	Highway Department	Total
Inactive Employees or Beneficiaries			
Curently Receiving Benefits	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	158	46	204
Total	<u>158</u>	<u>46</u>	<u>204</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, 2020, the county paid \$1,929 (General County - \$1,209, Highway Department - \$720) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	General County	Highway Department	Total OPEB Liability
Balance July 1, 2018	\$ 398,839	\$ 122,323	\$ 521,162
Changes for the Year:			
Service Cost	\$ 34,262	\$ 12,221	\$ 46,483
Interest	15,633	4,854	20,487
Difference between Expected and Actuarial Experience	(123,485)	(48,550)	(172,035)
Changes in Assumption and Other Inputs	17,783	3,307	21,090
Benefit Payments	(2,539)	(936)	(3,475)
Net Changes	<u>\$ (58,346)</u>	<u>\$ (29,104)</u>	<u>\$ (87,450)</u>
Balance June 30, 2019	<u>\$ 340,493</u>	<u>\$ 93,219</u>	<u>\$ 433,712</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$46,878 (General County - \$35,166, Highway Department - \$11,712). At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	General County	Highway Department	Total
Deferred Outflows of Resources:			
Difference Between Expected and Actual Experience	\$ 0	\$ 3,805	\$ 3,805
Changes in Assumptions/Inputs Benefits Paid after the Measurement Date of June 30, 2019	38,429	10,228	48,657
	1,209	720	1,929
Total Deferred Outflows of Resources	<u>\$ 39,638</u>	<u>\$ 14,753</u>	<u>\$ 54,391</u>

	General County	Highway Department	Total
Deferred Inflows of Resources:			
Difference Between Expected and Actual Experience	\$ 122,032	\$ 41,504	\$ 163,536
Changes in Assumptions/Inputs	13,961	3,023	16,984
Total Deferred Inflows of Resources	<u>\$ 135,993</u>	<u>\$ 44,527</u>	<u>\$ 180,520</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	General County	Highway Department	Total Amount
2021	\$ (14,729)	\$ (5,363)	\$ (20,092)
2022	(14,729)	(5,363)	(20,092)
2023	(14,729)	(5,363)	(20,092)
2024	(14,729)	(5,363)	(20,092)
2025	(14,729)	(5,363)	(20,092)
Thereafter	(23,919)	(3,679)	(27,598)

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%	Discount	1%
	Decrease	Rate	Increase
	2.51%	3.51%	4.51%
General County	\$ 373,337	\$ 340,493	\$ 310,132
Highway Department	99,677	93,219	87,060
Total OPEB Liability	<u>\$ 473,014</u>	<u>\$ 433,712</u>	<u>\$ 397,192</u>

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rates	Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%
General County	\$ 296,848	\$ 340,493	\$ 392,560
Highway Department	83,731	93,219	104,024
Total OPEB Liability	<u>\$ 380,579</u>	<u>\$ 433,712</u>	<u>\$ 496,584</u>

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

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

wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Cocke County School Department provides a direct subsidy ranging from \$456 to \$571 per month for noncertified retirees age 60 with 10 years of service based on insurance coverage selected. The school department also provides a direct subsidy ranging from \$251 to \$314 per month for certified retirees with at least 30 years of service or age 60 with 10 years of service based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. 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, 25 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	28
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	483
Total	<u><u>511</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 \$328,503 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Cocke County School Department 76.3680%</u>	<u>State of TN 23.6320%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 8,749,834	\$ 2,269,942	\$ 11,019,776
Changes for the Year:			
Service Cost	\$ 500,384	\$ 154,843	\$ 655,227
Interest	316,051	97,802	413,853
Changes in Benefit Terms	(691,932)	(214,117)	(906,049)
Difference between Expected and Actuarial Experience	(113,872)	(35,238)	(149,110)
Changes in Proportion	(334,252)	334,252	0
Changes in Assumption and Other Inputs	(545,429)	(168,782)	(714,211)
Benefit Payments	(373,844)	(115,686)	(489,530)
Net Changes	<u>\$ (1,242,894)</u>	<u>\$ 53,074</u>	<u>\$ (1,189,820)</u>
Balance June 30, 2019	<u>\$ 7,506,940</u>	<u>\$ 2,323,016</u>	<u>\$ 9,829,956</u>

The Cocke 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 Cocke 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 \$14,414 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Cocke County School Department's proportionate share of the collective OPEB liability was 76.368 percent and the State of Tennessee's share was 23.632 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$231,604, including the state's share of the expense. At June 30, 2020, 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	\$ 1,097,210	\$ 100,753
Changes of Assumptions/Inputs	124,385	682,738
Changes in Proportion	565,138	254,017
Benefits Paid After the Measurement Date of June 30, 2019	<u>328,503</u>	<u>0</u>
Total	<u>\$ 2,115,236</u>	<u>\$ 1,037,508</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
2021	\$ 92,687
2022	92,687
2023	92,687
2024	92,687
2025	92,687
Thereafter	285,790

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
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 8,053,958	\$ 7,506,940	\$ 6,985,760
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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	Curent Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 6,712,448	\$ 7,506,940	\$ 8,438,944
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H. Termination Benefits

To reward a teacher for long and meritorious service, the Cocke County Board of Education pays a one-time amount of \$8,000 at the end of 30 years of service or thereafter to each retiring teacher who has a minimum of 15 years of service in the Cocke County School System. Those eligible to receive the benefit, may elect to receive payment in a lump sum upon retirement or in a lump sum the following January 1 of the subsequent year of that teacher's retirement, or 50 percent upon retirement and 50 percent on the following January 1 of the subsequent year of that teacher's retirement. As of June 30, 2020, 33 employees are eligible for the benefit. The estimated cost of the cash payments, reported in the government-wide Statement of Net Position, by function, is \$245,442. Of the amount reported in the government-wide Statement of Net Position, \$38,754 is expected to be paid within one year.

I. Office of Central Accounting, Budgeting, and Purchasing

Cocke County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and road

superintendent. These funds are maintained in the Office of the Director of Accounts and Budget.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$25,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Cocke 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.

K. Subsequent Events

On June 29, 2020, Cocke County entered into a contribution agreement with the Industrial Development Board of the City of Newport and Cocke County, Tennessee (IDB), a related organization. The IDB proposes to purchase land in Cocke County and prepare it for development as an industrial park. Under the agreement, Cocke County expressed its intent to make annual contributions to the IDB to fund revenue shortfalls to pay IDB issued debt, fund development and infrastructure costs of the industrial park, and pay closing and issuance costs associated with IDB debt and closing costs associated with the acquisition of land. This agreement will terminate upon the payment in full of the IDB debt, including any refinancing. For the 2020-21 fiscal year, Cocke County agreed to contribute a maximum of \$750,000 towards development, infrastructure, and closing costs related to the development of land. Future annual contribution maximums range from \$210,250 in 2021-22 to \$86,625 in 2030-31. All contributions under the agreement are subject to appropriation by the county commission.

On September 30, 2020, Cocke County issued \$3,660,000 in general obligation refunding bonds.

In October 2020, the county hired a new purchasing agent, Justin Comer-Jensen.

On October 19, 2020, the primary government's General Debt Service Fund loaned \$300,000 to the Solid Waste/Sanitation Fund in the form of a tax anticipation note to provide temporary operating funds.

On December 31, 2020, Jan Brockwell left the Office of County Clerk and was succeeded by Shalee McClure-Benson.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Cocke 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	2019
Total Pension Liability						
Service Cost	\$ 942,835	\$ 1,024,253	\$ 1,022,988	\$ 1,085,653	\$ 1,185,550	\$ 1,241,934
Interest	2,618,321	2,687,687	2,842,895	2,916,181	3,148,817	3,316,237
Differences Between Actual and Expected Experience	(1,154,782)	1,299	(1,214,080)	1,301,631	1,781	(540,809)
Changes in Assumptions	0	0	0	1,032,170	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,484,294)	(1,641,519)	(1,643,544)	(1,831,116)	(1,940,857)	(2,225,720)
Net Change in Total Pension Liability	\$ 922,080	\$ 2,071,720	\$ 1,008,259	\$ 4,504,519	\$ 2,395,291	\$ 1,791,642
Total Pension Liability, Beginning	34,710,256	35,632,336	37,704,056	38,712,315	43,216,834	45,612,125
Total Pension Liability, Ending (a)	\$ 35,632,336	\$ 37,704,056	\$ 38,712,315	\$ 43,216,834	\$ 45,612,125	\$ 47,403,767
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,395,492	\$ 1,308,654	\$ 1,337,267	\$ 894,367	\$ 884,486	\$ 914,866
Contributions - Employee	548,948	546,195	564,122	609,190	603,065	640,772
Net Investment Income	5,506,973	1,203,056	1,075,115	4,700,278	3,792,199	3,639,133
Benefit Payments, Including Refunds of Employee Contributions	(1,484,294)	(1,641,519)	(1,643,544)	(1,831,116)	(1,940,857)	(2,225,720)
Administrative Expense	(17,854)	(23,099)	(34,808)	(38,713)	(43,751)	(41,256)
Other	0	0	1,301	977	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,949,265	\$ 1,393,287	\$ 1,299,453	\$ 4,334,983	\$ 3,295,142	\$ 2,927,795
Plan Fiduciary Net Position, Beginning	32,957,445	38,906,710	40,299,997	41,599,450	45,934,433	49,229,575
Plan Fiduciary Net Position, Ending (b)	\$ 38,906,710	\$ 40,299,997	\$ 41,599,450	\$ 45,934,433	\$ 49,229,575	\$ 52,157,370
Net Pension Liability (Asset), Ending (a - b)	\$ (3,274,374)	\$ (2,595,941)	\$ (2,887,135)	\$ (2,717,599)	\$ (3,617,450)	\$ (4,753,603)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.19%	106.89%	107.46%	106.29%	107.93%	110.03%
Covered Payroll	\$ 10,978,842	\$ 10,924,107	\$ 11,215,445	\$ 12,045,811	\$ 12,031,550	\$ 12,509,870
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(29.82%)	(23.76%)	(25.74)	(22.56%)	(30.07%)	(38%)

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

Cocke 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	2020
Actuarially Determined Contribution	\$ 1,395,492	\$ 1,308,654	\$ 1,337,267	\$ 574,585	\$ 583,696	\$ 602,119	\$ 659,347
Less Contributions in Relation to the Actuarially Determined Contribution	(1,395,492)	(1,308,654)	(1,337,267)	(894,367)	(884,486)	(914,866)	(969,132)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (319,782)	\$ (300,790)	\$ (312,747)	\$ (309,785)
Covered Payroll	\$ 10,978,842	\$ 10,924,107	\$ 11,215,445	\$ 12,045,811	\$ 12,031,550	\$ 12,509,870	\$ 13,239,898
Contributions as a Percentage of Covered Payroll	12.71%	11.98%	11.92%	7.42%	7.35%	7.31%	7.32%

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

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 32,106	\$ 74,167	\$ 91,438	\$ 113,833	\$ 65,143	\$ 75,942
Less Contributions in Relation to the Contractually Required Contribution	(32,106)	(74,167)	(91,438)	(113,833)	(65,143)	(75,942)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 802,633	\$ 1,854,185	\$ 2,254,414	\$ 2,812,645	\$ 3,357,799	\$ 3,741,507
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.06%	4.05%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,598,249	\$ 1,556,534	\$ 1,511,756	\$ 1,465,369	\$ 1,466,880	\$ 1,670,843	\$ 1,630,969
Less Contributions in Relation to the Contractually Required Contribution	(1,598,249)	(1,556,534)	(1,511,756)	(1,465,369)	(1,466,880)	(1,670,843)	(1,630,969)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,998,294	\$ 17,218,327	\$ 16,722,978	\$ 16,244,991	\$ 16,188,086	\$ 15,973,624	\$ 15,343,065
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.02%	9.06%	10.46%	10.63%

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

Exhibit E-5

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

	2015	2016	2018	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.386305%	0.421399%	0.348288%	0.325654%	0.317318%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (15,541)	\$ (43,869)	\$ (91,891)	\$ (147,693)	\$ (179,122)
Covered Payroll	\$ 802,633	\$ 1,854,185	\$ 2,254,414	\$ 2,812,645	\$ 3,357,799
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37)	(4.08%)	(5.25%)	(5.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.458556%	0.459951%	0.463266%	0.458559%	0.461353%	0.476378%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (74,513)	\$ 188,412	\$ 2,895,154	\$ (150,032)	\$ (1,623,461)	\$ (4,898,025)
Covered Payroll	\$ 17,998,294	\$ 17,218,327	\$ 16,722,978	\$ 16,244,991	\$ 16,188,086	\$ 15,973,624
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.92%)	(10.03%)	(30.66%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

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

Coke County Plan (General Employees)

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 29,930	\$ 28,828	\$ 34,262
Interest	10,632	13,452	15,633
Differences Between Actual and Expected Experience	0	(18,581)	(123,485)
Changes in Assumptions or Other Inputs	(20,405)	29,245	17,783
Benefit Payments	(4,346)	(6,271)	(2,539)
Net Change in Total OPEB Liability	\$ 15,811	\$ 46,673	\$ (58,346)
Total OPEB Liability, Beginning	336,355	352,166	398,839
Total OPEB Liability, Ending	<u>\$ 352,166</u>	<u>\$ 398,839</u>	<u>\$ 340,493</u>
Covered Employee Payroll	\$ 6,071,548	\$ 6,071,548	\$ 6,268,394
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.80%	6.57%	5.43%

Highway Department Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 10,253	\$ 9,770	\$ 12,221
Interest	2,811	3,713	4,854
Differences Between Actual and Expected Experience	0	4,923	(48,550)
Changes in Assumptions or Other Inputs	(4,355)	9,577	3,307
Benefit Payments	0	(396)	(936)
Net Change in Total OPEB Liability	\$ 8,709	\$ 27,587	\$ (29,104)
Total OPEB Liability, Beginning	86,027	94,736	122,323
Total OPEB Liability, Ending	<u>\$ 94,736</u>	<u>\$ 122,323</u>	<u>\$ 93,219</u>
Covered Employee Payroll	\$ 1,270,142	\$ 1,270,142	\$ 1,342,049
Net OPEB Liability as a Percentage of Covered Employee Payroll	7.46%	9.63%	6.95%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit E-8

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 526,453	\$ 490,283	\$ 655,227
Interest	271,254	325,636	413,853
Changes in Benefit Terms	0	(189,350)	(906,049)
Differences Between Actual and Expected Experience	0	1,809,920	(149,110)
Changes in Assumptions or Other Inputs	(381,208)	205,182	(714,211)
Benefit Payments	(488,161)	(557,381)	(489,530)
Net Change in Total OPEB Liability	\$ (71,662)	\$ 2,084,290	\$ (1,189,820)
Total OPEB Liability, Beginning	9,007,148	8,935,486	11,019,776
Total OPEB Liability, Ending	<u>\$ 8,935,486</u>	<u>\$ 11,019,776</u>	<u>\$ 9,829,956</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,543,549	\$ 2,269,942	\$ 2,323,016
Employer Proportionate Share of the Total OPEB Liability	6,391,937	8,749,834	7,506,940
Covered Employee Payroll	\$ 23,952,663	\$ 25,643,933	\$ 26,485,698
Net OPEB Liability as a Percentage of Covered Employee Payroll	26.69%	34.12%	28.34%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%
 For the 2020 plan year - from 6.75% to 6.03%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

COCKE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions involving industrial development projects.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions involving the recreation department.

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition or construction of major capital facilities and other capital assets such as equipment.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for expenditures related to road repairs.

Jail Capital Projects Fund – The Jail Capital Projects Fund is used to account for expenditures related to jail renovation and construction projects.

Other Capital Projects Fund - Library – The Other Capital Projects Fund - Library is used to account for expenditures related to construction of a community library in the City of Parrottsville, TN.

Exhibit F-1

Cocke County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds					Capital Projects Funds
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 48,764	\$ 48,764	\$ 0
Equity in Pooled Cash and Investments	923,931	81,874	37,497	0	1,043,302	1,080,278
Investments	0	0	0	0	0	0
Accounts Receivable	0	0	0	34,728	34,728	0
Due from Other Governments	0	170	0	0	170	0
Property Taxes Receivable	465,155	0	0	0	465,155	758,448
Allowance for Uncollectible Property Taxes	(18,789)	0	0	0	(18,789)	(37,268)
Total Assets	\$ 1,370,297	\$ 82,044	\$ 37,497	\$ 83,492	\$ 1,573,330	\$ 1,801,458
<u>LIABILITIES</u>						
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 88,113
Due to Other Funds	0	0	0	35,854	35,854	0
Due to Component Units	0	0	0	0	0	419,629
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 35,854	\$ 35,854	\$ 507,742
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 431,880	\$ 0	\$ 0	\$ 0	\$ 431,880	\$ 686,496
Deferred Delinquent Property Taxes	12,566	0	0	0	12,566	30,088
Total Deferred Inflows of Resources	\$ 444,446	\$ 0	\$ 0	\$ 0	\$ 444,446	\$ 716,584

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Finance	\$ 0	\$ 0	\$ 0	\$ 47,638	\$ 47,638	\$ 0
Restricted for Public Safety	0	82,044	0	0	82,044	0
Restricted for Social, Cultural, and Recreational Services	0	0	14,549	0	14,549	0
Restricted for Other Operations	571,186	0	0	0	571,186	0
Restricted for Capital Projects	0	0	0	0	0	577,132
Committed:						
Committed for Social, Cultural, and Recreational Services	0	0	22,948	0	22,948	0
Committed for Other Operations	354,665	0	0	0	354,665	0
Total Fund Balances	<u>\$ 925,851</u>	<u>\$ 82,044</u>	<u>\$ 37,497</u>	<u>\$ 47,638</u>	<u>\$ 1,093,030</u>	<u>\$ 577,132</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,370,297</u>	<u>\$ 82,044</u>	<u>\$ 37,497</u>	<u>\$ 83,492</u>	<u>\$ 1,573,330</u>	<u>\$ 1,801,458</u>

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,764
Equity in Pooled Cash and Investments	72,310	102,269	910,363	2,165,220	3,208,522
Investments	52,550	0	0	52,550	52,550
Accounts Receivable	0	0	0	0	34,728
Due from Other Governments	0	0	0	0	170
Property Taxes Receivable	0	0	0	758,448	1,223,603
Allowance for Uncollectible Property Taxes	0	0	0	(37,268)	(56,057)
Total Assets	\$ 124,860	\$ 102,269	\$ 910,363	\$ 2,938,950	\$ 4,512,280
<u>LIABILITIES</u>					
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 88,113	\$ 88,113
Due to Other Funds	0	0	0	0	35,854
Due to Component Units	0	0	0	419,629	419,629
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 507,742	\$ 543,596
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 686,496	\$ 1,118,376
Deferred Delinquent Property Taxes	0	0	0	30,088	42,654
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 716,584	\$ 1,161,030

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,638
Restricted for Public Safety	0	0	0	0	82,044
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	14,549
Restricted for Other Operations	0	0	0	0	571,186
Restricted for Capital Projects	124,860	102,269	910,363	1,714,624	1,714,624
Committed:					
Committed for Social, Cultural, and Recreational Services	0	0	0	0	22,948
Committed for Other Operations	0	0	0	0	354,665
Total Fund Balances	<u>\$ 124,860</u>	<u>\$ 102,269</u>	<u>\$ 910,363</u>	<u>\$ 1,714,624</u>	<u>\$ 2,807,654</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 124,860</u>	<u>\$ 102,269</u>	<u>\$ 910,363</u>	<u>\$ 2,938,950</u>	<u>\$ 4,512,280</u>

Exhibit F-2

Cocke County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds					Capital
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	Projects Funds General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 436,177	\$ 0	\$ 0	\$ 0	\$ 436,177	\$ 1,045,518
Fines, Forfeitures, and Penalties	0	11,408	0	0	11,408	0
Charges for Current Services	0	170	12,713	311,397	324,280	0
Other Local Revenues	0	0	0	0	0	0
State of Tennessee	20,642	0	0	0	20,642	49,426
Federal Government	0	170	0	0	170	3,731
Other Governments and Citizens Groups	0	0	100	0	100	0
Total Revenues	\$ 456,819	\$ 11,748	\$ 12,813	\$ 311,397	\$ 792,777	\$ 1,098,675
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 291,957	\$ 291,957	\$ 0
Administration of Justice	0	0	0	19,144	19,144	0
Public Safety	0	44,220	0	0	44,220	0
Social, Cultural, and Recreational Services	0	0	11,342	0	11,342	0
Other Operations	0	170	0	0	170	21,289
Debt Service:						
Principal on Debt	88,961	0	0	0	88,961	81,669
Interest on Debt	62,587	0	0	0	62,587	3,299
Capital Projects	27,209	0	0	0	27,209	1,022,583
Total Expenditures	\$ 178,757	\$ 44,390	\$ 11,342	\$ 311,101	\$ 545,590	\$ 1,128,840

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	General Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ 278,062	\$ (32,642)	\$ 1,471	\$ 296	\$ 247,187	\$ (30,165)
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 316,409
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 316,409
Net Change in Fund Balances	\$ 278,062	\$ (32,642)	\$ 1,471	\$ 296	\$ 247,187	\$ 286,244
Fund Balance, July 1, 2019	647,789	114,686	36,026	47,342	845,843	290,888
Fund Balance, June 30, 2020	\$ 925,851	\$ 82,044	\$ 37,497	\$ 47,638	\$ 1,093,030	\$ 577,132

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 5,504	\$ 0	\$ 1,051,022	\$ 1,487,199
Fines, Forfeitures, and Penalties	0	0	0	0	11,408
Charges for Current Services	0	0	0	0	324,280
Other Local Revenues	818	0	0	818	818
State of Tennessee	0	0	0	49,426	70,068
Federal Government	0	0	0	3,731	3,901
Other Governments and Citizens Groups	0	0	977,178	977,178	977,278
Total Revenues	\$ 818	\$ 5,504	\$ 977,178	\$ 2,082,175	\$ 2,874,952
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 291,957
Administration of Justice	0	0	0	0	19,144
Public Safety	0	0	0	0	44,220
Social, Cultural, and Recreational Services	0	0	66,815	66,815	78,157
Other Operations	0	118	0	21,407	21,577
Debt Service:					
Principal on Debt	0	0	0	81,669	170,630
Interest on Debt	0	0	0	3,299	65,886
Capital Projects	0	22,500	0	1,045,083	1,072,292
Total Expenditures	\$ 0	\$ 22,618	\$ 66,815	\$ 1,218,273	\$ 1,763,863

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ 818	\$ (17,114)	\$ 910,363	\$ 863,902	\$ 1,111,089
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 316,409	\$ 316,409
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 316,409	\$ 316,409
Net Change in Fund Balances	\$ 818	\$ (17,114)	\$ 910,363	\$ 1,180,311	\$ 1,427,498
Fund Balance, July 1, 2019	124,042	119,383	0	534,313	1,380,156
Fund Balance, June 30, 2020	\$ 124,860	\$ 102,269	\$ 910,363	\$ 1,714,624	\$ 2,807,654

Exhibit F-3

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 436,177	\$ 0	\$ 436,177	\$ 405,776	\$ 405,776	\$ 30,401
State of Tennessee	20,642	0	20,642	18,933	18,933	1,709
Total Revenues	\$ 456,819	\$ 0	\$ 456,819	\$ 424,709	\$ 424,709	\$ 32,110
<u>Expenditures</u>						
<u>Principal on Debt</u>						
General Government	\$ 88,961	\$ 0	\$ 88,961	\$ 85,000	\$ 88,961	\$ 0
<u>Interest on Debt</u>						
General Government	62,587	0	62,587	61,000	62,587	0
<u>Capital Projects</u>						
Public Utility Projects	8,878	0	8,878	5,000	8,500	(378)
Other General Government Projects	18,331	5,000	23,331	0	23,000	(331)
Total Expenditures	\$ 178,757	\$ 5,000	\$ 183,757	\$ 151,000	\$ 183,048	\$ (709)
Excess (Deficiency) of Revenues Over Expenditures	\$ 278,062	\$ (5,000)	\$ 273,062	\$ 273,709	\$ 241,661	\$ 31,401
Net Change in Fund Balance	\$ 278,062	\$ (5,000)	\$ 273,062	\$ 273,709	\$ 241,661	\$ 31,401
Fund Balance, July 1, 2019	647,789	0	647,789	641,637	641,637	6,152
Fund Balance, June 30, 2020	\$ 925,851	\$ (5,000)	\$ 920,851	\$ 915,346	\$ 883,298	\$ 37,553

Exhibit F-4

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 11,408	\$ 0	\$ 0	\$ 11,408	\$ 30,000	\$ 45,983	\$ (34,575)
Charges for Current Services	170	0	0	170	0	170	0
Federal Government	170	0	0	170	0	0	170
Total Revenues	\$ 11,748	\$ 0	\$ 0	\$ 11,748	\$ 30,000	\$ 46,153	\$ (34,405)
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 25,124	\$ (4,432)	\$ 0	\$ 20,692	\$ 13,500	\$ 29,483	\$ 8,791
Drug Enforcement	19,096	(7,000)	10	12,106	15,200	15,200	3,094
<u>Other Operations</u>							
COVID-19 Grant #1	170	0	0	170	0	170	0
Total Expenditures	\$ 44,390	\$ (11,432)	\$ 10	\$ 32,968	\$ 28,700	\$ 44,853	\$ 11,885
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,642)	\$ 11,432	\$ (10)	\$ (21,220)	\$ 1,300	\$ 1,300	\$ (22,520)
Net Change in Fund Balance	\$ (32,642)	\$ 11,432	\$ (10)	\$ (21,220)	\$ 1,300	\$ 1,300	\$ (22,520)
Fund Balance, July 1, 2019	114,686	(11,432)	0	103,254	140,783	140,783	(37,529)
Fund Balance, June 30, 2020	\$ 82,044	\$ 0	\$ (10)	\$ 82,034	\$ 142,083	\$ 142,083	\$ (60,049)

Exhibit F-5

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 12,713	\$ 0	\$ 12,713	\$ 15,100	\$ 15,100	\$ (2,387)
Other Governments and Citizens Groups	100	0	100	1,600	1,600	(1,500)
Total Revenues	\$ 12,813	\$ 0	\$ 12,813	\$ 16,700	\$ 16,700	\$ (3,887)
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Other Social, Cultural, and Recreational	\$ 11,342	\$ 6,844	\$ 18,186	\$ 24,250	\$ 24,250	\$ 6,064
Total Expenditures	\$ 11,342	\$ 6,844	\$ 18,186	\$ 24,250	\$ 24,250	\$ 6,064
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,471	\$ (6,844)	\$ (5,373)	\$ (7,550)	\$ (7,550)	\$ 2,177
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 3,900	\$ 3,900	\$ (3,900)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 3,900	\$ 3,900	\$ (3,900)
Net Change in Fund Balance	\$ 1,471	\$ (6,844)	\$ (5,373)	\$ (3,650)	\$ (3,650)	\$ (1,723)
Fund Balance, July 1, 2019	36,026	0	36,026	36,377	36,377	(351)
Fund Balance, June 30, 2020	\$ 37,497	\$ (6,844)	\$ 30,653	\$ 32,727	\$ 32,727	\$ (2,074)

Exhibit F-6

Cocke 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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,045,518	\$ 0	\$ 0	\$ 1,045,518	\$ 991,757	\$ 991,757	\$ 53,761
State of Tennessee	49,426	0	0	49,426	45,332	45,332	4,094
Federal Government	3,731	0	0	3,731	0	0	3,731
Total Revenues	\$ 1,098,675	\$ 0	\$ 0	\$ 1,098,675	\$ 1,037,089	\$ 1,037,089	\$ 61,586
<u>Expenditures</u>							
<u>Other Operations</u>							
Other Charges	\$ 21,289	\$ 0	\$ 0	\$ 21,289	\$ 12,500	\$ 20,500	\$ (789)
<u>Principal on Debt</u>							
General Government	81,669	(81,669)	0	0	0	0	0
<u>Interest on Debt</u>							
General Government	3,299	(3,299)	0	0	0	0	0
<u>Capital Projects</u>							
General Administration Projects	220,361	(32)	44,135	264,464	343,100	343,100	78,636
Public Safety Projects	316,409	0	0	316,409	85,000	401,409	85,000
Public Health and Welfare Projects	66,184	0	0	66,184	100,000	100,000	33,816
Education Capital Projects	419,629	0	0	419,629	550,000	542,000	122,371
Total Expenditures	\$ 1,128,840	\$ (85,000)	\$ 44,135	\$ 1,087,975	\$ 1,090,600	\$ 1,407,009	\$ 319,034
Excess (Deficiency) of Revenues Over Expenditures	\$ (30,165)	\$ 85,000	\$ (44,135)	\$ 10,700	\$ (53,511)	\$ (369,920)	\$ 380,620
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 316,409	\$ 0	\$ 0	\$ 316,409	\$ 0	\$ 316,409	\$ 0
Total Other Financing Sources	\$ 316,409	\$ 0	\$ 0	\$ 316,409	\$ 0	\$ 316,409	\$ 0
Net Change in Fund Balance	\$ 286,244	\$ 85,000	\$ (44,135)	\$ 327,109	\$ (53,511)	\$ (53,511)	\$ 380,620
Fund Balance, July 1, 2019	290,888	(85,000)	0	205,888	130,714	130,714	75,174
Fund Balance, June 30, 2020	\$ 577,132	\$ 0	\$ (44,135)	\$ 532,997	\$ 77,203	\$ 77,203	\$ 455,794

Exhibit F-7

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Jail Capital Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,504	\$ 0	\$ 5,504	\$ 0	\$ 0	\$ 5,504
Total Revenues	\$ 5,504	\$ 0	\$ 5,504	\$ 0	\$ 0	\$ 5,504
<u>Expenditures</u>						
<u>Other Operations</u>						
Other Charges	\$ 118	\$ 0	\$ 118	\$ 0	\$ 118	\$ 0
<u>Capital Projects</u>						
Public Safety Projects	22,500	22,500	45,000	0	22,500	(22,500)
Total Expenditures	\$ 22,618	\$ 22,500	\$ 45,118	\$ 0	\$ 22,618	\$ (22,500)
Excess (Deficiency) of Revenues Over Expenditures	\$ (17,114)	\$ (22,500)	\$ (39,614)	\$ 0	\$ (22,618)	\$ (16,996)
Net Change in Fund Balance	\$ (17,114)	\$ (22,500)	\$ (39,614)	\$ 0	\$ (22,618)	\$ (16,996)
Fund Balance, July 1, 2019	119,383	0	119,383	120,089	120,089	(706)
Fund Balance, June 30, 2020	\$ 102,269	\$ (22,500)	\$ 79,769	\$ 120,089	\$ 97,471	\$ (17,702)

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,332,148	\$ 2,135,045	\$ 2,135,045	\$ 197,103
Other Local Revenues	164,161	30,000	30,000	134,161
State of Tennessee	29,074	26,666	26,666	2,408
Federal Government	0	36,000	36,000	(36,000)
Other Governments and Citizens Groups	158,401	185,000	185,000	(26,599)
Total Revenues	<u>\$ 2,683,784</u>	<u>\$ 2,412,711</u>	<u>\$ 2,412,711</u>	<u>\$ 271,073</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 395,427	\$ 395,433	\$ 395,433	\$ 6
Highways and Streets	475,902	449,733	475,902	0
Education	1,156,542	1,142,706	1,156,671	129
<u>Interest on Debt</u>				
General Government	62,686	62,693	62,693	7
Highways and Streets	165,625	195,906	195,906	30,281
Education	409,241	425,610	425,610	16,369
<u>Other Debt Service</u>				
General Government	49,887	54,000	68,641	18,754
Education	51,587	4,500	51,627	40
Total Expenditures	<u>\$ 2,766,897</u>	<u>\$ 2,730,581</u>	<u>\$ 2,832,483</u>	<u>\$ 65,586</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (83,113)</u>	<u>\$ (317,870)</u>	<u>\$ (419,772)</u>	<u>\$ 336,659</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 1,630,000	\$ 0	\$ 1,630,000	\$ 0
Premiums on Debt Sold	264,747	0	264,747	0
Transfers In	253,924	252,000	252,000	1,924
Payments to Refunded Debt Escrow Agent	(1,832,979)	0	(1,832,979)	0
Total Other Financing Sources	<u>\$ 315,692</u>	<u>\$ 252,000</u>	<u>\$ 313,768</u>	<u>\$ 1,924</u>
Net Change in Fund Balance	\$ 232,579	\$ (65,870)	\$ (106,004)	\$ 338,583
Fund Balance, July 1, 2019	<u>6,360,376</u>	<u>6,246,943</u>	<u>6,246,943</u>	<u>113,433</u>
Fund Balance, June 30, 2020	<u>\$ 6,592,955</u>	<u>\$ 6,181,073</u>	<u>\$ 6,140,939</u>	<u>\$ 452,016</u>

Fiduciary Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit court clerk, general sessions court 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

Cocke County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds			Total
	Cities - Sales Tax	City School ADA - Newport	Constitu - tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 2,857,491	\$ 2,857,491
Due from Other Governments	782,451	131,504	0	913,955
Property Taxes Receivable	0	445,888	0	445,888
Allowance for Uncollectible Property Taxes	0	(18,288)	0	(18,288)
Cash Shortage	0	0	26,240	26,240
Total Assets	<u>\$ 782,451</u>	<u>\$ 559,104</u>	<u>\$ 2,883,731</u>	<u>\$ 4,225,286</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 782,451	\$ 559,104	\$ 0	\$ 1,341,555
Due to Litigants, Heirs, and Others	0	0	2,883,731	2,883,731
Total Liabilities	<u>\$ 782,451</u>	<u>\$ 559,104</u>	<u>\$ 2,883,731</u>	<u>\$ 4,225,286</u>

Exhibit H-2

Cocke County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,160,759	\$ 4,160,759	\$ 0
Due from Other Governments	713,112	782,451	713,112	782,451
Total Assets	\$ 713,112	\$ 4,943,210	\$ 4,873,871	\$ 782,451
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 713,112	\$ 4,943,210	\$ 4,873,871	\$ 782,451
Total Liabilities	\$ 713,112	\$ 4,943,210	\$ 4,873,871	\$ 782,451
<u>City School ADA - Newport Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,118,309	\$ 1,118,309	\$ 0
Due from Other Governments	123,706	131,504	123,706	131,504
Property Taxes Receivable	470,663	445,888	470,663	445,888
Allowance for Uncollectible Property Taxes	(22,818)	(18,288)	(22,818)	(18,288)
Total Assets	\$ 571,551	\$ 1,677,413	\$ 1,689,860	\$ 559,104
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 571,551	\$ 1,677,413	\$ 1,689,860	\$ 559,104
Total Liabilities	\$ 571,551	\$ 1,677,413	\$ 1,689,860	\$ 559,104
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,087,103	\$ 9,061,707	\$ 8,291,319	\$ 2,857,491
Cash Shortage	26,670	0	430	26,240
Total Assets	\$ 2,113,773	\$ 9,061,707	\$ 8,291,749	\$ 2,883,731
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,113,773	\$ 9,061,707	\$ 8,291,749	\$ 2,883,731
Total Liabilities	\$ 2,113,773	\$ 9,061,707	\$ 8,291,749	\$ 2,883,731

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,087,103	\$ 9,061,707	\$ 8,291,319	\$ 2,857,491
Equity in Pooled Cash and Investments	0	5,279,068	5,279,068	0
Due from Other Governments	836,818	913,955	836,818	913,955
Property Taxes Receivable	470,663	445,888	470,663	445,888
Allowance for Uncollectible Property Taxes	(22,818)	(18,288)	(22,818)	(18,288)
Cash Shortage	26,670	0	430	26,240
Total Assets	<u>\$ 3,398,436</u>	<u>\$ 15,682,330</u>	<u>\$ 14,855,480</u>	<u>\$ 4,225,286</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,284,663	\$ 6,620,623	\$ 6,563,731	\$ 1,341,555
Due to Litigants, Heirs, and Others	2,113,773	9,061,707	8,291,749	2,883,731
Total Liabilities	<u>\$ 3,398,436</u>	<u>\$ 15,682,330</u>	<u>\$ 14,855,480</u>	<u>\$ 4,225,286</u>

Cocke County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for transportation operations of the school department.

Endowment Fund – The Endowment Fund is used to account for an endowment received by the school department for which the principal amount must remain intact, while interest earned is to be expended for the benefit of the Chess Club and scholarships for Cocke County students.

Exhibit I-1

Cocke County, Tennessee
Statement of Activities
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 24,450,207	\$ 0	\$ 2,735,142	\$ 75,000	\$ (21,640,065)
Support Services	14,053,450	66,797	1,809,883	419,629	(11,757,141)
Operation of Non-instructional Services	5,055,750	122,653	3,943,498	0	(989,599)
Total Governmental Activities	\$ 43,559,407	\$ 189,450	\$ 8,488,523	\$ 494,629	\$ (34,386,805)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,073,326
Property Taxes Levied for School Transportation					1,385,281
Local Option Sales Taxes					3,995,891
Other Local Taxes					29,453
Grants and Contributions Not Restricted to Specific Programs					27,822,040
Unrestricted Investment Income					5
Gain on Investments					4,536
Miscellaneous					126,815
Total General Revenues					\$ 36,437,347
Change in Net Position					\$ 2,050,542
Net Position, July 1, 2019					24,517,644
Net Position, June 30, 2020					\$ 26,568,186

Exhibit I-2

Cocke County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cocke County School Department
June 30, 2020

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>ASSETS</u>				
Cash	\$ 1,316,512	\$ 0	\$ 0	\$ 1,316,512
Equity in Pooled Cash and Investments	7,675,303	1,308,019	1,806,314	10,789,636
Accounts Receivable	321,703	12,850	0	334,553
Due from Other Governments	845,784	0	497,258	1,343,042
Due from Primary Government	0	419,629	0	419,629
Property Taxes Receivable	3,212,464	1,439,670	0	4,652,134
Allowance for Uncollectible Property Taxes	(131,761)	(59,041)	0	(190,802)
Restricted Assets	144,289	0	0	144,289
Total Assets	<u>\$ 13,384,294</u>	<u>\$ 3,121,127</u>	<u>\$ 2,303,572</u>	<u>\$ 18,808,993</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 29,813	\$ 265	\$ 150,269	\$ 180,347
Accrued Payroll	1,180	750	0	1,930
Due to State of Tennessee	29,587	0	0	29,587
Other Current Liabilities	3,399,712	63,284	315,830	3,778,826
Total Liabilities	<u>\$ 3,460,292</u>	<u>\$ 64,299</u>	<u>\$ 466,099</u>	<u>\$ 3,990,690</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,977,331	\$ 1,334,316	\$ 0	\$ 4,311,647
Deferred Delinquent Property Taxes	89,674	40,176	0	129,850

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Funds</u>	<u>Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	375,806	0	0	375,806
Total Deferred Inflows of Resources	\$ 3,442,811	\$ 1,374,492	\$ 0	\$ 4,817,303
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 17,535	\$ 627,347	\$ 1,537,473	\$ 2,182,355
Restricted for Hybrid Retirement Stabilization Funds	144,289	0	0	144,289
Committed:				
Committed for Education	0	1,054,989	300,000	1,354,989
Assigned:				
Assigned for Education	2,136,146	0	0	2,136,146
Unassigned	4,183,221	0	0	4,183,221
Total Fund Balances	\$ 6,481,191	\$ 1,682,336	\$ 1,837,473	\$ 10,001,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,384,294	\$ 3,121,127	\$ 2,303,572	\$ 18,808,993

Exhibit I-3

Cocke County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Cocke County School Department
June 30, 2020

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)		\$ 10,001,000
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 601,292	
Add: buildings and improvements net of accumulated depreciation	12,774,714	
Add: infrastructure net of accumulated depreciation	78,310	
Add: other capital assets net of accumulated depreciation	<u>3,795,662</u>	17,249,978
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: termination benefits payable	\$ (245,442)	
Less: OPEB liability	<u>(7,506,940)</u>	(7,752,382)
(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	\$ 3,463,835	
Less: deferred inflows of resources related to pensions	(5,081,237)	
Add: deferred outflows of resources related to OPEB	2,115,236	
Less: deferred inflows of resources related to OPEB	<u>(1,037,508)</u>	(539,674)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 2,026,461	
Add: net pension asset - teacher retirement plan	179,122	
Add: net pension asset - teacher legacy pension plan	<u>4,898,025</u>	7,103,608
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>505,656</u>
Net position of governmental activities (Exhibit A)		<u>\$ 26,568,186</u>

Exhibit I-4

Cocke County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 7,179,522	\$ 1,472,880	\$ 0	\$ 8,652,402
Licenses and Permits	1,034	0	0	1,034
Charges for Current Services	23,727	43,070	119,355	186,152
Other Local Revenues	1,249,148	45,195	56,733	1,351,076
State of Tennessee	26,998,015	366,383	0	27,364,398
Federal Government	485,592	0	7,247,232	7,732,824
Other Governments and Citizens Groups	0	419,629	0	419,629
Total Revenues	\$ 35,937,038	\$ 2,347,157	\$ 7,423,320	\$ 45,707,515
<u>Expenditures</u>				
Current:				
Instruction	\$ 21,492,272	\$ 0	\$ 2,525,833	\$ 24,018,105
Support Services	10,868,813	2,011,856	1,124,707	14,005,376
Operation of Non-Instructional Services	1,875,202	0	3,365,543	5,240,745
Capital Outlay	209,783	0	0	209,783
Debt Service:				
Other Debt Service	158,401	0	0	158,401
Total Expenditures	\$ 34,604,471	\$ 2,011,856	\$ 7,016,083	\$ 43,632,410
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,332,567	\$ 335,301	\$ 407,237	\$ 2,075,105
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,761	\$ 17,161	\$ 0	\$ 24,922
Transfers In	20,000	0	0	20,000

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ 0	\$ 0	\$ (20,000)	\$ (20,000)
Total Other Financing Sources (Uses)	\$ 27,761	\$ 17,161	\$ (20,000)	\$ 24,922
Net Change in Fund Balances	\$ 1,360,328	\$ 352,462	\$ 387,237	\$ 2,100,027
Fund Balance, July 1, 2019	5,120,863	1,329,874	1,450,236	7,900,973
Fund Balance, June 30, 2020	\$ 6,481,191	\$ 1,682,336	\$ 1,837,473	\$ 10,001,000

Exhibit I-5

Cocke County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

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)		\$ 2,100,027
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 381,516	
Less: current-year depreciation expense	<u>(1,812,329)</u>	(1,430,813)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 505,656	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(503,443)</u>	2,213
<p>(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.</p>		
Change in termination benefits	\$ 34,448	
Change in OPEB liability	1,242,894	
Change in net pension assets/liability	3,880,048	
Change in deferred outflows related to pensions	(571,210)	
Change in deferred inflows related to pensions	(2,075,486)	
Change in deferred outflows related to OPEB	(333,696)	
Change in deferred inflows related to OPEB	<u>(797,883)</u>	<u>1,379,115</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,050,542</u>

Exhibit I-6

Cocke County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cocke County School Department
June 30, 2020

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 383,060	\$ 1,423,254	\$ 1,806,314
Due from Other Governments	127,566	369,692	497,258
Total Assets	<u>\$ 510,626</u>	<u>\$ 1,792,946</u>	<u>\$ 2,303,572</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 150,269	\$ 150,269
Other Current Liabilities	210,626	105,204	315,830
Total Liabilities	<u>\$ 210,626</u>	<u>\$ 255,473</u>	<u>\$ 466,099</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 1,537,473	\$ 1,537,473
Committed:			
Committed for Education	300,000	0	300,000
Total Fund Balances	<u>\$ 300,000</u>	<u>\$ 1,537,473</u>	<u>\$ 1,837,473</u>
Total Liabilities and Fund Balances	<u>\$ 510,626</u>	<u>\$ 1,792,946</u>	<u>\$ 2,303,572</u>

Exhibit I-7

Cocke County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 119,355	\$ 119,355
Other Local Revenues	0	56,733	56,733
Federal Government	3,670,540	3,576,692	7,247,232
Total Revenues	<u>\$ 3,670,540</u>	<u>\$ 3,752,780</u>	<u>\$ 7,423,320</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,525,833	\$ 0	\$ 2,525,833
Support Services	1,124,707	0	1,124,707
Operation of Non-Instructional Services	0	3,365,543	3,365,543
Total Expenditures	<u>\$ 3,650,540</u>	<u>\$ 3,365,543</u>	<u>\$ 7,016,083</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,000</u>	<u>\$ 387,237</u>	<u>\$ 407,237</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (20,000)	\$ 0	\$ (20,000)
Total Other Financing Sources (Uses)	<u>\$ (20,000)</u>	<u>\$ 0</u>	<u>\$ (20,000)</u>
Net Change in Fund Balances	\$ 0	\$ 387,237	\$ 387,237
Fund Balance, July 1, 2019	300,000	1,150,236	1,450,236
Fund Balance, June 30, 2020	<u>\$ 300,000</u>	<u>\$ 1,537,473</u>	<u>\$ 1,837,473</u>

Exhibit I-8

Coke County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Coke County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,179,522	\$ 0	\$ 0	\$ 7,179,522	\$ 6,523,192	\$ 6,523,192	\$ 656,330
Licenses and Permits	1,034	0	0	1,034	1,000	1,000	34
Charges for Current Services	23,727	0	0	23,727	35,000	35,000	(11,273)
Other Local Revenues	1,249,148	0	0	1,249,148	1,136,759	1,216,364	32,784
State of Tennessee	26,998,015	0	0	26,998,015	26,501,994	27,134,594	(136,579)
Federal Government	485,592	0	0	485,592	562,068	534,181	(48,589)
Total Revenues	\$ 35,937,038	\$ 0	\$ 0	\$ 35,937,038	\$ 34,760,013	\$ 35,444,331	\$ 492,707
Expenditures							
Instruction							
Regular Instruction Program	\$ 17,193,773	\$ 0	\$ 0	\$ 17,193,773	\$ 18,562,626	\$ 18,573,438	\$ 1,379,665
Alternative Instruction Program	323,241	0	0	323,241	336,148	336,148	12,907
Special Education Program	2,385,731	0	0	2,385,731	2,501,785	2,502,785	117,054
Career and Technical Education Program	1,589,027	(86)	86	1,589,027	1,549,037	1,635,537	46,510
Student Body Education Program	500	0	0	500	900	900	400
Support Services							
Attendance	208,022	0	0	208,022	228,726	235,026	27,004
Health Services	411,791	0	0	411,791	419,076	461,826	50,035
Other Student Support	1,325,106	0	0	1,325,106	1,205,833	1,450,833	125,727
Regular Instruction Program	1,046,995	0	0	1,046,995	1,242,130	1,184,161	137,166
Special Education Program	630,929	0	0	630,929	670,233	672,918	41,989
Career and Technical Education Program	69,521	0	0	69,521	81,860	77,860	8,339
Technology	324,009	0	0	324,009	365,657	365,657	41,648
Other Programs	114,194	0	0	114,194	0	114,194	0
Board of Education	456,707	0	0	456,707	492,004	492,004	35,297
Director of Schools	393,634	0	0	393,634	409,900	414,900	21,266
Office of the Principal	2,301,681	0	0	2,301,681	2,744,117	2,744,117	442,436
Fiscal Services	305,210	0	0	305,210	319,423	319,423	14,213
Operation of Plant	2,632,680	(43)	52	2,632,689	2,970,433	3,039,433	406,744

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 645,700	\$ 0	\$ 0	\$ 645,700	\$ 797,195	\$ 802,397	\$ 156,697
Transportation	2,634	0	0	2,634	7,287	7,287	4,653
<u>Operation of Non-Instructional Services</u>							
Food Service	84,353	0	0	84,353	85,116	85,116	763
Community Services	1,500,547	0	0	1,500,547	1,519,136	1,580,722	80,175
Early Childhood Education	279,697	0	0	279,697	308,816	303,672	23,975
COVID-19 Expenditures	10,605	0	0	10,605	0	10,605	0
<u>Capital Outlay</u>							
Regular Capital Outlay	209,783	(17,000)	0	192,783	450,000	482,798	290,015
<u>Principal on Debt</u>							
Education	0	0	0	0	188,000	0	0
<u>Other Debt Service</u>							
Education	158,401	0	0	158,401	0	188,000	29,599
Total Expenditures	\$ 34,604,471	\$ (17,129)	\$ 138	\$ 34,587,480	\$ 37,455,438	\$ 38,081,757	\$ 3,494,277
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 1,332,567	\$ 17,129	\$ (138)	\$ 1,349,558	\$ (2,695,425)	\$ (2,637,426)	\$ 3,986,984
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,761	\$ 0	\$ 0	\$ 7,761	\$ 20,000	\$ 20,000	\$ (12,239)
Transfers In	20,000	0	0	20,000	35,000	35,000	(15,000)
Transfers Out	0	0	0	0	0	(58,000)	58,000
Total Other Financing Sources	\$ 27,761	\$ 0	\$ 0	\$ 27,761	\$ 55,000	\$ (3,000)	\$ 30,761
Net Change in Fund Balance							
Fund Balance, July 1, 2019	\$ 1,360,328	\$ 17,129	\$ (138)	\$ 1,377,319	\$ (2,640,425)	\$ (2,640,426)	\$ 4,017,745
	5,120,863	(17,129)	0	5,103,734	4,640,517	4,640,517	463,217
Fund Balance, June 30, 2020							
	\$ 6,481,191	\$ 0	\$ (138)	\$ 6,481,053	\$ 2,000,092	\$ 2,000,091	\$ 4,480,962

Exhibit I-9

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cocke County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,670,540	\$ 3,606,375	\$ 5,199,356	\$ (1,528,816)
Total Revenues	\$ 3,670,540	\$ 3,606,375	\$ 5,199,356	\$ (1,528,816)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,571,642	\$ 1,589,249	\$ 1,992,656	\$ 421,014
Special Education Program	820,218	921,788	1,087,437	267,219
Career and Technical Education Program	133,973	120,745	134,010	37
<u>Support Services</u>				
Other Student Support	369,274	135,862	700,912	331,638
Regular Instruction Program	396,980	568,366	870,686	473,706
Special Education Program	126,990	13,765	153,305	26,315
Career and Technical Education Program	5,000	5,000	5,000	0
Transportation	226,463	231,600	235,350	8,887
Total Expenditures	\$ 3,650,540	\$ 3,586,375	\$ 5,179,356	\$ 1,528,816
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ 0
Total Other Financing Sources	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2019	300,000	300,000	300,000	0
Fund Balance, June 30, 2020	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0

Exhibit I-10

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cocke County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 119,355	\$ 0	\$ 119,355	\$ 188,680	\$ 188,680	\$ (69,325)
Other Local Revenues	56,733	0	56,733	20,100	102,100	(45,367)
Federal Government	3,576,692	0	3,576,692	3,197,205	3,197,205	379,487
Total Revenues	\$ 3,752,780	\$ 0	\$ 3,752,780	\$ 3,405,985	\$ 3,487,985	\$ 264,795
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,365,543	\$ 44,886	\$ 3,410,429	\$ 3,405,985	\$ 3,657,985	\$ 247,556
Total Expenditures	\$ 3,365,543	\$ 44,886	\$ 3,410,429	\$ 3,405,985	\$ 3,657,985	\$ 247,556
Excess (Deficiency) of Revenues Over Expenditures	\$ 387,237	\$ (44,886)	\$ 342,351	\$ 0	\$ (170,000)	\$ 512,351
Net Change in Fund Balance	\$ 387,237	\$ (44,886)	\$ 342,351	\$ 0	\$ (170,000)	\$ 512,351
Fund Balance, July 1, 2019	1,150,236	0	1,150,236	1,104,628	1,104,628	45,608
Fund Balance, June 30, 2020	\$ 1,537,473	\$ (44,886)	\$ 1,492,587	\$ 1,104,628	\$ 934,628	\$ 557,959

Exhibit I-11

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cocke County School Department
School Transportation Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,472,880	\$ 0	\$ 0	\$ 1,472,880	\$ 1,439,851	\$ 1,439,851	\$ 33,029
Charges for Current Services	43,070	0	0	43,070	75,000	75,000	(31,930)
Other Local Revenues	45,195	0	0	45,195	4,100	4,100	41,095
State of Tennessee	366,383	0	0	366,383	360,916	360,916	5,467
Other Governments and Citizens Groups	419,629	0	0	419,629	550,000	550,000	(130,371)
Total Revenues	\$ 2,347,157	\$ 0	\$ 0	\$ 2,347,157	\$ 2,429,867	\$ 2,429,867	\$ (82,710)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 29,501	\$ 0	\$ 0	\$ 29,501	\$ 34,000	\$ 34,000	\$ 4,499
Transportation	1,982,355	(7,084)	422,834	2,398,105	2,942,088	2,942,088	543,983
Total Expenditures	\$ 2,011,856	\$ (7,084)	\$ 422,834	\$ 2,427,606	\$ 2,976,088	\$ 2,976,088	\$ 548,482
Excess (Deficiency) of Revenues Over Expenditures	\$ 335,301	\$ 7,084	\$ (422,834)	\$ (80,449)	\$ (546,221)	\$ (546,221)	\$ 465,772
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 17,161	\$ 0	\$ 0	\$ 17,161	\$ 20,000	\$ 20,000	\$ (2,839)
Total Other Financing Sources	\$ 17,161	\$ 0	\$ 0	\$ 17,161	\$ 20,000	\$ 20,000	\$ (2,839)
Net Change in Fund Balance	\$ 352,462	\$ 7,084	\$ (422,834)	\$ (63,288)	\$ (526,221)	\$ (526,221)	\$ 462,933
Fund Balance, July 1, 2019	1,329,874	(7,084)	0	1,322,790	1,190,288	1,190,288	132,502
Fund Balance, June 30, 2020	\$ 1,682,336	\$ 0	\$ (422,834)	\$ 1,259,502	\$ 664,067	\$ 664,067	\$ 595,435

Exhibit I-12

Cocke County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Cocke County School Department
Fiduciary Fund
June 30, 2020

	<u>Private - Purpose Trust Fund</u> <u>Endowment Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 393,337
Total Assets	<u>\$ 393,337</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 393,337</u>
Total Net Position	<u><u>\$ 393,337</u></u>

Exhibit I-13

Coke County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Coke County School Department
Fiduciary Fund
For the Year Ended June 30, 2020

	Private - Purpose Trust Fund <hr/> Endowment Fund <hr/>
<u>ADDITIONS</u>	
Investment Income	\$ 1,518
Total Additions	<u>\$ 1,518</u>
Change in Net Position	\$ 1,518
Net Position, July 1, 2019	<u>391,819</u>
Net Position, June 30, 2020	<u><u>\$ 393,337</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Cocke County, Tennessee
 Schedule of Changes in Long-term Other Loans, Capital Leases, and Bonds
 For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-20
<u>OTHER LOANS PAYABLE</u>										
<u>Payable through Industrial/Economic Development Fund</u>										
City of Newport - River Crest Project (A)	\$ 1,024,000	4.13	%	2-14-06	5-1-45	\$ 837,640	\$ 0	15,356	\$ 0	\$ 822,284
City of Newport - River Crest Project (B)	300,000	4.38		2-14-06	5-1-45	245,075	0	4,425	0	240,650
City of Newport - Hwy 25E Projects	497,197	4.5		7-13-06	(1)	150,355	0	45,681	0	104,674
City of Newport - Hartford Project	478,417	2.15		2-14-08	12-31-27	266,694	0	23,499	0	243,195
Total Payable through Industrial/ Economic Development Fund						\$ 1,499,764	\$ 0	88,961	\$ 0	\$ 1,410,803
<u>Payable through General Debt Service Fund</u>										
Qualified School Construction Bonds	5,575,000	0	(2)	10-7-10	9-15-27	\$ 2,850,010	\$ 0	347,871	\$ 0	\$ 2,502,139
Total Payable through General Debt Service Fund						\$ 2,850,010	\$ 0	347,871	\$ 0	\$ 2,502,139
Total Other Loans Payable						\$ 4,349,774	\$ 0	436,832	\$ 0	\$ 3,912,942
<u>BONDS PAYABLE</u>										
<u>Payable through General Debt Service Fund</u>										
General Obligation Refunding Bonds, Series 2016	9,705,000	2		8-19-16	5-1-28	\$ 9,290,000	\$ 0	190,000	\$ 0	\$ 9,100,000
Build America Bonds, Series 2009B	2,500,000	3.44		10-20-09	6-1-30	1,800,000	0	0	1,800,000	0
General Obligation and Refunding Bonds, Series 2011B	6,685,000	1.5 to 3.2		11-30-11	6-1-30	5,135,000	0	1,350,000	0	3,785,000
General Obligation Refunding Bonds, Series 2019	1,630,000	4 to 5		10-4-19	6-1-30		1,630,000	140,000	0	1,490,000
Total Payable through General Debt Service Fund						\$ 16,225,000	\$ 1,630,000	\$ 1,680,000	\$ 1,800,000	\$ 14,375,000
Total Bonds Payable						\$ 16,225,000	\$ 1,630,000	\$ 1,680,000	\$ 1,800,000	\$ 14,375,000

(Continued)

Exhibit J-1

Cocke County, Tennessee
Schedule of Changes in Long-term Other Loans, Capital Leases, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-20
<u>CAPITAL LEASES PAYABLE</u>										
<u>Payable through General Fund</u>										
Fire Department Air Compressor	\$ 35,713	2.98	%	2-27-19	8-1-22	\$ 35,713	\$ 0	\$ 9,054	\$ 0	\$ 26,659
Total Payable through General Fund						\$ 35,713	\$ 0	\$ 9,054	\$ 0	\$ 26,659
<u>Payable through Highway/Public Works Fund</u>										
Excavator	329,039	3.35		5-27-20	6-15-25	\$ 0	\$ 329,039	\$ 0	\$ 0	\$ 329,039
Total Payable through Highway/Public Works Fund						\$ 0	\$ 329,039	\$ 0	\$ 0	\$ 329,039
<u>Payable through General Capital Projects Fund</u>										
Sheriff's Department Vehicles	316,409	2.9		7-12-19	10-17-22	\$ 0	\$ 316,409	\$ 81,669	\$ 0	\$ 234,740
Total Payable through General Capital Projects Fund						\$ 0	\$ 316,409	\$ 81,669	\$ 0	\$ 234,740
Total Capital Leases Payable						\$ 35,713	\$ 645,448	\$ 90,723	\$ 0	\$ 590,438

- (1) The county has pledged its incremental tax revenues (excess of current taxes over base year amounts) from properties within the development toward the retirement of this obligation. The agreement requires only the payment of the tax increment each year with interest accruing on the unpaid balance until the debt is retired. Therefore, no maturity date can be established.
- (2) The interest rate of approximately 4.85 percent is offset by a federal interest rate subsidy.

Exhibit J-2

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

Year Ending June 30	Other Loans - City of Newport		
	Principal (1)	Interest (1)	Total
2021	\$ 49,757	\$ 49,676	\$ 99,433
2022	51,340	48,094	99,434
2023	52,990	46,456	99,446
2024	54,688	44,759	99,447
2025	56,456	43,004	99,460
2026	58,276	41,185	99,461
2027	60,169	39,303	99,472
2028	62,120	37,353	99,473
2029	66,594	35,334	101,928
2030	36,506	33,190	69,696
2031	38,033	31,663	69,696
2032	39,624	30,073	69,697
2033	41,281	28,415	69,696
2034	43,007	26,689	69,696
2035	44,806	24,890	69,696
2036 - 2045	550,482	131,716	682,198
Total	\$ 1,306,129	\$ 691,800	\$ 1,997,929

(1) Amounts included for Other Loans - City of Newport represent the minimum requirements for the River Crest and Hartford project loans. Annual requirements for the Highway 25E project loan with a balance of \$104,674 as of June 30, 2020, are not included because the minimum payment schedule for this loan is dependent upon the amount of incremental tax revenues generated by the project.

(Continued)

Exhibit J-2

Cocke County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Other Loans - QSCB		
	Principal	Interest	Total
2021	\$ 347,871	\$ 0	\$ 347,871
2022	347,871	0	347,871
2023	347,871	0	347,871
2024	347,871	0	347,871
2025	347,871	0	347,871
2026	347,871	0	347,871
2027	382,120	0	382,120
2028	32,793	0	32,793
Total	\$ 2,502,139	\$ 0	\$ 2,502,139

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,690,000	\$ 353,155	\$ 2,043,155
2022	1,665,000	311,750	1,976,750
2023	1,655,000	273,200	1,928,200
2024	1,680,000	234,100	1,914,100
2025	1,685,000	193,900	1,878,900
2026	1,760,000	153,150	1,913,150
2027	1,770,000	110,450	1,880,450
2028	1,815,000	66,950	1,881,950
2029	325,000	23,800	348,800
2030	330,000	12,000	342,000
Total	\$ 14,375,000	\$ 1,732,455	\$ 16,107,455

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2021	\$ 145,251	\$ 21,455	\$ 166,706
2022	150,573	16,133	166,706
2023	156,581	10,125	166,706
2024	67,876	3,871	71,747
2025	70,157	1,591	71,748
Total	\$ 590,438	\$ 53,175	\$ 643,613

Exhibit J-3

Cocke County, Tennessee
Schedule of Investments
June 30, 2020

<u>Fund and Type</u>	<u>Amount</u>
<u>Highway Capital Projects Fund</u>	
State Treasurer's Investment Pool	<u>\$ 52,550</u>
Total Investments	<u><u>\$ 52,550</u></u>

Exhibit J-4

Cocke County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Tax Credit Bond Rebate	<u>\$ 253,924</u>
Total Transfers Primary Government			<u><u>\$ 253,924</u></u>
<u>DISCRETELY PRESENTED COCKE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 20,000</u>
Total Transfers Discretely Presented Cocke County School Department			<u><u>\$ 20,000</u></u>

Exhibit J-5

Cocke County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond/ Insurance	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 93,267	\$ 400,000	Tennessee Risk Management Trust
Road Superintendent	Section 8-24-102, <i>TCA</i>	88,827	400,000	"
Director of Schools	State Board of Education and County Board of Education	128,970 (1)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	80,751	1,500,000	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	80,751	400,000	Tennessee Risk Management Trust
Director of Accounts and Budgets	County Commission	80,751	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Circuit Court Clerk	Section 8-24-102, <i>TCA</i>	80,751 (2)	400,000	"
General Sessions Court Clerk	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	80,751 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	80,751	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	88,827 (4)	400,000	"
Employee Blanket Bonds				
	Public Employee Dishonesty - County Departments		400,000	Tennessee Risk Management Trust
	Public Employee Dishonesty - School Department		400,000	"

(1) Does not include a chief executive officer training supplement of \$1,000, payment for personal days of \$102, and perfect attendance of \$300.

(2) Does not include special commissioner fees of \$1,650.

(3) Does not include special commissioner fees of \$17,154.

(4) Does not include a law enforcement training supplement of \$800.

Exhibit J-6

Cocke County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitutional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,505,189	\$ 1,312,819	\$ 400,558	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	295,410	53,551	10,308	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	225,249	31,237	7,215	0	0	0
Interest and Penalty	48,312	8,641	2,006	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,786	562	171	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	167,023	33,694	10,267	0	0	0
Payments in-Lieu-of Taxes - Other	36,865	7,172	1,923	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	560,227	0	0	0	0	0
Hotel/Motel Tax	315,207	0	0	0	0	0
Litigation Tax - General	31,745	0	0	0	0	0
Litigation Tax - Special Purpose	2,781	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	133,000	0	0	0	0	0
Litigation Tax - Courthouse Security	9,910	0	0	0	0	0
Business Tax	308,476	0	0	0	0	0
Mixed Drink Tax	1,169	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	75,224	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	60,660	12,237	3,729	0	0	0
Wholesale Beer Tax	217,206	0	0	0	0	0
Total Local Taxes	\$ 8,996,439	\$ 1,459,913	\$ 436,177	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitutional Officers - Fees
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,168	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	127,576	0	0	0	0	0
<u>Permits</u>						
Beer Permits	6,162	0	0	0	0	0
Total Licenses and Permits	\$ 134,906	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,901	0	0	0	0	0
Drug Court Fees	11,750	0	0	0	0	0
Jail Fees	2,809	0	0	0	0	0
DUI Treatment Fines	480	0	0	0	0	0
Data Entry Fee - Circuit Court	6,240	0	0	0	0	0
Courtroom Security Fee	32	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	26,176	0	0	0	0	0
Officers Costs	26,206	0	0	0	0	0
Game and Fish Fines	27	0	0	0	0	0
Drug Control Fines	0	0	0	3,363	0	0
Drug Court Fees	3,118	0	0	0	0	0
Jail Fees	11,719	0	0	0	0	0
DUI Treatment Fines	4,042	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,138	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 88	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	456	0	0	0	0	0
Data Entry Fee - Juvenile Court	89	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	832	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	11,636	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	8,045	0	0
Total Fines, Forfeitures, and Penalties	\$ 122,598	\$ 0	\$ 0	\$ 11,408	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 12,119	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	2,786	0	0	0	0
Work Release Charges for Board	220	0	0	0	0	0
Other General Service Charges	5,944	0	0	170	0	0
<u>Fees</u>						
Recreation Fees	402,162	0	0	0	12,713	0
Copy Fees	2,212	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	55,835	0	0	0	0	0
Vending Machine Collections	104	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	292,593
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	18,804

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitutional Officers - Fees
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 10,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	1,410	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,850	0	0	0	0	0
Data Processing Fee - County Clerk	3,588	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,590	0	0	0	0	0
Total Charges for Current Services	\$ 492,725	\$ 14,905	\$ 0	\$ 170	\$ 12,713	\$ 311,397
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	10,025	0	0	0	0	0
Sale of Materials and Supplies	3,627	30,749	0	0	0	0
Commissary Sales	13,156	0	0	0	0	0
Miscellaneous Refunds	26,591	78	0	0	0	0
Total Other Local Revenues	\$ 53,399	\$ 30,827	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 289,079	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Officials	1,054	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	393,375	0	0	0	0	0
Circuit Court Clerk	255,037	0	0	0	0	0
General Sessions Court Clerk	175,719	0	0	0	0	0
Clerk and Master	41,313	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Constituti - tional Officers - Fees
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Juvenile Court Clerk	\$ 4,489	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	132,438	0	0	0	0	0
Sheriff	14,196	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,306,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,624	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	20,100	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	40,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	188,066	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	38,011	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	19,403	0	0	0	0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	7,875	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	335,807	67,743	20,642	0	0	0
State Revenue Sharing - Telecommunications	49,351	0	0	0	0	0
Contracted Prisoner Boarding	592,949	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	18,955	0	0	0	0	0
Other State Grants	10,587	0	0	0	0	0
Other State Revenues	35,522	0	0	0	0	0
Total State of Tennessee	\$ 1,350,950	\$ 87,843	\$ 20,642	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	57,926	0	0	0	0	0
COVID-19 Grant #1	0	251	0	170	0	0
COVID-19 Grant #2	5,994	0	0	0	0	0
Other Federal through State	129,177	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	139,505	0	0	0	0	0
Tax Credit Bond Rebate	253,924	0	0	0	0	0
Other Direct Federal Revenue	61,148	0	0	0	0	0
Total Federal Government	\$ 647,674	\$ 251	\$ 0	\$ 170	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 363,034	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 100	\$ 0
Total Other Governments and Citizens Groups	\$ 373,034	\$ 0	\$ 0	\$ 0	\$ 100	\$ 0
Total	\$ 13,478,425	\$ 1,593,739	\$ 456,819	\$ 11,748	\$ 12,813	\$ 311,397

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,672,873	\$ 561,601	\$ 958,987	\$ 0	\$ 0
Trustee's Collections - Prior Year	74,670	44,500	25,896	0	5,029
Circuit Clerk/Clerk and Master Collections - Prior Years	50,329	31,323	17,246	0	0
Interest and Penalty	12,254	6,926	4,811	0	255
Payments in-Lieu-of Taxes - T.V.A.	716	241	410	0	0
Payments in-Lieu-of Taxes - Local Utilities	42,949	14,461	24,584	0	0
Payments in-Lieu-of Taxes - Other	9,423	4,020	4,656	0	220
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	1,663,824	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	0	0	0	0	0
Business Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
Mineral Severance Tax	83,728	0	0	0	0
Other County Local Option Taxes	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	15,598	5,252	8,928	0	0
Wholesale Beer Tax	0	0	0	0	0
Total Local Taxes	\$ 1,962,540	\$ 2,332,148	\$ 1,045,518	\$ 0	\$ 5,504

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0
<u>Permits</u>					
Beer Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Recreation Fees	0	0	0	0	0
Copy Fees	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 164,161	\$ 0	\$ 818	\$ 0
Lease/Rentals	0	0	0	0	0
Sale of Materials and Supplies	7,334	0	0	0	0
Commissary Sales	0	0	0	0	0
Miscellaneous Refunds	2,982	0	0	0	0
Total Other Local Revenues	\$ 10,316	\$ 164,161	\$ 0	\$ 818	\$ 0
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Officials	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	356,682	0	0	0	0
State Aid Program	192,168	0	0	0	0
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	18,176	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	85,755	0	0	0	0
State Revenue Sharing - T.V.A.	86,350	29,074	49,426	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Gasoline and Motor Fuel Tax	\$ 2,425,318	\$ 0	\$ 0	\$ 0	\$ 0
Petroleum Special Tax	25,732	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 3,190,181	\$ 29,074	\$ 49,426	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 3,731	\$ 0	\$ 0
Civil Defense Reimbursement	0	0	0	0	0
COVID-19 Grant #1	118	0	0	0	0
COVID-19 Grant #2	0	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	17,473	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 17,591	\$ 0	\$ 3,731	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 158,401	\$ 0	\$ 0	\$ 0
Contracted Services	1,961	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Jail Capital Projects -
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Citizens Groups</u>					
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 1,961</u>	<u>\$ 158,401</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total	 <u>\$ 5,182,589</u>	 <u>\$ 2,683,784</u>	 <u>\$ 1,098,675</u>	 <u>\$ 818</u>	 <u>\$ 5,504</u>

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 0	\$ 11,412,027
Trustee's Collections - Prior Year	0	0	509,364
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	362,599
Interest and Penalty	0	0	83,205
Payments in-Lieu-of Taxes - T.V.A.	0	0	4,886
Payments in-Lieu-of Taxes - Local Utilities	0	0	292,978
Payments in-Lieu-of Taxes - Other	0	0	64,279
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	2,224,051
Hotel/Motel Tax	0	0	315,207
Litigation Tax - General	0	0	31,745
Litigation Tax - Special Purpose	0	0	2,781
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	133,000
Litigation Tax - Courthouse Security	0	0	9,910
Business Tax	0	0	308,476
Mixed Drink Tax	0	0	1,169
Mineral Severance Tax	0	0	83,728
Other County Local Option Taxes	0	0	75,224
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	0	106,404
Wholesale Beer Tax	0	0	217,206
Total Local Taxes	\$ 0	\$ 0	\$ 16,238,239

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$ 0	1,168
Cable TV Franchise			127,576
<u>Permits</u>			
Beer Permits		0	6,162
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>134,906</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	859
Officers Costs			5,901
Drug Court Fees			11,750
Jail Fees			2,809
DUI Treatment Fines			480
Data Entry Fee - Circuit Court			6,240
Courtroom Security Fee			32
<u>General Sessions Court</u>			
Fines			26,176
Officers Costs			26,206
Game and Fish Fines			27
Drug Control Fines			3,363
Drug Court Fees			3,118
Jail Fees			11,719
DUI Treatment Fines			4,042
Data Entry Fee - General Sessions Court			10,138

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Juvenile Court</u>			
Fines	\$ 0	\$ 88	
Officers Costs	0	456	
Data Entry Fee - Juvenile Court	0	89	
<u>Chancery Court</u>			
Data Entry Fee - Chancery Court	0	832	
<u>Judicial District Drug Program</u>			
Victims Assistance Assessments	0	11,636	
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	8,045	
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 134,006</u>	
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Tipping Fees	\$ 0	\$ 12,119	
Solid Waste Disposal Fee	0	2,786	
Work Release Charges for Board	0	220	
Other General Service Charges	0	6,114	
<u>Fees</u>			
Recreation Fees	0	414,875	
Copy Fees	0	2,212	
Greenbelt Late Application Fee	0	50	
Telephone Commissions	0	55,835	
Vending Machine Collections	0	104	
Constitutional Officers' Fees and Commissions	0	292,593	
Special Commissioner Fees/Special Master Fees	0	18,804	

(Continued)

Exhibit J-6

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

	Capital Projects Fund <hr/> Other Capital Projects - Library	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Data Processing Fee - Register	\$ 0	\$ 10,760
Data Processing Fee - Sheriff	0	1,410
Sexual Offender Registration Fee - Sheriff	0	8,850
Data Processing Fee - County Clerk	0	3,588
Vehicle Insurance Coverage and Reinstatement Fees	0	1,590
Total Charges for Current Services	\$ 0	\$ 831,910
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 164,979
Lease/Rentals	0	10,025
Sale of Materials and Supplies	0	41,710
Commissary Sales	0	13,156
Miscellaneous Refunds	0	29,651
Total Other Local Revenues	\$ 0	\$ 259,521
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
Trustee	\$ 0	\$ 289,079
Other Officials	0	1,054
<u>Fees In-Lieu-of Salary</u>		
County Clerk	0	393,375
Circuit Court Clerk	0	255,037
General Sessions Court Clerk	0	175,719
Clerk and Master	0	41,313

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<u>Fees Received From County Officials (Cont.)</u>			
<u>Fees In-Lieu-of Salary (Cont.)</u>			
Juvenile Court Clerk	\$ 0	\$ 4,489	
Register	0	132,438	
Sheriff	0	14,196	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,306,700</u>	
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 13,624	
Solid Waste Grants	0	20,100	
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	40,800	
<u>Health and Welfare Grants</u>			
Health Department Programs	0	188,066	
<u>Public Works Grants</u>			
Bridge Program	0	356,682	
State Aid Program	0	192,168	
Litter Program	0	38,011	
<u>Other State Revenues</u>			
Income Tax	0	19,403	
Beer Tax	0	18,176	
Vehicle Certificate of Title Fees	0	7,875	
Alcoholic Beverage Tax	0	85,755	
State Revenue Sharing - T.V.A.	0	589,042	
State Revenue Sharing - Telecommunications	0	49,351	
Contracted Prisoner Boarding	0	592,949	

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Gasoline and Motor Fuel Tax	\$ 0	\$	2,425,318
Petroleum Special Tax	0		25,732
Registrar's Salary Supplement	0		18,955
Other State Grants	0		10,587
Other State Revenues	0		35,522
Total State of Tennessee	<u>\$ 0</u>	<u>\$</u>	<u>4,728,116</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 0	\$	3,731
Civil Defense Reimbursement	0		57,926
COVID-19 Grant #1	0		539
COVID-19 Grant #2	0		5,994
Other Federal through State	0		129,177
<u>Direct Federal Revenue</u>			
Forest Service	0		156,978
Tax Credit Bond Rebate	0		253,924
Other Direct Federal Revenue	0		61,148
Total Federal Government	<u>\$ 0</u>	<u>\$</u>	<u>669,417</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 977,178	\$	1,498,613
Contracted Services	0		1,961

(Continued)

Exhibit J-6

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

	Capital Projects Fund	Other Capital Projects - Library	Total
<hr/>			
<u>Other Governments and Citizens Groups (Cont.)</u>			
<u>Citizens Groups</u>			
Donations	\$ 0	\$ 10,100	
Total Other Governments and Citizens Groups	<u>\$ 977,178</u>	<u>\$ 1,510,674</u>	
Total	<u>\$ 977,178</u>	<u>\$ 25,813,489</u>	

Exhibit J-7

Cocke County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,864,530	\$ 0	\$ 0	\$ 1,279,839	\$ 4,144,369
Trustee's Collections - Prior Year	116,521	0	0	58,195	174,716
Circuit Clerk/Clerk and Master Collections - Prior Years	82,290	0	0	43,130	125,420
Interest and Penalty	21,796	0	0	9,765	31,561
Payments in-Lieu-of Taxes - T.V.A.	1,392	0	0	548	1,940
Payments in-Lieu-of Taxes - Local Utilities	73,273	0	0	32,826	106,099
Payments in-Lieu-of Taxes - Other	16,892	0	0	7,202	24,094
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,976,219	0	0	0	3,976,219
Other County Local Option Taxes	0	0	0	29,453	29,453
<u>Statutory Local Taxes</u>					
Bank Excise Tax	26,609	0	0	11,922	38,531
Total Local Taxes	\$ 7,179,522	\$ 0	\$ 0	\$ 1,472,880	\$ 8,652,402
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,034	\$ 0	\$ 0	\$ 0	\$ 1,034
Total Licenses and Permits	\$ 1,034	\$ 0	\$ 0	\$ 0	\$ 1,034
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 32,302	\$ 0	\$ 32,302
Income from Breakfast	0	0	4,343	0	4,343
A la Carte Sales	0	0	82,710	0	82,710

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 23,009	\$ 0	\$ 0	\$ 43,070	\$	66,079
Other Charges for Services	718	0	0	0		718
Total Charges for Current Services	\$ 23,727	\$ 0	\$ 119,355	\$ 43,070	\$	186,152
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 4,536	\$ 0	\$ 5	\$ 0	\$	4,541
Lease/Rentals	675	0	0	0		675
Sale of Materials and Supplies	2,623	0	0	0		2,623
Miscellaneous Refunds	80,598	0	728	45,195		126,521
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	294	0	0	0		294
Contributions and Gifts	1,160,422	0	56,000	0		1,216,422
Total Other Local Revenues	\$ 1,249,148	\$ 0	\$ 56,733	\$ 45,195	\$	1,351,076
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 114,194	\$ 0	\$ 0	\$ 0	\$	114,194
<u>State Education Funds</u>						
Basic Education Program	25,362,115	0	0	300,385		25,662,500
Early Childhood Education	280,455	0	0	0		280,455
School Food Service	28,400	0	0	0		28,400
Driver Education	31,746	0	0	0		31,746
Other State Education Funds	822,293	0	0	0		822,293
Career Ladder Program	79,960	0	0	0		79,960

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	\$ 167,758	\$ 0	\$ 0	\$ 65,998	\$ 233,756
Other State Grants	111,094	0	0	0	111,094
Total State of Tennessee	<u>\$ 26,998,015</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 366,383</u>	<u>\$ 27,364,398</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,493,850	\$ 0	\$ 1,493,850
USDA - Commodities	0	0	206,920	0	206,920
Breakfast	0	0	564,216	0	564,216
USDA - Other	0	0	1,311,706	0	1,311,706
Vocational Education - Basic Grants to States	0	160,707	0	0	160,707
Title I Grants to Local Education Agencies	0	1,750,086	0	0	1,750,086
Special Education - Grants to States	3,685	1,108,241	0	0	1,111,926
Special Education Preschool Grants	0	65,430	0	0	65,430
Safe and Drug-free Schools - State Grants	181,013	0	0	0	181,013
Rural Education	0	82,626	0	0	82,626
Eisenhower Professional Development State Grants	0	138,679	0	0	138,679
COVID-19 Grant #1	10,605	0	0	0	10,605
Other Federal through State	109,836	364,771	0	0	474,607
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	128,034	0	0	0	128,034
Forest Service	52,419	0	0	0	52,419
Total Federal Government	<u>\$ 485,592</u>	<u>\$ 3,670,540</u>	<u>\$ 3,576,692</u>	<u>\$ 0</u>	<u>\$ 7,732,824</u>

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 419,629	\$ 419,629
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 419,629</u>	<u>\$ 419,629</u>
 Total	 <u>\$ 35,937,038</u>	 <u>\$ 3,670,540</u>	 <u>\$ 3,752,780</u>	 <u>\$ 2,347,157</u>	 <u>\$ 45,707,515</u>

Exhibit J-8

Cocke County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Secretary to Board	\$	1,390	
Board and Committee Members Fees		33,900	
Social Security		2,593	
Audit Services		13,869	
Data Processing Services		45	
Dues and Memberships		22,356	
Legal Services		3,586	
Legal Notices, Recording, and Court Costs		344	
Travel		1,740	
Other Contracted Services		5,801	
Total County Commission			\$ 85,624

Board of Equalization

Board and Committee Members Fees	\$	3,515	
Total Board of Equalization			3,515

Beer Board

Board and Committee Members Fees	\$	5,150	
Legal Notices, Recording, and Court Costs		323	
Total Beer Board			5,473

Other Boards and Committees

Board and Committee Members Fees	\$	1,860	
Evaluation and Testing		1,860	
Total Other Boards and Committees			3,720

County Mayor/Executive

County Official/Administrative Officer	\$	93,267	
Assistant(s)		33,395	
Secretary(ies)		12,677	
Social Security		10,350	
Pensions		8,537	
Employee and Dependent Insurance		13,992	
Unemployment Compensation		65	
Communication		3,427	
Maintenance and Repair Services - Office Equipment		45	
Travel		3,828	
Office Supplies		4,688	
Office Equipment		3,062	
Total County Mayor/Executive			187,333

County Attorney

County Official/Administrative Officer	\$	33,064	
Printing, Stationery, and Forms		124	
Total County Attorney			33,188

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	72,676	
Deputy(ies)		27,300	
Clerical Personnel		21,894	
Overtime Pay		90	
Board and Committee Members Fees		2,640	
Election Commission		2,600	
Election Workers		14,540	
Social Security		9,370	
Pensions		7,497	
Employee and Dependent Insurance		20,256	
Unemployment Compensation		122	
Communication		1,587	
Dues and Memberships		400	
Legal Notices, Recording, and Court Costs		4,672	
Maintenance Agreements		18,770	
Maintenance and Repair Services - Equipment		3,021	
Printing, Stationery, and Forms		2,719	
Travel		1,808	
Other Contracted Services		5,404	
Office Equipment		4,340	
Total Election Commission			\$ 221,706

Register of Deeds

County Official/Administrative Officer	\$	80,751	
Deputy(ies)		30,708	
Clerical Personnel		54,335	
Social Security		12,306	
Pensions		11,174	
Employee and Dependent Insurance		20,988	
Unemployment Compensation		96	
Communication		328	
Data Processing Services		8,606	
Printing, Stationery, and Forms		4,008	
Total Register of Deeds			223,300

Development

Board and Committee Members Fees	\$	2,390	
Contracts with Government Agencies		11,250	
Total Development			13,640

County Buildings

Maintenance Agreements	\$	20,907	
Maintenance and Repair Services - Buildings		136,059	
Custodial Supplies		11,884	
Utilities		124,809	
Building Improvements		1,268	
Furniture and Fixtures		875	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Site Development	\$	480	
Disabilities Act Improvements		24,360	
Total County Buildings			\$ 320,642

Other General Administration

Postal Charges	\$	41,999	
Printing, Stationery, and Forms		3,030	
Duplicating Supplies		42,161	
Total Other General Administration			87,190

Preservation of Records

Assistant(s)	\$	1,099	
Supervisor/Director		27,550	
Social Security		2,152	
Pensions		1,931	
Employee and Dependent Insurance		7,579	
Unemployment Compensation		32	
Communication		664	
Rentals		3,150	
Office Supplies		1,372	
Other Supplies and Materials		1,791	
Office Equipment		2,081	
Total Preservation of Records			49,401

Finance

Accounting and Budgeting

Supervisor/Director	\$	80,751	
Accountants/Bookkeepers		75,850	
Social Security		11,838	
Pensions		10,555	
Employee and Dependent Insurance		19,822	
Unemployment Compensation		121	
Dues and Memberships		948	
Maintenance Agreements		19,894	
Printing, Stationery, and Forms		833	
Travel		1,490	
Office Supplies		1,426	
Office Equipment		5,500	
Total Accounting and Budgeting			229,028

Property Assessor's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		37,101	
Deputy(ies)		30,533	
Laborers		102,003	
Overtime Pay		1,543	
Social Security		18,584	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Pensions	\$	17,202	
Employee and Dependent Insurance		41,976	
Unemployment Compensation		186	
Communication		1,576	
Contracts with Private Agencies		25,000	
Data Processing Services		833	
Maintenance and Repair Services - Vehicles		295	
Printing, Stationery, and Forms		500	
Travel		1,711	
Gasoline		356	
Office Supplies		3,610	
Furniture and Fixtures		89	
Other Equipment		1,447	
Total Property Assessor's Office			\$ 365,296

Reappraisal Program

Part-time Personnel	\$	21,520	
Overtime Pay		3,298	
Social Security		1,891	
Unemployment Compensation		70	
Data Processing Services		9,849	
Postal Charges		10,544	
Travel		270	
Office Supplies		888	
Total Reappraisal Program			48,330

County Trustee's Office

In-service Training	\$	710	
Employee and Dependent Insurance		27,984	
Communication		1,464	
Dues and Memberships		1,238	
Maintenance Agreements		15,484	
Postal Charges		6,600	
Printing, Stationery, and Forms		5,560	
Office Supplies		2,834	
Office Equipment		21,624	
Total County Trustee's Office			83,498

County Clerk's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		33,504	
Deputy(ies)		123,635	
Secretary to Board		650	
Clerical Personnel		93,038	
Part-time Personnel		23,458	
Overtime Pay		7,935	
Social Security		26,384	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Pensions	\$	22,839	
Employee and Dependent Insurance		69,960	
Unemployment Compensation		349	
Communication		3,370	
Maintenance and Repair Services - Office Equipment		23,805	
Printing, Stationery, and Forms		2,440	
Travel		1,573	
Office Supplies		5,110	
Other Supplies and Materials		5,233	
Office Equipment		4,231	
Total County Clerk's Office			\$ 528,265

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	80,751	
Deputy(ies)		35,841	
Clerical Personnel		133,099	
Part-time Personnel		5,042	
Overtime Pay		1,859	
Jury and Witness Expense		19,848	
Social Security		18,673	
Pensions		16,796	
Employee and Dependent Insurance		46,640	
Unemployment Compensation		210	
Communication		2,410	
Legal Notices, Recording, and Court Costs		16,189	
Maintenance and Repair Services - Office Equipment		45,244	
Printing, Stationery, and Forms		1,472	
Office Supplies		3,208	
Office Equipment		7,978	
Total Circuit Court			435,260

General Sessions Court

County Official/Administrative Officer	\$	80,751	
Judge(s)		145,627	
Deputy(ies)		66,313	
Clerical Personnel		27,710	
Part-time Personnel		13,046	
Social Security		24,468	
Pensions		21,595	
Employee and Dependent Insurance		40,227	
Unemployment Compensation		131	
Communication		1,175	
Data Processing Services		10,895	
Printing, Stationery, and Forms		2,240	
Office Supplies		2,237	
Office Equipment		990	
Total General Sessions Court			437,405

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	80,751	
Deputy(ies)		65,753	
Clerical Personnel		28,378	
Part-time Personnel		14,607	
Social Security		14,190	
Pensions		11,787	
Employee and Dependent Insurance		27,835	
Unemployment Compensation		166	
Communication		1,393	
Data Processing Services		10,192	
Legal Services		360	
Maintenance and Repair Services - Office Equipment		416	
Printing, Stationery, and Forms		7,956	
Travel		893	
Office Equipment		1,770	
Total Chancery Court			\$ 266,447

Juvenile Court

Deputy(ies)	\$	23,640	
Overtime Pay		341	
Social Security		1,654	
Pensions		1,616	
Employee and Dependent Insurance		6,996	
Unemployment Compensation		32	
Communication		467	
Office Supplies		418	
Office Equipment		805	
Total Juvenile Court			35,969

District Attorney General

Clerical Personnel	\$	74,267	
Social Security		5,557	
Pensions		3,792	
Employee and Dependent Insurance		6,413	
Unemployment Compensation		109	
Travel		3,168	
Office Supplies		3,927	
Office Equipment		316	
Total District Attorney General			97,549

Judicial Commissioners

Other Salaries and Wages	\$	27,300	
Social Security		2,089	
Pensions		1,744	
Unemployment Compensation		27	
Total Judicial Commissioners			31,160

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs

Contracts with Private Agencies	\$ 23,457	
Total Victim Assistance Programs		\$ 23,457

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 88,827	
Assistant(s)	52,696	
Supervisor/Director	23,695	
Deputy(ies)	404,514	
Detective(s)	239,704	
Captain(s)	43,500	
Lieutenant(s)	172,442	
Sergeant(s)	100,404	
Salary Supplements	27,600	
Dispatchers/Radio Operators	86,916	
Guards	15,038	
Clerical Personnel	53,465	
Attendants	72,290	
Custodial Personnel	22,000	
Part-time Personnel	11,422	
Overtime Pay	367,435	
Other Salaries and Wages	51,726	
In-service Training	43,780	
Social Security	135,841	
Pensions	164,400	
Employee and Dependent Insurance	264,814	
Unemployment Compensation	1,610	
Communication	35,158	
Maintenance and Repair Services - Equipment	1,876	
Maintenance and Repair Services - Office Equipment	112	
Maintenance and Repair Services - Vehicles	71,599	
Medical and Dental Services	25	
Printing, Stationery, and Forms	1,577	
Travel	7,068	
Other Contracted Services	10,849	
Gasoline	115,879	
Law Enforcement Supplies	64,403	
Office Supplies	4,248	
Tires and Tubes	16,140	
Uniforms	16,697	
Other Supplies and Materials	2,066	
Motor Vehicles	96,179	
Total Sheriff's Department		2,887,995

Special Patrols

Guards	\$ 239,950
Social Security	18,014

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Pensions	\$	22,882	
Employee and Dependent Insurance		38,899	
Unemployment Compensation		327	
Total Special Patrols			\$ 320,072

Administration of the Sexual Offender Registry

Criminal Investigation of Applicants - TBI	\$	3,300	
Other Charges		3,390	
Total Administration of the Sexual Offender Registry			6,690

Jail

Assistant(s)	\$	33,769	
Supervisor/Director		34,000	
Guards		593,078	
Secretary(ies)		27,200	
Clerical Personnel		25,000	
Cafeteria Personnel		27,000	
Part-time Personnel		352	
Overtime Pay		194,181	
In-service Training		6,080	
Social Security		69,041	
Pensions		39,972	
Employee and Dependent Insurance		153,264	
Unemployment Compensation		1,561	
Communication		14,094	
Maintenance and Repair Services - Buildings		57,021	
Maintenance and Repair Services - Equipment		4,335	
Medical and Dental Services		546,455	
Travel		2,020	
Other Contracted Services		1,609	
Custodial Supplies		26,672	
Food Preparation Supplies		8,438	
Food Supplies		139,355	
Law Enforcement Supplies		5,965	
Office Supplies		4,582	
Prisoners Clothing		15,113	
Uniforms		11,437	
Data Processing Equipment		13,017	
Furniture and Fixtures		1,204	
Total Jail			2,055,815

Juvenile Services

Youth Service Officer(s)	\$	70,927	
Secretary(ies)		30,510	
Part-time Personnel		204	
Overtime Pay		14,826	
Social Security		8,437	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Pensions	\$	6,855	
Employee and Dependent Insurance		13,992	
Unemployment Compensation		129	
Communication		4,474	
Contracts with Government Agencies		5,825	
Dues and Memberships		1,449	
Legal Services		450	
Maintenance and Repair Services - Office Equipment		4,425	
Medical and Dental Services		3,298	
Printing, Stationery, and Forms		241	
Travel		5,288	
Office Supplies		923	
Other Supplies and Materials		668	
Office Equipment		2,305	
Total Juvenile Services			\$ 175,226

Fire Prevention and Control

County Official/Administrative Officer	\$	41,902	
Assistant(s)		33,706	
Captain(s)		73,852	
Lieutenant(s)		80,152	
Salary Supplements		12,800	
Overtime Pay		118,698	
Other Salaries and Wages		187,324	
In-service Training		394	
Social Security		40,653	
Pensions		52,293	
Employee and Dependent Insurance		111,936	
Unemployment Compensation		562	
Communication		1,844	
Contributions		1,000	
Maintenance and Repair Services - Buildings		9,849	
Maintenance and Repair Services - Equipment		32,032	
Maintenance and Repair Services - Vehicles		7,825	
Travel		2,547	
Custodial Supplies		1,002	
Gasoline		8,265	
Uniforms		1,090	
Utilities		9,515	
Other Supplies and Materials		3,880	
Other Charges		3,902	
Building Improvements		352	
Total Fire Prevention and Control			837,375

Civil Defense

Supervisor/Director	\$	40,000	
Clerical Personnel		500	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Part-time Personnel	\$	15,103	
In-service Training		1,100	
Social Security		4,215	
Pensions		2,281	
Unemployment Compensation		97	
Communication		3,157	
Maintenance and Repair Services - Buildings		7,960	
Maintenance and Repair Services - Equipment		1,922	
Maintenance and Repair Services - Vehicles		2,667	
Custodial Supplies		244	
Gasoline		3,798	
Office Supplies		1,514	
Uniforms		495	
Utilities		3,248	
Other Supplies and Materials		25,164	
Other Charges		10,044	
Office Equipment		808	
Total Civil Defense			\$ 124,317

Inspection and Regulation

Supervisor/Director	\$	3,328	
Social Security		248	
Pensions		224	
Unemployment Compensation		3	
Total Inspection and Regulation			3,803

County Coroner/Medical Examiner

Legal Services	\$	6,500	
Other Contracted Services		55,791	
Total County Coroner/Medical Examiner			62,291

Other Public Safety

Part-time Personnel	\$	37,401	
In-service Training		240	
Social Security		2,861	
Unemployment Compensation		153	
Communication		20	
Maintenance and Repair Services - Equipment		4,089	
Printing, Stationery, and Forms		1,400	
Rentals		15,284	
Gasoline		61	
Uniforms		320	
Other Supplies and Materials		1,030	
Total Other Public Safety			62,859

(Continued)

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Medical Personnel	\$	65,528	
Clerical Personnel		68,441	
Social Security		9,808	
Pensions		8,446	
Employee and Dependent Insurance		34,980	
Unemployment Compensation		199	
Communication		2,293	
Contracts with Government Agencies		63,703	
Janitorial Services		6,935	
Maintenance and Repair Services - Buildings		4,811	
Pest Control		400	
Travel		663	
Natural Gas		1,007	
Office Supplies		670	
Utilities		9,621	
Other Supplies and Materials		918	
Total Local Health Center			\$ 278,423

Rabies and Animal Control

Supervisor/Director	\$	28,267	
Social Security		2,128	
Pensions		1,612	
Employee and Dependent Insurance		6,996	
Unemployment Compensation		34	
Communication		484	
Contracts with Other Public Agencies		91,667	
Gasoline		2,884	
Other Supplies and Materials		982	
Total Rabies and Animal Control			135,054

General Welfare Assistance

Contracts with Government Agencies	\$	6,500	
Total General Welfare Assistance			6,500

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	3,600	
Total Senior Citizens Assistance			3,600

Libraries

Contributions	\$	70,795	
Total Libraries			70,795

Other Social, Cultural, and Recreational

Supervisor/Director	\$	33,375	
Laborers		94,633	
Part-time Personnel		5,204	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Overtime Pay	\$	1,697	
Social Security		9,948	
Pensions		7,979	
Employee and Dependent Insurance		34,397	
Unemployment Compensation		218	
Communication		3,744	
Maintenance and Repair Services - Buildings		3,281	
Maintenance and Repair Services - Equipment		3,207	
Custodial Supplies		1,613	
Gasoline		2,315	
Office Supplies		664	
Utilities		10,785	
Other Supplies and Materials		80	
Other Charges		26,485	
Total Other Social, Cultural, and Recreational			\$ 239,625

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	44,847	
Other Fringe Benefits		19,066	
Communication		3,522	
Travel		2,617	
Other Supplies and Materials		5,357	
Total Agricultural Extension Service			75,409

Soil Conservation

Part-time Personnel	\$	28,000	
Total Soil Conservation			28,000

Other Operations

Industrial Development

Contracts with Private Agencies	\$	263,690	
Total Industrial Development			263,690

Veterans' Services

Supervisor/Director	\$	35,068	
Secretary(ies)		22,500	
Social Security		4,279	
Pensions		3,414	
Employee and Dependent Insurance		13,992	
Unemployment Compensation		93	
Communication		598	
Data Processing Services		844	
Maintenance and Repair Services - Vehicles		995	
Travel		736	
Office Supplies		442	
Total Veterans' Services			82,961

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Other Contracted Services	\$	108,015	
Liability Insurance		220,411	
Refunds		4,014	
Trustee's Commission		177,540	
Workers' Compensation Insurance		136,381	
Liability Claims		22,500	
Total Other Charges			\$ 668,861

Contributions to Other Agencies

Contributions	\$	207,000	
Total Contributions to Other Agencies			207,000

Employee Benefits

Employee and Dependent Insurance	\$	37,247	
Total Employee Benefits			37,247

COVID-19 Grant #1

Communication	\$	124	
Legal Services		594	
Custodial Supplies		3,637	
Office Supplies		20,610	
Building Improvements		1,908	
Total COVID-19 Grant #1			26,873

COVID-19 Grant #2

Other Charges	\$	5,994	
Total COVID-19 Grant #2			5,994

Miscellaneous

Other Charges	\$	9,007	
Total Miscellaneous			9,007

Highways

Litter and Trash Collection

Supervisor/Director	\$	45,502	
Social Security		3,324	
Pensions		3,067	
Employee and Dependent Insurance		13,992	
Unemployment Compensation		46	
Maintenance and Repair Services - Vehicles		1,658	
Gasoline		3,879	
Instructional Supplies and Materials		12,375	
Tires and Tubes		445	
Total Litter and Trash Collection			84,288

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 9,054	
Total General Government		\$ 9,054

Interest on Debt

General Government

Interest on Capital Leases	\$ 937	
Total General Government		<u>937</u>

Total General Fund		\$ 12,586,157
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 36,104	
Foremen	25,400	
Laborers	117,480	
Overtime Pay	950	
Social Security	12,556	
Pensions	10,596	
Employee and Dependent Insurance	42,274	
Unemployment Compensation	216	
Communication	1,329	
Contracts with Government Agencies	4,000	
Contracts with Private Agencies	32,712	
Engineering Services	41,179	
Other Contracted Services	13,244	
Custodial Supplies	25	
Equipment and Machinery Parts	47,467	
Fertilizer, Lime, and Seed	8	
Gasoline	19,904	
Office Supplies	300	
Tires and Tubes	284	
Utilities	41,460	
Other Supplies and Materials	3,306	
Trustee's Commission	30,061	
Vehicle and Equipment Insurance	16,955	
Workers' Compensation Insurance	22,202	
Other Construction	<u>8,833</u>	
Total Sanitation Management		\$ 528,845

Convenience Centers

Laborers	\$ 287,355
Social Security	22,962
Unemployment Compensation	180
Rentals	3,330
Disposal Fees	1,063,891
Other Contracted Services	2,798

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Other Supplies and Materials	\$ 689	
Other Charges	41,355	
Solid Waste Equipment	7,640	
Total Convenience Centers		\$ 1,430,200

Other Operations

COVID-19 Grant #1

Custodial Supplies	\$ 251	
Total COVID-19 Grant #1		251

Total Solid Waste/Sanitation Fund \$ 1,959,296

Industrial/Economic Development Fund

Principal on Debt

General Government

Principal on Other Loans	\$ 88,961	
Total General Government		\$ 88,961

Interest on Debt

General Government

Interest on Other Loans	\$ 62,587	
Total General Government		62,587

Capital Projects

Public Utility Projects

Trustee's Commission	\$ 8,878	
Total Public Utility Projects		8,878

Other General Government Projects

Other Contracted Services	\$ 18,331	
Total Other General Government Projects		18,331

Total Industrial/Economic Development Fund 178,757

Drug Control Fund

Public Safety

Sheriff's Department

In-service Training	\$ 95	
Maintenance and Repair Services - Vehicles	1,240	
Other Supplies and Materials	2,561	
Law Enforcement Equipment	21,228	
Total Sheriff's Department		\$ 25,124

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 5,000	
Other Supplies and Materials	696	
Trustee's Commission	109	
Law Enforcement Equipment	13,291	
Total Drug Enforcement		19,096

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Other Operations

COVID-19 Grant #1

Office Supplies	\$ 170	
Total COVID-19 Grant #1		\$ 170

Total Drug Control Fund \$ 44,390

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

Other Per Diem and Fees	\$ 8,280	
Other Contracted Services	2,155	
Trustee's Commission	127	
Other Charges	780	
Total Other Social, Cultural, and Recreational		\$ 11,342

Total Sports and Recreation Fund 11,342

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 291,957	
Total County Trustee's Office		\$ 291,957

Administration of Justice

Circuit Court

Special Commissioner Fees/Special Master Fees	\$ 1,650	
Constitutional Officers' Operating Expenses	340	
Total Circuit Court		1,990

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 17,154	
Total Chancery Court		17,154

Total Constitutional Officers - Fees Fund 311,101

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 88,827
Assistant(s)	39,938
Secretary to Board	180
Secretary(ies)	40,064
Clerical Personnel	26,894
Board and Committee Members Fees	17,100
Social Security	15,926
Pensions	13,192
Employee and Dependent Insurance	28,512
Unemployment Compensation	805

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Data Processing Services	\$	1,904	
Dues and Memberships		3,423	
Other Contracted Services		1,582	
Office Supplies		635	
Total Administration			\$ 278,982

Highway and Bridge Maintenance

Foremen	\$	134,299	
Equipment Operators		709,533	
Overtime Pay		39,243	
Social Security		65,527	
Pensions		53,873	
Employee and Dependent Insurance		214,011	
Unemployment Compensation		8,897	
Matching Share		2,588	
Other Contracted Services		28,964	
Asphalt		470,223	
Asphalt - Cold Mix		116,843	
Asphalt - Liquid		419,364	
General Construction Materials		3,531	
Other Road Materials		30,702	
Pipe		95,000	
Road Signs		11,540	
Wood Products		339	
Other Supplies and Materials		8,492	
Bridge Construction		376,013	
Highway Equipment		200,000	
State Aid Projects		188,984	
Total Highway and Bridge Maintenance			3,177,966

Operation and Maintenance of Equipment

Foremen	\$	38,501	
Mechanic(s)		79,274	
Social Security		10,571	
Pensions		7,868	
Employee and Dependent Insurance		40,784	
Unemployment Compensation		1,186	
Diesel Fuel		107,016	
Equipment and Machinery Parts		199,083	
Garage Supplies		2,958	
Gasoline		23,844	
Lubricants		13,439	
Propane Gas		4,927	
Tires and Tubes		33,365	
Total Operation and Maintenance of Equipment			562,816

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations

Foremen	\$	36,485	
Equipment Operators - Light		164,188	
Social Security		12,930	
Pensions		11,851	
Employee and Dependent Insurance		49,981	
Unemployment Compensation		1,408	
Explosive and Drilling Services		99,796	
Maintenance and Repair Services - Equipment		34,386	
Fines, Assessments, and Penalties		1,549	
Quarry Equipment		329,039	
Total Quarry Operations			\$ 741,613

Other Charges

Communication	\$	9,752	
Electricity		12,431	
Trustee's Commission		64,953	
Vehicle and Equipment Insurance		101,728	
Workers' Compensation Insurance		135,794	
Total Other Charges			324,658

Employee Benefits

Employee and Dependent Insurance	\$	2,269	
Total Employee Benefits			2,269

COVID-19 Grant #1

Custodial Supplies	\$	118	
Total COVID-19 Grant #1			118

Total Highway/Public Works Fund \$ 5,088,422

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	395,427	
Total General Government			\$ 395,427

Highways and Streets

Principal on Bonds	\$	475,902	
Total Highways and Streets			475,902

Education

Principal on Bonds	\$	808,671	
Principal on Other Loans		347,871	
Total Education			1,156,542

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 62,686	
Total General Government		\$ 62,686

Highways and Streets

Interest on Bonds	\$ 165,625	
Total Highways and Streets		165,625

Education

Interest on Bonds	\$ 139,291	
Interest on Other Loans	269,950	
Total Education		409,241

Other Debt Service

General Government

Trustee's Commission	\$ 32,833	
Underwriter's Discount	14,641	
Other Debt Service	2,413	
Total General Government		49,887

Education

Other Debt Issuance Charges	\$ 47,127	
Other Debt Service	4,460	
Total Education		<u>51,587</u>

Total General Debt Service Fund		\$ 2,766,897
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General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 21,289	
Total Other Charges		\$ 21,289

Principal on Debt

General Government

Principal on Capital Leases	\$ 81,669	
Total General Government		81,669

Interest on Debt

General Government

Interest on Capital Leases	\$ 3,299	
Total General Government		3,299

Capital Projects

General Administration Projects

Other Construction	\$ 220,361	
Total General Administration Projects		220,361

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Motor Vehicles	\$ 316,409	
Total Public Safety Projects		\$ 316,409

Public Health and Welfare Projects

Solid Waste Equipment	\$ 66,184	
Total Public Health and Welfare Projects		66,184

Education Capital Projects

Contributions	\$ 419,629	
Total Education Capital Projects		<u>419,629</u>

Total General Capital Projects Fund		\$ 1,128,840
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Jail Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 118	
Total Other Charges		\$ 118

Capital Projects

Public Safety Projects

Architects	\$ 22,500	
Total Public Safety Projects		<u>22,500</u>

Total Jail Capital Projects Fund		22,618
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Other Capital Projects Fund - Library Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

Building Construction	\$ 59,799	
Office Equipment	7,016	
Total Other Social, Cultural, and Recreational		<u>\$ 66,815</u>

Total Other Capital Projects Fund - Library Fund		<u>66,815</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 24,164,635</u></u>
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Exhibit J-9

Cocke County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 11,813,564	
Career Ladder Program	46,990	
Homebound Teachers	5,844	
Educational Assistants	376,262	
Other Salaries and Wages	33,542	
Certified Substitute Teachers	13,030	
Non-certified Substitute Teachers	120,428	
Social Security	720,161	
Pensions	1,161,671	
Medical Insurance	1,868,386	
Employer Medicare	171,521	
Other Fringe Benefits	119,596	
Other Contracted Services	19,972	
Instructional Supplies and Materials	146,997	
Textbooks - Bound	393,798	
Other Supplies and Materials	26,772	
Other Charges	28,848	
Regular Instruction Equipment	126,391	
Total Regular Instruction Program		\$ 17,193,773

Alternative Instruction Program

Teachers	\$ 209,437	
Career Ladder Program	2,000	
Clerical Personnel	29,659	
Non-certified Substitute Teachers	765	
Social Security	14,069	
Pensions	24,475	
Medical Insurance	35,916	
Employer Medicare	3,290	
Instructional Supplies and Materials	1,030	
Other Equipment	2,600	
Total Alternative Instruction Program		323,241

Special Education Program

Teachers	\$ 1,408,845
Career Ladder Program	9,000
Homebound Teachers	9,827
Educational Assistants	123,483
Speech Pathologist	109,110
Certified Substitute Teachers	2,040
Non-certified Substitute Teachers	14,461
Social Security	99,668
Pensions	158,674
Medical Insurance	286,839
Employer Medicare	23,313
Contracts with Private Agencies	74,030

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$ 38,816	
Other Supplies and Materials	9,625	
Special Education Equipment	18,000	
Total Special Education Program		\$ 2,385,731

Career and Technical Education Program

Teachers	\$ 1,088,016	
Career Ladder Program	2,000	
Certified Substitute Teachers	434	
Non-certified Substitute Teachers	10,557	
Social Security	66,430	
Pensions	109,419	
Medical Insurance	153,779	
Employer Medicare	15,539	
Maintenance and Repair Services - Equipment	1,479	
Instructional Supplies and Materials	62,587	
Software	250	
Other Charges	537	
Vocational Instruction Equipment	78,000	
Total Career and Technical Education Program		1,589,027

Student Body Education Program

Other Charges	\$ 500	
Total Student Body Education Program		500

Support Services

Attendance

Supervisor/Director	\$ 70,550	
Career Ladder Program	1,000	
Clerical Personnel	68,853	
Social Security	8,087	
Pensions	12,246	
Medical Insurance	20,666	
Employer Medicare	1,891	
Travel	3,014	
Software	21,276	
Attendance Equipment	439	
Total Attendance		208,022

Health Services

Supervisor/Director	\$ 64,765	
Medical Personnel	178,752	
Other Salaries and Wages	26,347	
Non-certified Substitute Teachers	296	
Social Security	16,570	
Pensions	23,960	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	56,689	
Employer Medicare		3,879	
Travel		10,475	
Other Contracted Services		527	
Drugs and Medical Supplies		1,500	
Other Supplies and Materials		21,111	
Other Charges		4,920	
Other Equipment		2,000	
Total Health Services			\$ 411,791

Other Student Support

Guidance Personnel	\$	713,369	
Social Security		42,775	
Pensions		68,090	
Medical Insurance		91,192	
Employer Medicare		10,004	
Contracts with Government Agencies		357,291	
Evaluation and Testing		825	
Other Contracted Services		36,667	
Other Supplies and Materials		4,893	
Total Other Student Support			1,325,106

Regular Instruction Program

Supervisor/Director	\$	138,749	
Career Ladder Program		5,000	
Librarians		510,908	
Secretary(ies)		40,244	
Clerical Personnel		16,454	
Educational Assistants		42,626	
Other Salaries and Wages		3,333	
Social Security		42,847	
Pensions		73,658	
Medical Insurance		108,453	
Employer Medicare		10,428	
Travel		10,786	
Library Books/Media		8,855	
Periodicals		4,583	
Software		8,389	
Other Supplies and Materials		11,856	
In Service/Staff Development		8,373	
Other Equipment		1,453	
Total Regular Instruction Program			1,046,995

Special Education Program

Supervisor/Director	\$	71,230	
Psychological Personnel		124,865	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Medical Personnel	\$	168,090	
Secretary(ies)		31,440	
Other Salaries and Wages		79,865	
Social Security		29,253	
Pensions		34,799	
Medical Insurance		54,649	
Employer Medicare		6,841	
Communication		2,819	
Postal Charges		62	
Travel		12,230	
Other Contracted Services		3,690	
In Service/Staff Development		11,096	
Total Special Education Program			\$ 630,929

Career and Technical Education Program

Supervisor/Director	\$	34,674	
Career Ladder Program		1,800	
Other Salaries and Wages		19,341	
Social Security		1,199	
Pensions		1,304	
Employer Medicare		780	
Travel		6,082	
Other Supplies and Materials		2,441	
Other Charges		1,900	
Total Career and Technical Education Program			69,521

Technology

Instructional Computer Personnel	\$	53,025	
Other Salaries and Wages		84,594	
Social Security		8,479	
Pensions		11,338	
Medical Insurance		20,556	
Employer Medicare		1,983	
Maintenance and Repair Services - Equipment		28,956	
Internet Connectivity		45,876	
Cabling		2,874	
Other Equipment		66,328	
Total Technology			324,009

Other Programs

On-behalf Payments to OPEB	\$	114,194	
Total Other Programs			114,194

Board of Education

Board and Committee Members Fees	\$	17,100	
Social Security		1,060	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Life Insurance	\$	26,779	
Unemployment Compensation		42,903	
Employer Medicare		248	
Audit Services		16,400	
Dues and Memberships		16,760	
Legal Services		4,900	
Travel		13,582	
Liability Insurance		32,840	
Trustee's Commission		154,954	
Workers' Compensation Insurance		110,994	
Other Charges		18,187	
Total Board of Education			\$ 456,707

Director of Schools

County Official/Administrative Officer	\$	128,970	
Assistant(s)		88,525	
Career Ladder Program		1,000	
Secretary(ies)		38,357	
Clerical Personnel		16,454	
Social Security		16,264	
Pensions		26,856	
Medical Insurance		27,929	
Employer Medicare		3,804	
Communication		25,179	
Postal Charges		4,492	
Travel		10,129	
Other Charges		4,661	
Administration Equipment		1,014	
Total Director of Schools			393,634

Office of the Principal

Principals	\$	853,535	
Career Ladder Program		9,000	
Assistant Principals		266,325	
Secretary(ies)		530,817	
Social Security		98,038	
Pensions		155,250	
Medical Insurance		278,768	
Employer Medicare		22,928	
Communication		12,000	
Travel		6,955	
Other Contracted Services		8,775	
Other Supplies and Materials		56,219	
Other Charges		623	
Administration Equipment		2,448	
Total Office of the Principal			2,301,681

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	57,850	
Clerical Personnel		57,221	
Other Salaries and Wages		101,500	
Social Security		13,407	
Pensions		10,698	
Medical Insurance		30,834	
Employer Medicare		3,135	
Data Processing Services		17,189	
Travel		23	
Other Contracted Services		1,328	
Data Processing Supplies		4,966	
Other Supplies and Materials		542	
Administration Equipment		6,517	
Total Fiscal Services			\$ 305,210

Operation of Plant

Custodial Personnel	\$	793,380	
Other Salaries and Wages		5,760	
Social Security		48,091	
Pensions		49,821	
Medical Insurance		228,329	
Employer Medicare		11,247	
Maintenance and Repair Services - Equipment		11,804	
Rentals		9,957	
Other Contracted Services		128,695	
Custodial Supplies		74,876	
Electricity		792,322	
Natural Gas		136,898	
Water and Sewer		91,429	
Boiler Insurance		7,506	
Building and Contents Insurance		152,064	
Other Charges		90,501	
Total Operation of Plant			2,632,680

Maintenance of Plant

Supervisor/Director	\$	50,145	
Secretary(ies)		30,497	
Maintenance Personnel		212,224	
Other Salaries and Wages		1,310	
Social Security		18,223	
Pensions		19,235	
Medical Insurance		54,816	
Employer Medicare		4,262	
Other Contracted Services		72,065	
General Construction Materials		5,914	
Other Supplies and Materials		156,881	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	128	
Maintenance Equipment		20,000	
Total Maintenance of Plant			\$ 645,700

Transportation

Contracts with Parents	\$	2,634	
Total Transportation			2,634

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	62,430	
Social Security		3,637	
Pensions		6,636	
Medical Insurance		10,799	
Employer Medicare		851	
Total Food Service			84,353

Community Services

Other Salaries and Wages	\$	1,012,612	
Social Security		58,157	
Pensions		52,896	
Medical Insurance		118,415	
Employer Medicare		14,563	
Travel		10,303	
Instructional Supplies and Materials		69,979	
Other Supplies and Materials		99,842	
In Service/Staff Development		6,779	
Other Charges		57,001	
Total Community Services			1,500,547

Early Childhood Education

Supervisor/Director	\$	15,822	
Teachers		133,320	
Educational Assistants		47,169	
Non-certified Substitute Teachers		2,218	
Social Security		11,400	
Pensions		17,650	
Medical Insurance		47,062	
Employer Medicare		2,666	
Instructional Supplies and Materials		2,175	
Other Supplies and Materials		215	
Total Early Childhood Education			279,697

COVID-19 Expenditures

Other Supplies and Materials	\$	10,605	
Total COVID-19 Expenditures			10,605

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$ 15,222	
Building Improvements	194,561	
Total Regular Capital Outlay		\$ 209,783

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 158,401	
Total Education		158,401

Total General Purpose School Fund \$ 34,604,471

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 323,898	
Educational Assistants	299,107	
Other Salaries and Wages	374,515	
Certified Substitute Teachers	51	
Non-certified Substitute Teachers	3,484	
Social Security	56,652	
Pensions	84,724	
Medical Insurance	197,480	
Employer Medicare	13,805	
Maintenance and Repair Services - Equipment	600	
Instructional Supplies and Materials	100,547	
Software	37,806	
Regular Instruction Equipment	78,973	
Total Regular Instruction Program		\$ 1,571,642

Special Education Program

Teachers	\$ 109,978	
Educational Assistants	419,377	
Certified Substitute Teachers	332	
Non-certified Substitute Teachers	6,656	
Social Security	28,105	
Pensions	33,472	
Medical Insurance	186,447	
Employer Medicare	7,109	
Contracts with Private Agencies	215	
Instructional Supplies and Materials	25,177	
Other Charges	2,950	
Special Education Equipment	400	
Total Special Education Program		820,218

Career and Technical Education Program

Clerical Personnel	\$ 21,824	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Social Security	\$	1,280	
Pensions		1,471	
Medical Insurance		6,852	
Employer Medicare		299	
Instructional Supplies and Materials		2,000	
Vocational Instruction Equipment		100,247	
Total Career and Technical Education Program			\$ 133,973

Support Services

Other Student Support

Supervisor/Director	\$	63,856	
Social Workers		96,390	
Other Salaries and Wages		7,200	
Social Security		10,382	
Pensions		10,260	
Medical Insurance		21,127	
Employer Medicare		2,428	
Communication		1,634	
Travel		24,442	
Other Contracted Services		24,322	
Other Supplies and Materials		64,274	
In Service/Staff Development		27,162	
Other Charges		15,797	
Total Other Student Support			369,274

Regular Instruction Program

Supervisor/Director	\$	39,405	
Instructional Computer Personnel		17,225	
Secretary(ies)		18,078	
Other Salaries and Wages		155,456	
Certified Substitute Teachers		994	
In-service Training		13,046	
Non-certified Substitute Teachers		10,357	
Social Security		12,805	
Pensions		19,965	
Medical Insurance		21,227	
Employer Medicare		3,675	
Consultants		15,352	
Travel		1,678	
Other Supplies and Materials		8,980	
In Service/Staff Development		41,976	
Other Charges		16,761	
Total Regular Instruction Program			396,980

Special Education Program

Medical Personnel	\$	59,150	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	32,463	
Social Security		5,623	
Pensions		3,451	
Medical Insurance		4,568	
Employer Medicare		1,315	
Other Supplies and Materials		4,008	
In Service/Staff Development		16,412	
Total Special Education Program			\$ 126,990

Career and Technical Education Program

In Service/Staff Development	\$	5,000	
Total Career and Technical Education Program			5,000

Transportation

Bus Drivers	\$	61,753	
Other Salaries and Wages		84,358	
Social Security		8,895	
Pensions		9,702	
Medical Insurance		59,675	
Employer Medicare		2,080	
Total Transportation			<u>226,463</u>

Total School Federal Projects Fund \$ 3,650,540

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	964,842	
Other Salaries and Wages		135,091	
Social Security		65,737	
Pensions		69,734	
Medical Insurance		329,851	
Unemployment Compensation		2,686	
Employer Medicare		15,374	
Communication		3,843	
Maintenance and Repair Services - Equipment		12,756	
Transportation - Other than Students		8,344	
Travel		1,896	
Other Contracted Services		255,443	
Food Supplies		996,129	
Office Supplies		3,473	
Uniforms		636	
USDA - Commodities		206,920	
Other Supplies and Materials		123,226	
In Service/Staff Development		2,840	
Food Service Equipment		166,722	
Total Food Service			<u>\$ 3,365,543</u>

Total Central Cafeteria Fund 3,365,543

(Continued)

Exhibit J-9

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

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 29,501	
Total Board of Education		\$ 29,501

Transportation

Supervisor/Director	\$ 48,981	
Mechanic(s)	116,452	
Bus Drivers	599,948	
Clerical Personnel	26,934	
Other Salaries and Wages	100,562	
Social Security	52,853	
Pensions	54,447	
Medical Insurance	280,294	
Employer Medicare	12,556	
Communication	1,208	
Maintenance and Repair Services - Vehicles	63,986	
Medical and Dental Services	7,062	
Rentals	10,636	
Diesel Fuel	120,382	
Garage Supplies	6,216	
Gasoline	24,537	
Lubricants	5,482	
Tires and Tubes	24,614	
Vehicle Parts	315,948	
Other Supplies and Materials	13,272	
Vehicle and Equipment Insurance	42,223	
Other Charges	13,009	
Administration Equipment	878	
Transportation Equipment	39,875	
Total Transportation		<u>1,982,355</u>

Total School Transportation Fund \$ 2,011,856

Total Governmental Funds - Coke County School Department \$ 43,632,410

Exhibit J-10

Cocke County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balances - City Agency Funds
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund	City School ADA - Newport Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 396,030	\$ 396,030
Trustee's Collections - Prior Years	0	17,688	17,688
Circuit/Clerk and Master Collections - Prior Years	0	12,747	12,747
Interest and Penalty	0	3,015	3,015
Payments in-Lieu-of Taxes - Local Utilities	0	10,166	10,166
Payments in-Lieu-of Taxes - Other	0	1,415	1,415
Local Option Sales Tax	4,160,759	673,355	4,834,114
Bank Excise Tax	0	3,695	3,695
Marriage Licenses	0	130	130
Other Local Revenues	0	68	68
Total Cash Receipts	<u>\$ 4,160,759</u>	<u>\$ 1,118,309</u>	<u>\$ 5,279,068</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,119,151	\$ 1,101,970	\$ 5,221,121
Trustee's Commission	41,608	16,339	57,947
Total Cash Disbursements	<u>\$ 4,160,759</u>	<u>\$ 1,118,309</u>	<u>\$ 5,279,068</u>
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ 0	\$ 0	\$ 0
Cash Balance, July 1, 2019	0	0	0
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cocke County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cocke County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cocke County's internal control over financial reporting (internal control) as a basis for designing 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 Cocke County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cocke County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cocke 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 financial statements. 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: 2020-001, 2020-002, 2020-003, and 2020-004.

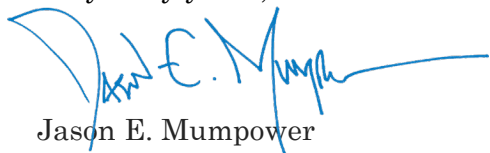
Cocke County's Responses to the Findings

Cocke County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cocke County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2021

JEM/tg



JASON E. MUMPOWER
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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Cocke 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 Cocke County's major federal programs for the year ended June 30, 2020. Cocke 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 Cocke 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 Cocke 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 Cocke County's compliance.

Opinion on Each Major Federal Program

In our opinion, Cocke 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, 2020.

Report on Internal Control Over Compliance

Management of Cocke 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 Cocke 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 Cocke 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 Cocke County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cocke County's basic financial statements. We issued our report thereon dated February 3, 2021, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2021

JEM/tg

Cocke County, Tennessee, and the Cocke County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9)
For the Year-Ended June 30, 2020

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 69,892
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	751,746 (7)
COVID 19 - School Breakfast Program	10.553	N/A	301,501 (7)
National School Lunch Program	10.555	N/A	1,837,193 (7)
COVID 19 - National School Lunch Program	10.555	N/A	479,332 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	206,920 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63808	46,192 (6)
Total U.S. Department of Agriculture			<u>\$ 3,692,776</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		\$ 3,731
Total U.S. Department of Housing and Urban Development			<u>\$ 3,731</u>
U.S. Department of Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 139,505
Total U.S. Department of Interior			<u>\$ 139,505</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(4)	\$ 81,627
Total U.S. Department of Justice			<u>\$ 81,627</u>
U.S. Department of Labor:			
Passed through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 4,059
Total U.S. Department of Labor			<u>\$ 4,059</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 47,550
Total U.S. Department of Transportation			<u>\$ 47,550</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Z-20-50620	\$ 106,181
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,731,634
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,131,497
Special Education - Preschool Grants	84.173	N/A	45,859
Career and Technical Education - Basic Grants to States	84.048	N/A	160,706
Twenty-first Century Community Learning Centers	84.287	N/A	181,013
Rural Education	84.358	N/A	88,281
Improving Teacher Quality State Grants	84.367	N/A	150,345
Student Support and Academic Enrichment Program	84.424	N/A	57,193

(Continued)

Cocke County, Tennessee, and the Cocke County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	\$ 3,655
Total U.S. Department of Education			<u>\$ 3,656,364</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grant (Noncash Assistance)	90.404	(4)	\$ 1,273 (7)
Help America Vote Election Security Grant	90.404	(4)	1,837 (7)
Total U.S. Election Assistance Commission			<u>\$ 3,110</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	\$ 308,710
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-20-63808	5,532 (6)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-63808	26,346 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63808	5,950 (6)
Passed-through Save the Children:			
477 Cluster: (5)			
Temporary Assistance for Needy Families	93.558	N/A	107,106
Total U.S. Department of Health and Human Services			<u>\$ 453,644</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(4)	\$ 13,883
Total Executive Office of the President			<u>\$ 13,883</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 57,926
Total U.S. Department of Homeland Security			<u>\$ 57,926</u>
Total Expenditures of Federal Awards			<u>\$ 8,154,175</u>
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	<u>(4)</u>	\$ 38,011
Solid Waste Grant - State Department of Environment and Conservation	N/A	(4)	20,100
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	13,624
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	280,455
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Family Resource Center - State Department of Education	N/A	(4)	29,612
Safe Schools Act - State Department of Education	N/A	(4)	100,900
School Safety and Security Grants - State Department of Education	N/A	(4)	245,000

(Continued)

Cocke County, Tennessee, and the Cocke County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

<u>State Grants (Cont.)</u>		<u>Contract Number</u>		
Drivers Education - State Department of Education	N/A	(4)	\$	31,746
Supporting Postsecondary Attainment in Rural Counties (SPARC) - Tennessee Education Commission	N/A	(4)		75,000
Law Enforcement Training Program - State Department of Safety	N/A	(4)		40,800
Bridge Program - State Department of Transportation	N/A	(4)		356,682
State Aid Program - State Department of Transportation	N/A	(4)		192,168
Tennessee Counts Census Grant - State Department of Finance and Administration	N/A	(4)		8,750
Adverse Childhood Experiences Initiative Program (ACE) - State Department of Children's Services	N/A	(10)		36,094
Lottery for Education - After School Programs - Save the Children	N/A	(4)		284,501
State Earmark - Save the Children	N/A	(4)		164,473
Rural Local Health Services - State Department of Health	N/A	GG-20-63808		<u>104,045</u> (6)
 Total State Grants			 \$	 <u><u>2,116,961</u></u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Cocke County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts (\$0) were passed through to subrecipients.
(4) Information not available.
(5) Forest Service Schools and Roads Cluster total \$69,892; Child Nutrition Cluster total \$3,576,692;
Highway Safety Cluster total \$47,550; Special Education Cluster total \$1,177,356; Medicaid Cluster total \$26,346;
477 Cluster total \$107,106.
(6) Programs with pass-through entity identifying number GG-20-63808 are part of a multi-service contract.
(7) CFDA Totals: CFDA No. 10.553, \$1,053,247; CFDA No. 10.555, \$2,523,445; CFDA No. 90.404, \$3,110.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Consolidated Administration</u>
Title I Grants to Local Educational Agencies	84.010	\$76,797
Improving Teacher Quality State Grants	84.367	11,665
Rural Education	84.358	5,655
Student Support and Academic Enrichment Program	84.424	1,131
Total amounts consolidated for administration purposes		<u><u>\$95,248</u></u>

- (9) For the year ended June 30, 2020, Cocke County received donated PPE valued at \$18,597 (\$13,948 federal and \$4,649 state) from the Tennessee Department of Military. These donations were unaudited.

Additional Notes for State Grants:

- (10) 35910-03867: \$21,814; 35910-04315: \$14,280.

Cocke County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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 Cocke County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS</u>					
2019	217	2019-001	The Accounting Records for Various Funds had not been Maintained Properly	N/A	Corrected
2019	218	2019-002	A Tax Deposit Due to the Internal Revenue Service was not Reported Timely Resulting in the Assessment of Interest and Penalty Totaling \$32,236	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	219	2019-003	Expenditures Exceeded Appropriations	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	220	2019-004	The Office did not Implement Adequate Controls to Protect its Information Resources	N/A	Corrected

Prior-year Federal Awards Findings

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

COCKE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|----------------------|
| 1. Our report on the financial statements of Cocke County is unmodified. | |
| 2. Internal Control Over Financial Reporting: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 3. Noncompliance material to the financial statements noted? | NO |

Federal Awards:

- | | |
|---|---|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Number 84.010 | Title I Grants to Local Education Agencies |
| * CFDA Numbers: 84.027 and 84.173 | Special Education Cluster:
Special Education - Grants to States,
Special Education - Preschool Grants |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | YES |

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

COCKE COUNTY

FINDING 2020-001 **COCKE COUNTY PARKS AND RECREATION DEPARTMENT IS CURRENTLY UNDER INVESTIGATION**
(Noncompliance Under *Government Auditing Standards*)

The Cocke County Parks and Recreation Department is currently under investigation by the state Comptroller's Division of Investigations. Findings, if any, resulting from this investigation will be included in a subsequent report.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

FINDING 2020-002 **ESTABLISHED BOARDS HAVE NOT ADOPTED BY-LAWS OR OPERATING PROCEDURES**
(Noncompliance Under *Government Auditing Standards*)

On January 21, 2010, the Cocke County Commission established, by formal resolutions, the Parks and Recreation Board and the Board of Sanitation. The Parks and Recreation Board was formed to operate and maintain the parks and recreation facilities in Cocke County and to conduct a parks and recreation program. The Board of Sanitation was formed to manage the solid waste operations of the county. As of the date of this report, neither board has adopted by-laws or operating procedures as required by the commission's resolutions. Sound business practices dictate that by-laws, policies and procedures should be adopted to provide guidance for operations and the maintenance of internal controls. This deficiency is result of a lack of management oversight. Failure to adopt by-laws and operating procedures could put public assets at risk of loss, misuse, or abuse.

RECOMMENDATION

Each board should adopt by-laws and operating procedures to provide written guidance for management and operations.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2020-003

A TAX DEPOSIT DUE TO THE INTERNAL REVENUE SERVICE WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTY TOTALING \$10,997

(Noncompliance Under *Government Auditing Standards*)

Cocke County maintains a payroll bank clearing account to deposit employee payroll taxes due to the Internal Revenue Service (IRS) and is required to notify the IRS of all deposits so withdrawals can be made from the county's account timely. The payroll tax deposits for the June 30, 2018 tax period of the county and the December 31, 2018, tax period for the highway department were made to the clearing account; however, the county failed to notify the IRS timely to provide for the withdrawal of the deposits resulting in the assessment of penalty and interest. County officials performed a reconciliation of the clearing account and communicated with the IRS; however, the county was required to pay \$10,997 in penalty and interest. The amounts were remitted to the IRS on September 25, 2019 and January 16, 2020, respectively. It should be noted that the county received a credit of \$3,247 in October 2020 related to the penalty and interest paid for the June 30, 2018 tax deposits. These assessments were the result of a change in county personnel and lack of management oversight.

RECOMMENDATION

Federal payroll taxes deposited to the payroll clearing account should be reported to the IRS on a timely basis to avoid interest and penalty assessments. Controls should be developed to ensure that the required communication is completed and documented by county personnel.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

FINDING 2020-004

EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Victim Assistance Programs	\$ 3,985
Transfer Out	1,924
Solid Waste/Sanitation:	
Convenience Centers	85,582
Industrial/Economic Development:	
Public Utility Projects	378
Other General Government Projects	331
General Capital Projects:	
Other Charges	789
Jail Capital Projects:	
Public Safety Projects	22,500

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE

No formal management’s response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

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, 2020.

Cocke County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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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CHAIRMAN OF THE COCKE COUNTY COMMISSION

2020-001	Cocke County Parks and Recreation Department is Currently Under Investigation	243
2020-002	Established Boards have not Adopted By-laws or Operating Procedures	243

OFFICE OF COUNTY MAYOR

2020-003	A Tax Deposit Due to the Internal Revenue Service was not Reported Timely Resulting in the Assessment of Interest and Penalty Totaling \$10,997	244
2020-004	Expenditures Exceeded Appropriations	244



COCKE COUNTY GOVERNMENT

CRYSTAL OTTINGER, MAYOR

Corrective Action Plan

FINDING: COCKE COUNTY PARKS AND RECREATION DEPARTMENT IS CURRENTLY BEING INVESTIGATED

Response and Corrective Action Plan Prepared by:
Heather McGaha, CPA, Finance Director

Person Responsible for Implementing the Corrective Action:
Parks and Recreation Board and Staff

Anticipated Completion Date of Corrective Action:
TBA

Repeat Finding:
No

Planned Corrective Action:
A planned corrective action plan will follow any subsequent findings report.

FINDING: ESTABLISHED BOARDS HAD NOT DEVELOPED BY-LAWS OR OPERATING PROCEDURES

Response and Corrective Action Plan Prepared by:
Heather McGaha, CPA, Finance Director

Person Responsible for Implementing the Corrective Action:
Board Members

Anticipated Completion Date of Corrective Action:
June 30, 2021

Repeat Finding:
No

Planned Corrective Action:
Each Board will develop and approve by-laws and operating procedures to provide for oversight of operations and to provide adequate written policies and procedures for maintenance of controls.

Signature: _____



COCKE COUNTY GOVERNMENT

CRYSTAL OTTINGER, MAYOR

Corrective Action Plan

FINDING: A TAX DEPOSIT DUE TO THE INTERNAL REVENUE SERVICE WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTY TOTALING \$10,997

Response and Corrective Action Plan Prepared by:
Heather McGaha, CPA, Finance Director

Person Responsible for Implementing the Corrective Action:
Heather McGaha

Anticipated Completion Date of Corrective Action:
Implemented October 2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The additional interest and penalty were a part of the prior year finding.

Planned Corrective Action:
Finance Director has created a EFTPS login and is logging in every Monday to make sure that payment for the previous week's payroll has been settled prior to the Wednesday due date.

FINDING: EXPENDITURES EXCEEDED APPROPRIATIONS

Response and Corrective Action Plan Prepared by:
Heather McGaha, CPA, Finance Director

Person Responsible for Implementing the Corrective Action:
Accounting Staff and Finance Director

Anticipated Completion Date of Corrective Action:
June 30, 2021

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Short Staffing and New Staff

Planned Corrective Action:

April Devotic, Accounts Payable has been sending month reports to departments to help them know where they are in their budget. Also, a new Purchasing Agent was hired in October of 2020, this position had been vacant for a while. The new Purchasing Agent, Justin Comer-Jensen, has been trained not to issue purchase orders if the purchase order will cause the line item to go over budget. The Finance Director reviews the budget monthly and make amendments and transfers as needed to make sure the expenditures do not exceed appropriations.

Signature:

Crystal Ottinger

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 Coker County.

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

Coker 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coker County. Therefore, 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.