

ANNUAL FINANCIAL REPORT
CROCKETT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

CROCKETT COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Crockett County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Position	A	14-15
Statement of Activities	B	16-17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	24-25
Highway/Public Works Fund	C-6	26
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	27
Index and Notes to the Financial Statements		28-85
REQUIRED SUPPLEMENTARY INFORMATION:		86
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	87
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	88
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Crockett County School Department	E-3	89
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Crockett County School Department	E-4	90

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Crockett County School Department	E-5	91
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Crockett County School Department	E-6	92
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan - Primary Government	E-7	93
Schedule of Changes in the Total OPEB Liability and Related Ratios - Commercial Insurance Plan - Discretely Presented Crockett County School Department	E-8	94
Notes to the Required Supplementary Information		95
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		96
Nonmajor Governmental Funds:		97
Combining Balance Sheet	F-1	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	99
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	100
Drug Control Fund	F-4	101
Major Governmental Fund:		102
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	103
Fiduciary Funds:		104
Combining Statement of Fiduciary Assets and Liabilities	H-1	105
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	106-107
Component Unit:		
Discretely Presented Crockett County School Department:		108
Statement of Activities	I-1	109
Balance Sheet – Governmental Funds	I-2	110-111
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	112
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	113-114
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	115
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	117
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	118
School Federal Projects Fund	I-9	119
Central Cafeteria Fund	I-10	120
School Transportation Fund	I-11	121

	Exhibit	Page(s)
Miscellaneous Schedules:		122
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds	J-1	123-124
Schedule of Long-term Debt Requirements by Year	J-2	125
Schedule of Transfers – Discretely Presented Crockett County School Department	J-3	126
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Crockett County School Department	J-4	127
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	128-133
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Crockett County School Department	J-6	134-137
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	138-152
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Crockett County School Department	J-8	153-161
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	J-9	162
 <u>SINGLE AUDIT SECTION</u>		 163
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		164-165
Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		166-168
Schedule of Expenditures of Federal Awards and State Grants		169-170
Summary Schedule of Prior-year Findings		171
Schedule of Findings and Questioned Costs		172-176
Management's Corrective Action Plan		177-180
Best Practice		181

Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
- ◆ The Education Capital Projects Fund had a cash overdraft and a deficit in unassigned fund balance at June 30, 2020.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Unclaimed funds were not reported and paid to the state.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2020

Officials

Gary Reasons, County Mayor
Milton Legions, Road Supervisor
P. A. Pratt, Director of Schools
Gary Spraggins, Trustee
Walter Yearwood, Assessor of Property
Dana Branch, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
James Stephenson, Clerk and Master
Alan Castellaw, Register of Deeds
Troy Klyce, Sheriff

Board of County Commissioners

Gary Reasons, County Mayor, Chairman
Harvey Bradshaw
Pat Branch
James Rayce Castellaw
Jonathan Dodd
Gary Emison
Joseph Gibson, IV
David Gilpin
Bill Hooten
Ronde Howell
Will Huff
Wayne Jernigan
Ian Seth Jones

Jerrel Little
Darrell Lowery
Carolyn Nance
Cayce Nanney
Drew Nanney
Al Overton
Will Perry
Donald Prescott
Jane Smith
Jimmy Webb
Gary Williams
Lee Woods

Road Commission

William Beaird, Chairman
Andy Edwards
Daniel Hazelwood

Board of Education

Jasper Taylor, IV, Chairman
John Cole
Keith Curl
Tony Emison
Henry King
Will Spence
Kyle Utley

Audit Committee

Donnie Bates, Chairman
Gary Williams
Joe Williams

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Crockett County Mayor and
Board of County Commissioners
Crockett 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 Crockett 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 Crockett County, Tennessee, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

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

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

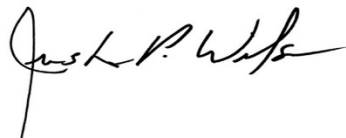
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), schedule 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 Crockett 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 November 4, 2020, on our consideration of Crockett 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 Crockett 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 Crockett County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 4, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,366	\$ 0
Equity in Pooled Cash and Investments	5,633,194	3,669,724
Accounts Receivable	1,856,309	462
Allowance for Uncollectibles	(1,178,267)	0
Due from Other Governments	588,528	380,408
Property Taxes Receivable	5,014,210	1,490,767
Allowance for Uncollectible Property Taxes	(188,117)	(55,928)
Cash Shortage	0	6,265
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	52,226
Net Pension Asset - Agent Plan	200,311	131,714
Net Pension Asset - Teacher Retirement Plan	0	69,618
Net Pension Asset - Teacher Legacy Pension Plan	0	2,057,013
Capital Assets:		
Assets Not Depreciated:		
Land	896,630	935,805
Construction in Progress	0	683,898
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,275,049	9,977,363
Infrastructure	4,082,764	162,641
Other Capital Assets	1,007,895	901,654
Total Assets	<u>\$ 20,189,872</u>	<u>\$ 20,463,630</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 50,469	\$ 0
Pension Changes in Experience	106,852	173,299
Pension Changes in Assumptions	135,294	368,574
Pension Changes in Proportion	0	54,461
Pension Contributions After Measurement Date	267,331	903,058
OPEB Changes in Experience	0	102,144
OPEB Changes in Assumptions	13,833	30,877
OPEB Contributions After Measurement Date	1,015	0
Total Deferred Outflows of Resources	<u>\$ 574,794</u>	<u>\$ 1,632,413</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 22,521
Contracts Payable	241,715	0
Cash Overdraft	0	73,007
Accrued Interest Payable	28,756	0
Noncurrent Liabilities:		
Due Within One Year - Debt	1,444,389	0
Due Within One Year - Other	37,678	0
Due in More Than One Year - Debt	6,986,429	0
Due in More Than One Year - Other	166,057	1,307,660
Total Liabilities	<u>\$ 8,905,024</u>	<u>\$ 1,403,188</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 4,670,355	\$ 1,388,537
Pension Changes in Experience	119,340	1,347,089
Pension Changes in Investment Earnings	134,122	678,863
Pension Changes in Assumptions	0	12,661
OPEB Changes in Experience	52,665	314
OPEB Changes in Assumptions	4,569	15,283
Total Deferred Inflows of Resources	<u>\$ 4,981,051</u>	<u>\$ 3,442,747</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 7,504,631	\$ 12,661,361
Restricted for:		
General Government	34,584	0
Finance	13,526	0
Administration of Justice	50,879	0
Public Safety	40,243	0
Public Health & Welfare	15,035	0
Highways/Public Works	2,228,501	0
Debt Service	1,849,914	0
Education	0	81,902
Support Services	0	24,879
Operation of Non-instructional Services	0	304,509
Hybrid Retirement Stabilization Funds	0	52,226
Pensions	200,311	2,258,345
Unrestricted	<u>(5,059,033)</u>	<u>1,866,886</u>
Total Net Position	<u>\$ 6,878,591</u>	<u>\$ 17,250,108</u>

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

Exhibit B

Crockett 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 Governmental Activities	Unit Crockett County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,125,658	\$ 100,153	\$ 16,854	\$ 0	\$ (1,008,651)	\$ 0
Finance	563,483	377,433	0	0	(186,050)	0
Administration of Justice	695,285	258,043	62,084	0	(375,158)	0
Public Safety	2,711,512	156,002	12,800	33,559	(2,509,151)	0
Public Health and Welfare	1,825,893	751,764	277,584	0	(796,545)	0
Social, Cultural, and Recreational Services	516,151	6,110	87,140	0	(422,901)	0
Agriculture and Natural Resources	218,944	0	0	0	(218,944)	0
Highway/Public Works	2,336,732	44,199	1,952,025	1,172,271	831,763	0
Education	616,685	0	0	0	(616,685)	0
Interest on Long-term Debt	407,713	0	523,443	0	115,730	0
Total Primary Government	\$ 11,018,056	\$ 1,693,704	\$ 2,931,930	\$ 1,205,830	\$ (5,186,592)	\$ 0
Component Unit:						
Crockett County School Department	\$ 17,670,926	\$ 214,368	\$ 2,989,354	\$ 610,891	\$ 0	\$ (13,856,313)
Total Component Unit	\$ 17,670,926	\$ 214,368	\$ 2,989,354	\$ 610,891	\$ 0	\$ (13,856,313)

(Continued)

Exhibit B

Crockett 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
					Governmental Total Governmental Activities	Unit Crockett County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,502,241	\$ 1,415,005
Property Taxes Levied for Debt Service					285,211	0
Local Option Sales Tax					1,010,284	548,310
Wheel Tax					721,019	136,689
Business Tax					54,218	0
Wholesale Beer Tax					111,811	0
Other Local Taxes					74,199	376
Grants and Contributions Not Restricted to Specific Programs					473,771	12,835,545
Unrestricted Investment Income					42,971	33,295
Miscellaneous					43,265	56,106
Total General Revenues					<u>\$ 7,318,990</u>	<u>\$ 15,025,326</u>
Change in Net Position					\$ 2,132,398	\$ 1,169,013
Net Position, July 1, 2019					<u>4,746,193</u>	<u>16,081,095</u>
Net Position, June 30, 2020					<u>\$ 6,878,591</u>	<u>\$ 17,250,108</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,366	\$ 1,366
Equity in Pooled Cash and Investments	1,141,055	2,576,108	1,664,913	250,416	5,632,492
Accounts Receivable	1,854,220	79	0	2,010	1,856,309
Allowance for Uncollectibles	(1,178,267)	0	0	0	(1,178,267)
Due from Other Governments	119,777	278,453	146,322	43,976	588,528
Due from Other Funds	2,068	0	0	0	2,068
Property Taxes Receivable	4,712,584	0	301,626	0	5,014,210
Allowance for Uncollectible Property Taxes	(174,544)	0	(13,573)	0	(188,117)
Total Assets	\$ 6,476,893	\$ 2,854,640	\$ 2,099,288	\$ 297,768	\$ 11,728,589
<u>LIABILITIES</u>					
Contracts Payable	\$ 0	\$ 241,715	\$ 0	\$ 0	\$ 241,715
Due to Other Funds	0	0	0	1,366	1,366
Accrued Interest Payable	0	0	5,795	0	5,795
Total Liabilities	\$ 0	\$ 241,715	\$ 5,795	\$ 1,366	\$ 248,876
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,395,628	\$ 0	\$ 274,727	\$ 0	\$ 4,670,355
Deferred Delinquent Property Taxes	132,068	0	12,679	0	144,747
Other Deferred/Unavailable Revenue	636,149	125,877	60,000	15,035	837,061
Total Deferred Inflows of Resources	\$ 5,163,845	\$ 125,877	\$ 347,406	\$ 15,035	\$ 5,652,163

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 34,584	\$ 0	\$ 0	\$ 0	\$ 34,584
Restricted for Finance	13,526	0	0	0	13,526
Restricted for Administration of Justice	50,879	0	0	0	50,879
Restricted for Public Safety	2,906	0	0	37,337	40,243
Restricted for Highways/Public Works	0	2,164,451	0	0	2,164,451
Committed:					
Committed for General Government	428,416	0	0	0	428,416
Committed for Public Health and Welfare	0	0	0	244,030	244,030
Committed for Highways/Public Works	0	322,597	0	0	322,597
Committed for Debt Service	0	0	1,746,087	0	1,746,087
Unassigned	782,737	0	0	0	782,737
Total Fund Balances	<u>\$ 1,313,048</u>	<u>\$ 2,487,048</u>	<u>\$ 1,746,087</u>	<u>\$ 281,367</u>	<u>\$ 5,827,550</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,476,893</u>	<u>\$ 2,854,640</u>	<u>\$ 2,099,288</u>	<u>\$ 297,768</u>	<u>\$ 11,728,589</u>

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

Exhibit C-2

Crockett 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)		\$	5,827,550
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	896,630	
Add: buildings and improvements net of accumulated depreciation		2,275,049	
Add: infrastructure net of accumulated depreciation		4,082,764	
Add: other capital assets net of accumulated depreciation		<u>1,007,895</u>	8,262,338
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,146,753)	
Less: other loan payable		(516,622)	
Less: capital leases payable		(77,363)	
Less: bonds payable		(6,100,000)	
Less: compensated absences payable		(61,827)	
Less: net OPEB liability		(141,908)	
Add: deferred amount on refunding		50,469	
Less: accrued interest on notes, capital leases, and bonds		(22,961)	
Less: other deferred revenue - premium on debt		<u>(590,080)</u>	(8,607,045)
(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	\$	509,477	
Less: deferred inflows of resources related to pensions		(253,462)	
Add: deferred outflows of resources related to OPEB		14,848	
Less: deferred inflows of resources related to OPEB		<u>(57,234)</u>	213,629
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			200,311
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>981,808</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>6,878,591</u></u>

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

Exhibit C-3

Crockett 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	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,720,153	\$ 401,262	\$ 1,403,708	\$ 279,777	\$ 6,804,900
Licenses and Permits	46,788	0	0	0	46,788
Fines, Forfeitures, and Penalties	61,487	0	0	17,811	79,298
Charges for Current Services	688,534	0	0	17,652	706,186
Other Local Revenues	40,777	5,742	110,532	0	157,051
Fees Received From County Officials	605,211	0	0	0	605,211
State of Tennessee	892,423	3,124,296	0	41,717	4,058,436
Federal Government	121,652	0	0	0	121,652
Other Governments and Citizens Groups	3,819	42,759	405,427	0	452,005
Total Revenues	<u>\$ 7,180,844</u>	<u>\$ 3,574,059</u>	<u>\$ 1,919,667</u>	<u>\$ 356,957</u>	<u>\$ 13,031,527</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 868,332	\$ 0	\$ 0	\$ 0	\$ 868,332
Finance	485,212	0	0	0	485,212
Administration of Justice	563,492	0	0	0	563,492
Public Safety	2,231,606	0	0	19,971	2,251,577
Public Health and Welfare	1,264,770	0	0	290,300	1,555,070
Social, Cultural, and Recreational Services	381,503	0	0	0	381,503
Agriculture and Natural Resources	187,620	0	0	0	187,620
Other Operations	1,182,784	0	0	0	1,182,784
Highways	0	3,437,786	0	0	3,437,786
Debt Service:					
Principal on Debt	98,475	0	1,540,061	0	1,638,536
Interest on Debt	6,610	0	383,492	0	390,102
Other Debt Service	0	0	23,835	0	23,835

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 610,890	\$ 610,890
Total Expenditures	\$ 7,270,404	\$ 3,437,786	\$ 1,947,388	\$ 921,161	\$ 13,576,739
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ (89,560)	\$ 136,273	\$ (27,721)	\$ (564,204)	\$ (545,212)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 610,890	\$ 610,890
Capital Leases Issued	55,626	0	0	0	55,626
Insurance Recovery	4,850	0	0	0	4,850
Total Other Financing Sources (Uses)	\$ 60,476	\$ 0	\$ 0	\$ 610,890	\$ 671,366
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2019	\$ 1,342,132	\$ 2,350,775	\$ 1,773,808	\$ 234,681	\$ 5,701,396
Fund Balance, June 30, 2020	\$ 1,313,048	\$ 2,487,048	\$ 1,746,087	\$ 281,367	\$ 5,827,550

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

Crockett 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)	\$	126,154	
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,641,351	
Less: current-year depreciation expense		<u>(743,632)</u>	897,719
(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	\$	981,808	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(980,897)</u>	911
(3) The issuance of long-term debt (e.g., bonds, notes, other loan) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Less: note proceeds	\$	(610,890)	
Less: capital lease proceeds		(55,626)	
Add: principal payments on notes		198,781	
Add: principal payments on other loan		200,004	
Add: principal payments on capital leases		139,751	
Add: principal payments on bonds		1,100,000	
Add: change in premium on debt issuances		118,016	
Less: change in deferred amount on refunding debt		<u>(18,974)</u>	1,071,062
(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	\$	1,363	
Change in compensated absences payable		21,779	
Change in net pension asset		65,615	
Change in deferred outflows related to pensions		(33,811)	
Change in deferred inflows related to pensions		(6,010)	
Change in net OPEB liability		24,858	
Change in deferred outflows related to OPEB		4,240	
Change in deferred inflows related to OPEB		<u>(41,482)</u>	<u>36,552</u>
Change in net position of governmental activities (Exhibit B)	\$		<u><u>2,132,398</u></u>

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

Exhibit C-5

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,720,153	\$ 4,681,998	\$ 4,681,998	\$ 38,155
Licenses and Permits	46,788	34,000	34,000	12,788
Fines, Forfeitures, and Penalties	61,487	71,250	71,250	(9,763)
Charges for Current Services	688,534	796,125	796,125	(107,591)
Other Local Revenues	40,777	46,500	46,500	(5,723)
Fees Received From County Officials	605,211	616,000	616,000	(10,789)
State of Tennessee	892,423	1,112,421	1,068,687	(176,264)
Federal Government	121,652	36,500	120,237	1,415
Other Governments and Citizens Groups	3,819	8,820	8,820	(5,001)
Total Revenues	\$ 7,180,844	\$ 7,403,614	\$ 7,443,617	\$ (262,773)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 16,625	\$ 16,731	\$ 16,731	\$ 106
Board of Equalization	170	250	250	80
Beer Board	0	200	200	200
County Mayor/Executive	187,842	192,532	192,532	4,690
County Attorney	0	1,000	1,000	1,000
Election Commission	158,015	159,848	174,848	16,833
Register of Deeds	108,891	112,698	112,698	3,807
County Buildings	396,789	476,112	476,112	79,323
<u>Finance</u>				
Accounting and Budgeting	6,111	6,170	6,170	59
Property Assessor's Office	134,698	135,000	135,000	302
County Trustee's Office	173,753	174,567	174,567	814
County Clerk's Office	170,650	176,866	176,866	6,216
<u>Administration of Justice</u>				
Circuit Court	207,176	224,602	224,602	17,426
General Sessions Judge	102,564	102,820	102,820	256
Drug Court	68,266	77,044	77,044	8,778
Chancery Court	117,265	118,387	118,387	1,122
Juvenile Court	60,725	75,313	75,313	14,588
Other Administration of Justice	7,496	9,000	9,000	1,504
<u>Public Safety</u>				
Sheriff's Department	1,088,254	1,197,212	1,233,046	144,792
Jail	1,028,895	1,123,878	1,123,878	94,983
Juvenile Services	0	500	500	500
Fire Prevention and Control	60,588	60,588	60,588	0
Civil Defense	37,189	66,365	66,365	29,176
Rescue Squad	10,000	10,000	10,000	0
County Coroner/Medical Examiner	6,680	9,500	9,500	2,820
Other Public Safety	0	3,746	3,746	3,746
<u>Public Health and Welfare</u>				
Local Health Center	156,616	175,945	175,945	19,329
Rabies and Animal Control	35,659	37,020	37,020	1,361
Ambulance/Emergency Medical Services	963,499	1,093,397	1,060,728	97,229
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	5,165	5,165	5,165	0

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Crippled Children Services	\$ 1,650	\$ 1,650	\$ 1,650	\$ 0
Other Local Health Services	6,453	7,000	7,000	547
Appropriation to State	42,110	48,900	48,900	6,790
Other Local Welfare Services	649	1,200	1,200	551
Waste Pickup	43,987	44,200	44,200	213
Other Public Health and Welfare	4,982	15,000	15,000	10,018
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	247,944	273,153	273,153	25,209
Libraries	126,054	126,066	126,066	12
Parks and Fair Boards	7,505	10,075	10,075	2,570
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	70,836	67,770	75,949	5,113
Soil Conservation	106,067	106,265	106,265	198
Flood Control	10,717	10,717	10,717	0
<u>Other Operations</u>				
Veterans' Services	31,734	37,760	37,760	6,026
Other Charges	281,305	307,439	307,439	26,134
Contributions to Other Agencies	47,300	47,300	47,300	0
Employee Benefits	725,048	790,500	782,321	57,273
COVID-19 Grant #1	40,003	0	40,003	0
Miscellaneous	57,394	69,800	69,800	12,406
<u>Principal on Debt</u>				
General Government	98,475	66,711	117,829	19,354
<u>Interest on Debt</u>				
General Government	6,610	5,913	7,256	646
Total Expenditures	<u>\$ 7,270,404</u>	<u>\$ 7,883,875</u>	<u>\$ 7,994,504</u>	<u>\$ 724,100</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (89,560)	\$ (480,261)	\$ (550,887)	\$ 461,327
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 55,626	\$ 59,825	\$ 59,825	\$ (4,199)
Insurance Recovery	4,850	25,000	25,000	(20,150)
Total Other Financing Sources	<u>\$ 60,476</u>	<u>\$ 84,825</u>	<u>\$ 84,825</u>	<u>\$ (24,349)</u>
Net Change in Fund Balance	\$ (29,084)	\$ (395,436)	\$ (466,062)	\$ 436,978
Fund Balance, July 1, 2019	<u>1,342,132</u>	<u>1,364,951</u>	<u>1,364,951</u>	<u>(22,819)</u>
Fund Balance, June 30, 2020	<u>\$ 1,313,048</u>	<u>\$ 969,515</u>	<u>\$ 898,889</u>	<u>\$ 414,159</u>

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

Exhibit C-6

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 401,262	\$ 399,528	\$ 399,528	\$ 1,734
Other Local Revenues	5,742	3,500	3,500	2,242
State of Tennessee	3,124,296	4,377,184	4,377,184	(1,252,888)
Other Governments and Citizens Groups	42,759	10,000	10,000	32,759
Total Revenues	<u>\$ 3,574,059</u>	<u>\$ 4,790,212</u>	<u>\$ 4,790,212</u>	<u>\$ (1,216,153)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 214,658	\$ 219,326	\$ 219,326	\$ 4,668
Highway and Bridge Maintenance	1,010,027	1,433,200	1,433,200	423,173
Operation and Maintenance of Equipment	318,164	446,950	446,950	128,786
Other Charges	122,480	135,290	135,290	12,810
Employee Benefits	226,456	268,600	268,600	42,144
Capital Outlay	1,546,001	2,717,617	2,717,617	1,171,616
Total Expenditures	<u>\$ 3,437,786</u>	<u>\$ 5,220,983</u>	<u>\$ 5,220,983</u>	<u>\$ 1,783,197</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136,273</u>	<u>\$ (430,771)</u>	<u>\$ (430,771)</u>	<u>\$ 567,044</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 3,500	\$ 3,500	\$ (3,500)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ (3,500)</u>
Net Change in Fund Balance	\$ 136,273	\$ (427,271)	\$ (427,271)	\$ 563,544
Fund Balance, July 1, 2019	<u>2,350,775</u>	<u>2,449,099</u>	<u>2,449,099</u>	<u>(98,324)</u>
Fund Balance, June 30, 2020	<u>\$ 2,487,048</u>	<u>\$ 2,021,828</u>	<u>\$ 2,021,828</u>	<u>\$ 465,220</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 483,322
Equity in Pooled Cash and Investments	8,634
Accounts Receivable	8,948
Due from Other Governments	147,984
Property Taxes Receivable	573,908
Allowance for Uncollectible Property Taxes	<u>(21,531)</u>
Total Assets	<u>\$ 1,201,265</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 708,995
Due to Litigants, Heirs, and Others	<u>492,270</u>
Total Liabilities	<u>\$ 1,201,265</u>

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

CROCKETT COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	29
B. Government-wide and Fund Financial Statements	30
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	31
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	33
2. Receivables and Payables	34
3. Restricted Assets	35
4. Capital Assets	35
5. Deferred Outflows/Inflows of Resources	36
6. Compensated Absences	37
7. Long-term Debt and Long-term Obligations	37
8. Net Position and Fund Balance	38
E. Pension Plans	39
F. Other Postemployment Benefits (OPEB) Plans	40
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	40
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	41
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	41
B. Cash Overdraft and Fund Deficit	42
C. Cash Shortages - Prior Year	42
D. Expenditures Exceeded Appropriations	42
IV. Detailed Notes on All Funds	
A. Deposits and Investments	43
B. Capital Assets	49
C. Interfund Receivables, Payables, and Transfers	51
D. Capital Leases	52
E. Long-term Debt	53
F. Long-term Obligations	56
V. Other Information	
A. Risk Management	57
B. Contingent Liabilities	58
C. Change in Administration	58
D. Joint Venture	58
E. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	59
2. Deferred Compensation	76
F. Other Postemployment Benefits (OPEB)	76
G. Purchasing Laws	85

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett County (the primary government) and its component units. The financial statements of the Crockett County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

Administrative Office:

Crockett County Emergency Communications District
22 South Court Street
Alamo, TN 38001

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 Crockett 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 Crockett 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.

Crockett County issues all debt for the discretely presented Crockett County School Department. Net debt issues totaling \$610,890 were 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 Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable

(reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Crockett County reports the following major governmental funds:

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

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

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

Additionally, Crockett County reports the following fund types:

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 Crockett County, and the city school systems’ shares 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.

Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by Crockett County that is subsequently contributed to the discretely presented Crockett County School Department for construction and renovation projects.

The discretely presented Crockett 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 revenues of this fund.

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

Capital Projects Fund – The Education Capital Project Fund is used to account for the receipt of debt issued by Crockett County and contributed to the school department for building construction and renovation.

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 Crockett 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 and General Purpose School funds. Crockett 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 polices 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 State 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 State of America. Crockett County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.98 percent of total taxes levied.

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

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension changes in proportion of net pension liability (asset), and employer contributions made to the pension and OPEB plans after the measurement date.

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

6. Compensated Absences

The policy of Crockett County (with the exception of the highway department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The highway department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon death or retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other

postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

As of June 30, 2020, Crockett County had \$7,100,733 in outstanding debt for capital purposes for the discretely presented Crockett 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 Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the school department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on

the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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 Crockett County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Crockett 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 Crockett 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 Crockett County. For this purpose, Crockett County recognizes benefit payments when due and payable in accordance with benefit terms. Crockett County's OPEB plan is not administered through a trust.

Discretely Presented Crockett 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 Crockett 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 Crockett 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 Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, 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.

B. Cash Overdraft and Fund Deficit

The Education Capital Projects Fund of the discretely presented Crockett County School Department had a cash overdraft of \$73,007 and a deficit in unassigned fund balance of \$73,007 at June 30, 2020. The cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee, and the deficit in unassigned fund balance resulted from expenditures exceeding available funds. The cash overdraft and the deficit in unassigned fund balance were liquidated subsequent to June 30, 2020.

C. Cash Shortages – Prior Year

On January 28, 2019, the Comptroller’s Division of Investigations issued an investigative report on the school department for the period March 2016 through December 2017. The report disclosed that a former director of technology improperly purchased technology equipment and sold or personally used the equipment resulting in a cash shortage of \$114,029. In addition, the report disclosed other questionable purchases and deficiencies in the acquisition and use of technology equipment. This former director of technology was indicted by a Grand Jury during January 2019, on one count of theft over \$60,000 and on four counts of official misconduct. The next court date is scheduled for November 20, 2020. On March 25, 2019, the school department’s insurance provider paid \$107,764, leaving a remaining shortage of \$6,265 as of June 30, 2020.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Instruction - Special Education Program	\$ 496
Support Services - Health Services	5,225
Support Services - Special Education Program	184

These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, 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, Crockett County had the following investments carried at amortized cost using a Stable Net Asset Value, amortized cost using a floating Net Asset Value, or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	1 to 105	\$ 4,534,381

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. Crockett 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. Crockett County has no

investment policy that would further limit its investment choices. As of June 30, 2020, Crockett 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 and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-cafr.html>.

TCRS Stabilization Trust

Legal Provisions. The Crockett 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 Crockett 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 Crockett 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	\$ 16,190
Developed Market International Equity	N/A	N/A	7,312
Emerging Market International Equity	N/A	N/A	2,089
U.S. Fixed Income	N/A	N/A	10,445
Real Estate	N/A	N/A	5,223
Short-term Securities	N/A	N/A	522
NAV - Private Equity and Strategic Lending	N/A	N/A	10,445
 Total			 \$ 52,226

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity Developed Market	\$ 16,190	\$ 16,190	\$ 0	\$ 0	0
International Equity Emerging Market	7,312	7,312	0	0	0
International Equity	2,089	2,089	0	0	0
U.S. Fixed Income	10,445	0	10,445	0	0
Real Estate	5,223	0	0	5,223	0
Short-term Securities	522	0	522	0	0
Private Equity and Strategic Lending	10,445	0	0	0	10,445
Total	\$ 52,226	\$ 25,591	\$ 10,967	\$ 5,223	\$ 10,445

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 Crockett 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 Crockett 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. Crockett 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 Crockett 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	\$ 896,630	\$ 0	\$ 0	\$ 896,630
Construction in Progress	340,614	0	(340,614)	0
Total Capital Assets				
Not Depreciated	\$ 1,237,244	\$ 0	\$ (340,614)	\$ 896,630
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 6,651,412	\$ 0	\$ 0	\$ 6,651,412
Infrastructure	3,582,439	1,627,570	0	5,210,009
Other Capital Assets	5,447,767	354,395	0	5,802,162
Total Capital Assets				
Depreciated	\$ 15,681,618	\$ 1,981,965	\$ 0	\$ 17,663,583
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 4,217,636	\$ 158,727	\$ 0	\$ 4,376,363
Infrastructure	975,028	152,217	0	1,127,245
Other Capital Assets	4,361,579	432,688	0	4,794,267
Total Accumulated				
Depreciation	\$ 9,554,243	\$ 743,632	\$ 0	\$ 10,297,875
Total Capital Assets				
Depreciated, Net	\$ 6,127,375	\$ 1,238,333	\$ 0	\$ 7,365,708
Governmental Activities				
Capital Assets, Net	\$ 7,364,619	\$ 1,238,333	\$ (340,614)	\$ 8,262,338

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

Governmental Activities:

General Government	\$ 69,063
Public Safety	145,558
Public Health and Welfare	66,100
Social, Cultural, and Recreational Services	55,008
Highway/Public Works	<u>407,903</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 743,632</u></u>
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**Discretely Presented Crockett County School Department -
Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 935,805	\$ 0	\$ 0	\$ 935,805
Construction in Progress	0	683,898	0	683,898
Total Capital Assets Not Depreciated	<u>\$ 935,805</u>	<u>\$ 683,898</u>	<u>\$ 0</u>	<u>\$ 1,619,703</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,145,310	\$ 0	\$ 0	\$ 20,145,310
Infrastructure	590,543	0	0	590,543
Other Capital Assets	3,854,325	199,282	(121,643)	3,931,964
Total Capital Assets Depreciated	<u>\$ 24,590,178</u>	<u>\$ 199,282</u>	<u>\$ (121,643)</u>	<u>\$ 24,667,817</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,770,076	\$ 397,871	\$ 0	\$ 10,167,947
Infrastructure	401,320	26,582	0	427,902
Other Capital Assets	2,958,918	193,035	(121,643)	3,030,310
Total Accumulated Depreciation	<u>\$ 13,130,314</u>	<u>\$ 617,488</u>	<u>\$ (121,643)</u>	<u>\$ 13,626,159</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,459,864</u>	<u>\$ (418,206)</u>	<u>\$ 0</u>	<u>\$ 11,041,658</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 12,395,669</u></u>	<u><u>\$ 265,692</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,661,361</u></u>

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

Governmental Activities:

Instruction	\$ 365,606
Support Services	214,895
Operation of Non-instructional Services	<u>36,987</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 617,488</u></u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,068
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	66,439

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

The receivable in the General Fund totaling \$702 was in transit from the Solid Waste/Sanitation Fund at June 30, 2020.

Interfund Transfers:

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

Discretely Presented Crockett County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	Nonmajor Governmental Fund	
General Purpose School Fund	0	60,000	Cash Flow
School Transportation Fund	<u>334,736</u>	<u>0</u>	School Transportation
Total	<u>\$ 334,736</u>	<u>\$ 60,000</u>	

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.

D. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2020, were as follows:

Description	Date of Lease	Length of Lease in Years	Gross Amount of Assets	Interest Rate
Zoll Monitors/Defibrillators	11-15-15	5	\$ 146,061	4.694 %
Sheriff's Department Vehicles	10-31-18	2	92,227	6.75
Sheriff's Department Vehicles	9-20-19	3	55,626	6.9

Title to the above-noted assets transfers to Crockett County at the end of the lease periods. Lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Machinery and Equipment	\$ 293,214
Less: Accumulated Depreciation	<u>(205,105)</u>
Total Book Value	<u>\$ 88,109</u>

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

Year Ending June 30	Governmental Funds
2021	\$ 63,452
2022	19,792
Total Minimum Lease Payments	\$ 83,244
Less: Amount Representing Interest	<u>(5,881)</u>
Present Value of Minimum Lease Payments	<u>\$ 77,363</u>

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loan

General Obligation Bonds - Crockett County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of seven 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 - Crockett County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and ten years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, the other loan, 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	5 %	4-1-25	\$ 8,300,000	\$ 6,100,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	Variable to 5	8-1-30	1,531,290	1,146,753
Other Loan	0	10-1-22	2,000,000	516,622
Capital Leases	4.694 to 6.9	9-20-21	293,914	77,363

During 2011-12, Crockett County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Crockett County \$2,000,000 to fund a project to increase energy efficiency in the Crockett County school system. The loan is interest free.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,100,000	\$ 305,000	\$ 1,405,000
2022	1,150,000	250,000	1,400,000
2023	1,225,000	192,500	1,417,500
2024	1,300,000	131,250	1,431,250
2025	1,325,000	66,250	1,391,250
Total	\$ 6,100,000	\$ 945,000	\$ 7,045,000

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 85,537	\$ 18,916	\$ 104,453
2022	697,766	16,110	713,876
2023	88,276	13,453	101,729
2024	89,727	10,655	100,382
2025	65,117	8,099	73,216
2026-2030	101,531	18,179	119,710
2031	18,799	957	19,756
Total	\$ 1,146,753	\$ 86,369	\$ 1,233,122

Year Ending June 30	Other Loan - Direct Placement	
	Principal	Total
2021	\$ 200,004	\$ 200,004
2022	200,004	200,004
2023	116,614	116,614
Total	\$ 516,622	\$ 516,622

There is \$1,746,087 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$418 based on the 2010 federal census. Total debt per capita, including bonds, notes, other loan, capital leases, and unamortized debt premiums totaled \$578, based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loan - Direct Placement
Balance, July 1, 2019	\$ 7,200,000	\$ 734,644	\$ 716,626
Additions	0	610,890	0
Reductions	(1,100,000)	(198,781)	(200,004)
Balance, June 30, 2020	\$ 6,100,000	\$ 1,146,753	\$ 516,622
Balance Due Within One Year	\$ 1,100,000	\$ 85,537	\$ 200,004

	Capital Leases - Direct Placement
Balance, July 1, 2019	\$ 161,488
Additions	55,626
Reductions	(139,751)
Balance, June 30, 2020	\$ 77,363
Balance Due Within One Year	\$ 58,848

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 7,840,738
Less: Balance Due Within One Year - Debt	(1,444,389)
Add: Unamortized Premium on Debt	<u>590,080</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 6,986,429</u>

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 83,606	\$ 166,766
Additions	33,479	27,258
Reductions	<u>(55,258)</u>	<u>(52,116)</u>
Balance, June 30, 2020	<u>\$ 61,827</u>	<u>\$ 141,908</u>
Balance Due Within One Year	<u>\$ 37,678</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 203,735
Less: Balance Due Within One Year - Other	<u>(37,678)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 166,057</u>

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

Discretely Presented Crockett County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2019	\$ 1,134,378
Additions	236,199
Reductions	<u>(62,917)</u>
Balance, June 30, 2020	<u>\$ 1,307,660</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 1,307,660
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,307,660</u>

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

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Crockett County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-201, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial

Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Crockett County School Department

The school department purchases commercial insurance to provide health insurance coverage for employees. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Contingent Liabilities

The county attorney advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or school department's financial statements.

C. Change in Administration

On June 30, 2019, Robert Mullins left the Office of Director of Schools and was succeeded by P. A. Pratt effective July 1, 2019.

D. Joint Venture

The Twenty-eighth Judicial District Drug Task Force (DTF) is participating in a joint venture formed by an interlocal agreement between the district attorney generals of the Twenty-eighth Judicial District, the Twenty-ninth Judicial District, the Thirtieth Judicial District, Crockett and Gibson counties, and the West Tennessee Judicial Violent Crime and Drug Task Force (WTJDTF). The purpose of the entity is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities and highway criminal interdiction. Funds for the operations of the entity come primarily from federal grants, fines, and the forfeiture of assets to the entity. Crockett County made no contributions to the WTJDTF for the year ended June 30, 2020.

Crockett County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-eighth Judicial District
P.O. Box 145
Trenton, TN 38382

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.33 percent and the non-certified employees of the discretely presented school department comprised 39.67 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 <https://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	103
Inactive Employees Entitled to But Not Yet Receiving Benefits	148
Active Employees	182
 Total	 <u><u>433</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. Crockett County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Crockett County was \$434,425 based on a rate of 6.57 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Crockett 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)

Crockett County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 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 historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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
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 Crockett County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2018	\$ 17,785,556	\$ 18,009,639	\$ (224,083)
Changes for the Year:			
Service Cost	\$ 525,120	\$ 0	\$ 525,120
Interest	1,291,024	0	1,291,024
Differences Between Expected and Actual Experience	77,950	0	77,950
Contributions-Employer	0	391,587	(391,587)
Contributions-Employees	0	298,012	(298,012)
Net Investment Income	0	1,328,577	(1,328,577)
Benefit Payments, Including Refunds of Employee Contributions	(1,006,884)	(1,006,884)	0
Administrative Expense	0	(16,140)	16,140
Net Changes	\$ 887,210	\$ 995,152	\$ (107,942)
Balance, June 30, 2019	\$ 18,672,766	\$ 19,004,791	\$ (332,025)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.33%	\$ 11,265,280	\$ 11,465,591	\$ (200,311)
School Department	39.67%	7,407,486	7,539,200	(131,714)
Total		\$ 18,672,766	\$ 19,004,791	\$ (332,025)

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

Crockett County	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
-----------------	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset) \$ 1,993,106 \$ (332,025) \$ (2,264,308)

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

Pension Expense. For the year ended June 30, 2020, Crockett County recognized pension expense of \$358,436.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Crockett 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	\$ 177,113	\$ 197,812
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	222,314
Changes in Assumptions	224,256	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	434,425	N/A
Total	<u>\$ 835,794</u>	<u>\$ 420,126</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	\$ 509,477	\$ 253,462
School Department	326,317	166,664
Total	<u>\$ 835,794</u>	<u>\$ 420,126</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	\$ 64,209
2022	(109,343)
2023	(6,491)
2024	19,874
2025	12,994
Thereafter	0

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

Discretely Presented Crockett County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.33 percent and the non-certified employees of the discretely presented school department comprised 39.67 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Crockett 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 <https://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 \$31,354, which is 2.03 percent of covered payroll. In addition, employer contributions of \$26,544, which is 1.72 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 (\$69,618) 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 (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .123329 percent. The proportion as of June 30, 2018, was .119597 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$22,109.

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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 2,887	\$ 12,153
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,943
Changes in Assumptions	2,419	0
Changes in Proportion of Net Pension Liability (Asset)	4,321	1,574
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>31,354</u>	<u>N/A</u>
Total	<u>\$ 40,981</u>	<u>\$ 16,670</u>

The school department's employer contributions of \$31,354, 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
<u>June 30</u>	<u>Amount</u>
2021	\$ (1,215)
2022	(1,665)
2023	(840)
2024	(419)
2025	(299)
Thereafter	(2,605)

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

Actuarial Assumptions. The total pension liability (asset) 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 historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 22,058 \$ (69,618) \$ (137,383)

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 Crockett 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 <https://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 Crockett County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$704,610, 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 (\$2,057,013) 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 .200063 percent. The proportion measured at June 30, 2018, was .193792 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$306,360.

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	\$ 100,151	\$ 1,256,464
Changes in Assumptions	277,193	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	587,728
Changes in Proportion of Net Pension Liability (Asset)	50,140	11,087
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>704,610</u>	<u>N/A</u>
Total	<u>\$ 1,132,094</u>	<u>\$ 1,855,279</u>

The school department's employer contributions of \$704,610 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 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	\$ (387,869)
2022	(580,246)
2023	(263,566)
2024	(196,114)
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 historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 4,205,996 \$ (2,057,013) \$ (7,039,063)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$76,869 and teachers contributed \$27,653 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Crockett County and the discretely presented Crockett County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. 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.

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

Retirees of Crockett County and the Crockett County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government’s LGPs are combined for presentation purposes.

The county'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 percent.
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, 2019, actuarial valuation of the TCRS.

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

Changes in Assumptions. The discount rate changed from 3.62 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 Crockett 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. Crockett County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Crockett County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

	Crockett County	Hwy Dept	Total
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	0	0	0
Inactive Employees Entitles to But Not Yet Receiving Benefits	0	0	0
Active Employees	68	18	86
 Total	 68	 18	 86

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 \$1,015 (Crockett County - \$934, Highway Dept - \$81) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Crockett County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2018	\$ 114,786	\$ 51,980	\$ 166,766
Changes for the Year:			
Service Cost	\$ 9,430	\$ 4,785	\$ 14,215
Interest	4,487	2,046	6,533
Difference between Expected and Actuarial Experience	(37,244)	(13,867)	(51,111)
Changes in Assumption and Other Inputs	4,833	1,677	6,510
Benefit Payments	(518)	(487)	(1,005)
Net Changes	\$ (19,012)	\$ (5,846)	\$ (24,858)
 Balance June 30, 2019	 \$ 95,774	 \$ 46,134	 \$ 141,908

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 \$13,399 (Crockett County - \$8,634, Highway Dept - \$4,765). At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DI - County \$38,328, Hwy \$14,337)	\$ 0	\$ 52,665
Changes of Assumptions/Inputs (DO - County \$10,117, Hwy \$3,716)	13,833	0
(DI - County \$3,438, Hwy \$1,131)	0	4,569
Net Difference Between Projected and Benefits Paid After the Measurement Date of June 30, 2019 (DO - County \$934, Hwy \$81)	1,015	0
Total	<u>\$ 14,848</u>	<u>\$ 57,234</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	County	Hwy	Total Amount
2021	\$ (5,283)	\$ (2,066)	\$ (7,349)
2022	(5,283)	(2,066)	(7,349)
2023	(5,283)	(2,066)	(7,349)
2024	(5,283)	(2,066)	(7,349)
2025	(5,283)	(2,066)	(7,349)
Thereafter	(5,234)	(1,422)	(6,656)

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

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

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 103,438	\$ 95,774	\$ 88,619
Hwy	49,104	46,134	43,288
Total OPEB Liability	<u>\$ 152,542</u>	<u>\$ 141,908</u>	<u>\$ 131,907</u>

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

	1% Decrease 5.03 to 3.5%	Current Trend Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
County	\$ 85,182	\$ 95,774	\$ 108,217
Hwy	41,696	46,134	51,150
Total OPEB Liability	<u>\$ 126,878</u>	<u>\$ 141,908</u>	<u>\$ 159,367</u>

Commercial Postemployment Benefits Plan

Discretely Presented Crockett County School Department

The discretely presented Crockett County School Department provides OPEB benefits to its employees through a commercial insurance plan.

Plan Description. The school department participates in a commercial postemployment benefits plan administered by Cigna for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 5 years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the Board of Education. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare, dental, and vision insurance benefits to retirees and their dependents.

The benefit terms provide for the school department to pay a percentage of the certified retirees healthcare costs depending on years of service with the school department. The school department pays 55 percent of the healthcare cost for employees with over 30 years of service, 45 percent for employees with 20-29 years of service, and 25 percent for employees with less than 20 years of service. Non-certified employees are required to pay 100 percent of the healthcare premium. Both certified and non-certified employees are eligible to participate in the healthcare plan until they reach age 65. Surviving spouses of eligible retirees may be able to continue coverage until they reach Medicare eligibility.

The benefit terms provide for eligible retirees to receive vision and dental benefits for life by paying 100 percent of the premium cost.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	159
Total	165

Total OPEB Liability

The school department’s total OPEB liability of \$1,307,660 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Discount Rate	2.21%
Healthcare Cost Trend Rate	5.00%
Retirees share of Benefit-related Cost	45% to 100% depending on years of service and employee classification

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates were based on RPH-2014 Total Table with Projection MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on plan data and costs presented by the school department with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 1,134,378
Changes for the Year:	
Service Cost	\$ 78,166
Interest	41,643
Differences Between Expected and Actual Experience	116,390
Changes in Assumptions	(17,414)
Benefit Payments	(45,503)
Net Changes	<u>\$ 173,282</u>
Balance June 30, 2020	<u>\$ 1,307,660</u>

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 \$136,885. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 102,144	\$ 314
Changes of Assumptions/Inputs	30,877	15,283
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 133,021</u>	<u>\$ 15,597</u>

Amounts reported as deferred outflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2021	\$ 17,076
2022	17,076
2023	17,076
2024	17,076
2025	17,076
Thereafter	32,045

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 school department calculated using the discount rate of 2.21 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 1,438,240	\$ 1,307,660	\$ 1,187,136

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the school department calculated using the healthcare cost trend rate of five percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (4%) or one percentage point higher (6%) than the current rate:

	1% Decrease 4%	Current Trend Rate 5%	1% Increase 6%
Total OPEB Liability	\$ 1,132,751	\$ 1,307,660	\$ 1,520,129

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000, excluding emergency purchases, to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Purchasing procedures for the highway department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Crockett 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	\$ 337,380	\$ 439,621	\$ 452,318	\$ 484,400	\$ 514,666	\$ 525,120
Interest	1,029,449	1,055,748	1,126,920	1,197,307	1,226,337	1,291,024
Differences Between Actual and Expected Experience	(455,016)	172,022	83,949	(395,626)	83,252	77,950
Change of Assumptions	0	0	0	448,512	0	0
Benefit Payments, Including Refunds of Employee Contributions	(628,188)	(698,595)	(763,670)	(749,877)	(878,045)	(1,006,884)
Net Change in Total Pension Liability	\$ 283,625	\$ 968,796	\$ 899,517	\$ 984,716	\$ 946,210	\$ 887,210
Total Pension Liability, Beginning	13,702,692	13,986,317	14,955,113	15,854,630	16,839,346	17,785,556
Total Pension Liability, Ending (a)	\$ 13,986,317	\$ 14,955,113	\$ 15,854,630	\$ 16,839,346	\$ 17,785,556	\$ 18,672,766
Plan Fiduciary Net Position						
Contributions - Employer	\$ 352,898	\$ 339,223	\$ 344,966	\$ 363,235	\$ 368,765	\$ 391,587
Contributions - Employee	269,913	260,862	265,746	278,984	281,079	298,012
Net Investment Income	2,092,345	450,578	396,767	1,724,361	1,389,715	1,328,577
Benefit Payments, Including Refunds of Employee Contributions	(628,188)	(698,595)	(763,670)	(749,877)	(878,045)	(1,006,884)
Administrative Expense	(6,843)	(8,790)	(13,172)	(15,270)	(16,674)	(16,140)
Other	0	0	1,337	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,080,125	\$ 343,278	\$ 231,974	\$ 1,601,433	\$ 1,144,840	\$ 995,152
Plan Fiduciary Net Position, Beginning	12,607,989	14,688,114	15,031,392	15,263,366	16,864,799	18,009,639
Plan Fiduciary Net Position, Ending (b)	\$ 14,688,114	\$ 15,031,392	\$ 15,263,366	\$ 16,864,799	\$ 18,009,639	\$ 19,004,791
Net Pension Liability (Asset), Ending (a - b)	\$ (701,797)	\$ (76,279)	\$ 591,264	\$ (25,453)	\$ (224,083)	\$ (332,025)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	100.51%	96.27%	100.15%	101.26%	101.78%
Covered Payroll	\$ 5,251,480	\$ 5,210,790	\$ 5,299,008	\$ 5,579,641	\$ 5,612,852	\$ 5,956,803
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.36)%	(1.46)%	11.16%	(0.46)%	(3.99)%	(5.57)%

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

Crockett 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	\$ 352,898	\$ 339,223	\$ 344,966	\$ 363,235	\$ 368,765	\$ 391,587	\$ 434,425
Less Contributions in Relation to the Actuarially Determined Contribution	(352,898)	(339,223)	(344,966)	(363,235)	(368,765)	(391,587)	(434,425)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,251,480	\$ 5,210,790	\$ 5,299,008	\$ 5,579,641	\$ 5,612,852	\$ 5,956,803	\$ 6,612,253
Contributions as a Percentage of Covered Payroll	6.72%	6.51%	6.51%	6.51%	6.57%	6.57%	6.57%

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

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 12,877	\$ 25,464	\$ 35,131	\$ 17,043	\$ 25,318	\$ 31,354
Less Contributions in Relation to the Contractually Required Contribution	(12,877)	(25,464)	(35,131)	(41,805)	(25,318)	(31,354)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (24,762)	\$ 0	\$ 0
Covered Payroll	\$ 321,921	\$ 636,606	\$ 878,285	\$ 1,045,137	\$ 1,305,099	\$ 1,544,571
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 641,175	\$ 641,647	\$ 634,945	\$ 630,366	\$ 616,165	\$ 701,700	\$ 704,610
Less Contributions in Relation to the Contractually Required Contribution	(641,175)	(641,647)	(634,945)	(630,366)	(616,165)	(701,700)	(704,610)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,220,425	\$ 7,097,865	\$ 7,023,736	\$ 6,973,074	\$ 6,785,953	\$ 6,708,420	\$ 6,628,511
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.154937%	0.144682%	0.133816%	0.119597%	0.123329%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,233)	\$ (15,062)	\$ (35,306)	\$ (54,240)	\$ (69,618)
Covered Payroll	\$ 321,921	\$ 636,606	\$ 878,285	\$ 1,045,137	\$ 1,305,099
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(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

Crockett County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Crockett 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)	0.183961%	0.189605%	0.194574%	0.197261%	0.193792%	0.200063%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (29,893)	\$ 77,669	\$ 1,215,980	\$ (64,540)	\$ (681,937)	\$ (2,057,013)
Covered Payroll	\$ 7,220,425	\$ 7,097,865	\$ 7,023,736	\$ 6,973,074	\$ 6,785,953	\$ 6,708,420
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%	17.31%	(.93)%	(10.05)%	(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.

Exhibit E-7

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

Crockett County Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 9,319	\$ 8,806	\$ 9,430
Interest	3,073	3,968	4,487
Differences Between Actual and Expected Experience	0	(8,385)	(37,244)
Changes in Assumptions or Other Inputs	(5,460)	7,919	4,833
Benefit Payments	-	(380)	(518)
Net Change in Total OPEB Liability	\$ 6,932	\$ 11,928	\$ (19,012)
Total OPEB Liability, Beginning	95,926	102,858	114,786
Total OPEB Liability, Ending	<u>\$ 102,858</u>	<u>\$ 114,786</u>	<u>\$ 95,774</u>
Covered Employee Payroll	\$ 3,210,809	\$ 3,396,262	\$ 3,474,105
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.20%	3.38%	2.76%

Highway Department Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 4,403	\$ 4,190	\$ 4,785
Interest	1,365	1,800	2,046
Differences Between Actual and Expected Experience	0	(3,384)	(13,867)
Changes in Assumptions or Other Inputs	(1,695)	3,032	1,677
Benefit Payments	-	(73)	(487)
Net Change in Total OPEB Liability	\$ 4,073	\$ 5,565	\$ (5,846)
Total OPEB Liability, Beginning	42,342	46,415	51,980
Total OPEB Liability, Ending	<u>\$ 46,415</u>	<u>\$ 51,980</u>	<u>\$ 46,134</u>
Covered Employee Payroll	\$ 574,471	\$ 626,444	\$ 611,629
Net OPEB Liability as a Percentage of Covered Employee Payroll	8.08%	8.30%	7.54%

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

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

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

Exhibit E-8

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

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 68,483	\$ 71,140	\$ 78,166
Interest	39,002	38,888	41,643
Differences Between Actual and Expected Experience	0	(416)	116,390
Changes in Assumptions or Other Inputs	0	40,902	(17,414)
Benefit Payments	(47,104)	(36,802)	(45,503)
Net Change in Total OPEB Liability	\$ 60,381	\$ 113,712	\$ 173,282
Total OPEB Liability, Beginning	960,285	1,020,666	1,134,378
Total OPEB Liability, Ending	<u>\$ 1,020,666</u>	<u>\$ 1,134,378</u>	<u>\$ 1,307,660</u>
Covered Employee Payroll	\$ 6,583,188	\$ 6,498,044	\$ 7,714,916
Net OPEB Liability as a Percentage of Covered Employee Payroll	15.50%	17.46%	16.95%

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

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

2017	2.92%
2018	3.56%
2019	3.50%
2020	2.21%

CROCKETT 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Crockett County’s convenience center operations.

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

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

Capital Projects Fund

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

Education Capital Projects Fund – This fund accounts for debt issued by Crockett County that is subsequently contributed to the discretely presented Crockett County School Department for construction and renovation projects.

Exhibit F-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,366	\$ 1,366
Equity in Pooled Cash and Investments	213,079	37,337	0	250,416
Accounts Receivable	2,010	0	0	2,010
Due from Other Governments	43,976	0	0	43,976
Total Assets	<u>\$ 259,065</u>	<u>\$ 37,337</u>	<u>\$ 1,366</u>	<u>\$ 297,768</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 0	\$ 1,366	\$ 1,366
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,366</u>	<u>\$ 1,366</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 15,035	\$ 0	\$ 0	\$ 15,035
Total Deferred Inflows of Resources	<u>\$ 15,035</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,035</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 37,337	\$ 0	\$ 37,337
Committed:				
Committed for Public Health and Welfare	244,030	0	0	244,030
Total Fund Balances	<u>\$ 244,030</u>	<u>\$ 37,337</u>	<u>\$ 0</u>	<u>\$ 281,367</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 259,065</u>	<u>\$ 37,337</u>	<u>\$ 1,366</u>	<u>\$ 297,768</u>

Exhibit F-2

Crockett 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	Total
	Solid Waste / Sanitation	Drug Control	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 279,777	\$ 0	\$ 279,777	\$ 0	\$ 279,777
Fines, Forfeitures, and Penalties	0	17,811	17,811	0	17,811
Charges for Current Services	17,652	0	17,652	0	17,652
State of Tennessee	41,717	0	41,717	0	41,717
Total Revenues	\$ 339,146	\$ 17,811	\$ 356,957	\$ 0	\$ 356,957
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 19,971	\$ 19,971	\$ 0	\$ 19,971
Public Health and Welfare	290,300	0	290,300	0	290,300
Capital Projects	0	0	0	610,890	610,890
Total Expenditures	\$ 290,300	\$ 19,971	\$ 310,271	\$ 610,890	\$ 921,161
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,846	\$ (2,160)	\$ 46,686	\$ (610,890)	\$ (564,204)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 610,890	\$ 610,890
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 610,890	\$ 610,890
Net Change in Fund Balances	\$ 48,846	\$ (2,160)	\$ 46,686	\$ 0	\$ 46,686
Fund Balance, July 1, 2019	195,184	39,497	234,681	0	234,681
Fund Balance, June 30, 2020	\$ 244,030	\$ 37,337	\$ 281,367	\$ 0	\$ 281,367

Exhibit F-3

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 279,777	\$ 270,000	\$ 270,000	\$ 9,777
Charges for Current Services	17,652	14,300	14,300	3,352
State of Tennessee	41,717	38,000	38,000	3,717
Total Revenues	<u>\$ 339,146</u>	<u>\$ 322,300</u>	<u>\$ 322,300</u>	<u>\$ 16,846</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 290,300	\$ 295,303	\$ 295,303	\$ 5,003
Total Expenditures	<u>\$ 290,300</u>	<u>\$ 295,303</u>	<u>\$ 295,303</u>	<u>\$ 5,003</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,846</u>	<u>\$ 26,997</u>	<u>\$ 26,997</u>	<u>\$ 21,849</u>
Net Change in Fund Balance	\$ 48,846	\$ 26,997	\$ 26,997	\$ 21,849
Fund Balance, July 1, 2019	195,184	198,687	198,687	(3,503)
Fund Balance, June 30, 2020	<u>\$ 244,030</u>	<u>\$ 225,684</u>	<u>\$ 225,684</u>	<u>\$ 18,346</u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 17,811	\$ 7,600	\$ 7,600	\$ 10,211
Total Revenues	\$ 17,811	\$ 7,600	\$ 7,600	\$ 10,211
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 19,971	\$ 20,600	\$ 20,600	\$ 629
Total Expenditures	\$ 19,971	\$ 20,600	\$ 20,600	\$ 629
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,160)	\$ (13,000)	\$ (13,000)	\$ 10,840
Net Change in Fund Balance	\$ (2,160)	\$ (13,000)	\$ (13,000)	\$ 10,840
Fund Balance, July 1, 2019	39,497	39,497	39,497	0
Fund Balance, June 30, 2020	\$ 37,337	\$ 26,497	\$ 26,497	\$ 10,840

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

Crockett 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	\$ 1,403,708	\$ 1,334,723	\$ 1,334,723	\$ 68,985
Other Local Revenues	110,532	95,000	95,000	15,532
Other Governments and Citizens Groups	405,427	212,231	255,427	150,000
Total Revenues	<u>\$ 1,919,667</u>	<u>\$ 1,641,954</u>	<u>\$ 1,685,150</u>	<u>\$ 234,517</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 288,462	\$ 218,451	\$ 288,462	\$ 0
Education	1,251,599	1,280,349	1,314,599	63,000
<u>Interest on Debt</u>				
General Government	52,391	28,369	52,391	0
Education	331,101	353,132	331,101	0
<u>Other Debt Service</u>				
General Government	17,540	14,500	18,000	460
Education	6,295	530	6,325	30
Total Expenditures	<u>\$ 1,947,388</u>	<u>\$ 1,895,331</u>	<u>\$ 2,010,878</u>	<u>\$ 63,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (27,721)</u>	<u>\$ (253,377)</u>	<u>\$ (325,728)</u>	<u>\$ 298,007</u>
<u>Other Financing Sources (Uses)</u>				
Other Governments and Citizens Groups	\$ 0	\$ 150,000	\$ 150,000	\$ (150,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ (150,000)</u>
Net Change in Fund Balance	\$ (27,721)	\$ (103,377)	\$ (175,728)	\$ 148,007
Fund Balance, July 1, 2019	1,773,808	1,773,487	1,773,487	321
Fund Balance, June 30, 2020	<u>\$ 1,746,087</u>	<u>\$ 1,670,110</u>	<u>\$ 1,597,759</u>	<u>\$ 148,328</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 - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Exhibit H-1

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

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 483,322	\$ 483,322
Equity in Pooled Cash and Investments	0	5,212	3,422	0	8,634
Accounts Receivable	0	0	0	8,948	8,948
Due from Other Governments	102,381	26,658	18,945	0	147,984
Property Taxes Receivable	0	346,394	227,514	0	573,908
Allowance for Uncollectible Property Taxes	0	(12,996)	(8,535)	0	(21,531)
Total Assets	<u>\$ 102,381</u>	<u>\$ 365,268</u>	<u>\$ 241,346</u>	<u>\$ 492,270</u>	<u>\$ 1,201,265</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 102,381	\$ 365,268	\$ 241,346	\$ 0	\$ 708,995
Due to Litigants, Heirs, and Others	0	0	0	492,270	492,270
Total Liabilities	<u>\$ 102,381</u>	<u>\$ 365,268</u>	<u>\$ 241,346</u>	<u>\$ 492,270</u>	<u>\$ 1,201,265</u>

Exhibit H-2

Crockett 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	\$ 557,159	\$ 557,159	\$ 0
Due from Other Governments	102,672	102,381	102,672	102,381
Total Assets	<u>\$ 102,672</u>	<u>\$ 659,540</u>	<u>\$ 659,831</u>	<u>\$ 102,381</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 102,672	\$ 659,540	\$ 659,831	\$ 102,381
Total Liabilities	<u>\$ 102,672</u>	<u>\$ 659,540</u>	<u>\$ 659,831</u>	<u>\$ 102,381</u>
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,593	\$ 490,037	\$ 486,418	\$ 5,212
Due from Other Governments	23,733	26,658	23,733	26,658
Property Taxes Receivable	334,248	346,394	334,248	346,394
Allowance for Uncollectible Property Taxes	(12,700)	(12,996)	(12,700)	(12,996)
Total Assets	<u>\$ 346,874</u>	<u>\$ 850,093</u>	<u>\$ 831,699</u>	<u>\$ 365,268</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 346,874	\$ 850,093	\$ 831,699	\$ 365,268
Total Liabilities	<u>\$ 346,874</u>	<u>\$ 850,093</u>	<u>\$ 831,699</u>	<u>\$ 365,268</u>
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,049	\$ 321,856	\$ 319,483	\$ 3,422
Due from Other Governments	16,545	18,945	16,545	18,945
Property Taxes Receivable	220,152	227,514	220,152	227,514
Allowance for Uncollectible Property Taxes	(8,365)	(8,535)	(8,365)	(8,535)
Total Assets	<u>\$ 229,381</u>	<u>\$ 559,780</u>	<u>\$ 547,815</u>	<u>\$ 241,346</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 229,381	\$ 559,780	\$ 547,815	\$ 241,346
Total Liabilities	<u>\$ 229,381</u>	<u>\$ 559,780</u>	<u>\$ 547,815</u>	<u>\$ 241,346</u>

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 476,125	\$ 3,347,042	\$ 3,339,845	\$ 483,322
Accounts Receivable	6,608	8,948	6,608	8,948
Cash Shortage	35,534	0	35,534	0
Total Assets	<u>\$ 518,267</u>	<u>\$ 3,355,990</u>	<u>\$ 3,381,987</u>	<u>\$ 492,270</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 518,267	\$ 3,355,990	\$ 3,381,987	\$ 492,270
Total Liabilities	<u>\$ 518,267</u>	<u>\$ 3,355,990</u>	<u>\$ 3,381,987</u>	<u>\$ 492,270</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 476,125	\$ 3,347,042	\$ 3,339,845	\$ 483,322
Equity in Pooled Cash and Investments	2,642	1,369,052	1,363,060	8,634
Accounts Receivable	6,608	8,948	6,608	8,948
Due from Other Governments	142,950	147,984	142,950	147,984
Property Taxes Receivable	554,400	573,908	554,400	573,908
Allowance for Uncollectible Property Taxes	(21,065)	(21,531)	(21,065)	(21,531)
Cash Shortage	35,534	0	35,534	0
Total Assets	<u>\$ 1,197,194</u>	<u>\$ 5,425,403</u>	<u>\$ 5,421,332</u>	<u>\$ 1,201,265</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 678,927	\$ 2,069,413	\$ 2,039,345	\$ 708,995
Due to Litigants, Heirs, and Others	518,267	3,355,990	3,381,987	492,270
Total Liabilities	<u>\$ 1,197,194</u>	<u>\$ 5,425,403</u>	<u>\$ 5,421,332</u>	<u>\$ 1,201,265</u>

Crockett County School Department

This section presents combining and individual fund financial statements for the Crockett County School Department, a discretely presented component unit. The school department uses a General Fund, three Special Revenue Funds, and a Capital Projects 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 a local tax levy to fund the transportation of all students in the county.

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 10,222,414	\$ 39,687	\$ 1,385,360	\$ 610,891	\$ (8,186,476)
Support Services	5,568,713	18,222	232,988	0	(5,317,503)
Operation of Non-instructional Services	1,879,799	156,459	1,371,006	0	(352,334)
Total Governmental Activities	\$ 17,670,926	\$ 214,368	\$ 2,989,354	\$ 610,891	\$ (13,856,313)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,415,005
Local Option Sales Taxes					548,310
Wheel Tax					136,689
Other Local Taxes					376
Grants and Contributions Not Restricted to Specific Programs					12,835,545
Unrestricted Investment Income					33,295
Miscellaneous					56,106
Total General Revenues					\$ 15,025,326
Change in Net Position					\$ 1,169,013
Net Position, July 1, 2019					16,081,095
Net Position, June 30, 2020					\$ 17,250,108

Exhibit I-2

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

	Major Funds		Nonmajor	Total
	General	School	Funds	
	Purpose	Transpor -	Other	
	School	tation	Govern- mental Funds	Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 3,190,651	\$ 16,551	\$ 462,522	\$ 3,669,724
Accounts Receivable	132	0	330	462
Due from Other Governments	302,201	0	78,207	380,408
Due from Other Funds	66,439	0	0	66,439
Property Taxes Receivable	1,222,628	268,139	0	1,490,767
Allowance for Uncollectible Property Taxes	(45,869)	(10,059)	0	(55,928)
Cash Shortage	6,265	0	0	6,265
Restricted Assets	52,226	0	0	52,226
Total Assets	<u>\$ 4,794,673</u>	<u>\$ 274,631</u>	<u>\$ 541,059</u>	<u>\$ 5,610,363</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 14,312	\$ 0	\$ 8,209	\$ 22,521
Cash Overdraft	0	0	73,007	73,007
Due to Other Funds	0	0	66,439	66,439
Total Liabilities	<u>\$ 14,312</u>	<u>\$ 0</u>	<u>\$ 147,655</u>	<u>\$ 161,967</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,138,785	\$ 249,752	\$ 0	\$ 1,388,537
Deferred Delinquent Property Taxes	35,294	7,740	0	43,034
Other Deferred/Unavailable Revenue	61,202	0	0	61,202
Total Deferred Inflows of Resources	<u>\$ 1,235,281</u>	<u>\$ 257,492</u>	<u>\$ 0</u>	<u>\$ 1,492,773</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Transpor -</u>	<u>Govern-</u>	<u>Governmental</u>	
<u>School</u>	<u>tation</u>	<u>mental</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 81,902	\$ 81,902
Restricted for Support Services	0	17,139	0	17,139
Restricted for Operation of Non-instructional Services	0	0	304,509	304,509
Restricted for Hybrid Retirement Stabilization Funds	52,226	0	0	52,226
Committed:				
Committed for Education	1,087,957	0	0	1,087,957
Assigned:				
Assigned for Education	0	0	80,000	80,000
Unassigned	2,404,897	0	(73,007)	2,331,890
Total Fund Balances	<u>\$ 3,545,080</u>	<u>\$ 17,139</u>	<u>\$ 393,404</u>	<u>\$ 3,955,623</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,794,673</u>	<u>\$ 274,631</u>	<u>\$ 541,059</u>	<u>\$ 5,610,363</u>

Exhibit I-3

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Crockett 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)		\$	3,955,623
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	935,805	
Add: construction in progress		683,898	
Add: buildings and improvements net of accumulated depreciation		9,977,363	
Add: infrastructure net of accumulated depreciation		162,641	
Add: other capital assets net of accumulated depreciation		<u>901,654</u>	12,661,361
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(1,307,660)
(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	\$	1,499,392	
Less: deferred inflows of resources related to pensions		(2,038,613)	
Add: deferred outflows of resources related to OPEB		133,021	
Less: deferred inflows of resources related to OPEB		<u>(15,597)</u>	(421,797)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	131,714	
Add: net pension asset - teacher retirement plan		69,618	
Add: net pension asset - teacher legacy pension plan		<u>2,057,013</u>	2,258,345
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>104,236</u>
Net position of governmental activities (Exhibit A)			<u>\$ 17,250,108</u>

Exhibit I-4

Crockett County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Crockett 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	\$ 1,729,510	\$ 349,370	\$ 0	\$ 2,078,880
Licenses and Permits	459	0	0	459
Charges for Current Services	18,222	0	196,146	214,368
Other Local Revenues	85,802	0	3,669	89,471
State of Tennessee	13,589,524	0	9,556	13,599,080
Federal Government	49,596	0	2,074,572	2,124,168
Other Governments and Citizens Groups	101,066	0	610,891	711,957
Total Revenues	<u>\$ 15,574,179</u>	<u>\$ 349,370</u>	<u>\$ 2,894,834</u>	<u>\$ 18,818,383</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 8,722,926	\$ 0	\$ 846,083	\$ 9,569,009
Support Services	5,633,540	5,908	103,210	5,742,658
Operation of Non-Instructional Services	630,942	0	1,235,515	1,866,457
Capital Outlay	829	0	0	829
Debt Service:				
Other Debt Service	405,427	0	0	405,427
Capital Projects	0	0	683,898	683,898
Total Expenditures	<u>\$ 15,393,664</u>	<u>\$ 5,908</u>	<u>\$ 2,868,706</u>	<u>\$ 18,268,278</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 180,515</u>	<u>\$ 343,462</u>	<u>\$ 26,128</u>	<u>\$ 550,105</u>

(Continued)

Exhibit I-4

Crockett County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Crockett 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)</u>				
Insurance Recovery	\$ 8,285	\$ 0	\$ 0	\$ 8,285
Transfers In	334,736	0	60,000	394,736
Transfers Out	(60,000)	(334,736)	0	(394,736)
Total Other Financing Sources (Uses)	\$ 283,021	\$ (334,736)	\$ 60,000	\$ 8,285
Net Change in Fund Balances	\$ 463,536	\$ 8,726	\$ 86,128	\$ 558,390
Fund Balance, July 1, 2019	3,081,544	8,413	307,276	3,397,233
Fund Balance, June 30, 2020	\$ 3,545,080	\$ 17,139	\$ 393,404	\$ 3,955,623

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett 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)		\$ 558,390
<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	\$ 883,180	
Less: current-year depreciation expense	<u>(617,488)</u>	265,692
<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 tax and other deferred June 30, 2020	\$ 104,236	
Less: deferred delinquent property tax and other deferred June 30, 2019	<u>(82,680)</u>	21,556
<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 net OPEB liability	\$ (173,282)	
Change in deferred outflows related to OPEB	97,131	
Change in deferred inflows related to OPEB	(15,232)	
Change in net pension asset- agent plan	42,327	
Change in net pension asset - teacher retirement plan	15,378	
Change in net pension asset - teacher legacy pension plan	1,375,076	
Change in deferred outflows related to pensions	(226,715)	
Change in deferred inflows related to pensions	<u>(791,308)</u>	<u>323,375</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,169,013</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 209,147	\$ 253,375	\$ 462,522	\$ 0	\$ 462,522
Accounts Receivable	0	330	330	0	330
Due from Other Governments	27,403	50,804	78,207	0	78,207
Total Assets	<u>\$ 236,550</u>	<u>\$ 304,509</u>	<u>\$ 541,059</u>	<u>\$ 0</u>	<u>\$ 541,059</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 8,209	\$ 0	\$ 8,209	\$ 0	\$ 8,209
Cash Overdraft	0	0	0	73,007	73,007
Due to Other Funds	66,439	0	66,439	0	66,439
Total Liabilities	<u>\$ 74,648</u>	<u>\$ 0</u>	<u>\$ 74,648</u>	<u>\$ 73,007</u>	<u>\$ 147,655</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 81,902	\$ 0	\$ 81,902	\$ 0	\$ 81,902
Restricted for Operation of Non-instructional Services	0	304,509	304,509	0	304,509
Assigned:					
Assigned for Education	80,000	0	80,000	0	80,000
Unassigned	0	0	0	(73,007)	(73,007)
Total Fund Balances	<u>\$ 161,902</u>	<u>\$ 304,509</u>	<u>\$ 466,411</u>	<u>\$ (73,007)</u>	<u>\$ 393,404</u>
Total Liabilities and Fund Balances	<u>\$ 236,550</u>	<u>\$ 304,509</u>	<u>\$ 541,059</u>	<u>\$ 0</u>	<u>\$ 541,059</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 196,146	\$ 196,146	\$ 0	\$ 196,146
Other Local Revenues	0	3,669	3,669	0	3,669
State of Tennessee	0	9,556	9,556	0	9,556
Federal Government	1,029,688	1,044,884	2,074,572	0	2,074,572
Other Governments and Citizens Groups	0	0	0	610,891	610,891
Total Revenues	<u>\$ 1,029,688</u>	<u>\$ 1,254,255</u>	<u>\$ 2,283,943</u>	<u>\$ 610,891</u>	<u>\$ 2,894,834</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 846,083	\$ 0	\$ 846,083	\$ 0	\$ 846,083
Support Services	103,210	0	103,210	0	103,210
Operation of Non-Instructional Services	0	1,235,515	1,235,515	0	1,235,515
Capital Projects	0	0	0	683,898	683,898
Total Expenditures	<u>\$ 949,293</u>	<u>\$ 1,235,515</u>	<u>\$ 2,184,808</u>	<u>\$ 683,898</u>	<u>\$ 2,868,706</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 80,395</u>	<u>\$ 18,740</u>	<u>\$ 99,135</u>	<u>\$ (73,007)</u>	<u>\$ 26,128</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 60,000	\$ 0	\$ 60,000	\$ 0	\$ 60,000
Total Other Financing Sources (Uses)	<u>\$ 60,000</u>	<u>\$ 0</u>	<u>\$ 60,000</u>	<u>\$ 0</u>	<u>\$ 60,000</u>
Net Change in Fund Balances	\$ 140,395	\$ 18,740	\$ 159,135	\$ (73,007)	\$ 86,128
Fund Balance, July 1, 2019	<u>21,507</u>	<u>285,769</u>	<u>307,276</u>	<u>0</u>	<u>307,276</u>
Fund Balance, June 30, 2020	<u>\$ 161,902</u>	<u>\$ 304,509</u>	<u>\$ 466,411</u>	<u>\$ (73,007)</u>	<u>\$ 393,404</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,729,510	\$ 1,725,584	\$ 1,725,584	\$ 3,926
Licenses and Permits	459	600	600	(141)
Charges for Current Services	18,222	31,000	31,000	(12,778)
Other Local Revenues	85,802	60,000	60,000	25,802
State of Tennessee	13,589,524	13,584,103	13,614,796	(25,272)
Federal Government	49,596	35,000	35,000	14,596
Other Governments and Citizens Groups	101,066	100,562	100,562	504
Total Revenues	\$ 15,574,179	\$ 15,536,849	\$ 15,567,542	\$ 6,637
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 7,208,981	\$ 7,844,026	\$ 7,804,162	\$ 595,181
Alternative Instruction Program	166,696	143,565	169,665	2,969
Special Education Program	463,151	450,620	462,655	(496)
Career and Technical Education Program	884,098	902,072	902,071	17,973
<u>Support Services</u>				
Attendance	57,283	55,543	57,377	94
Health Services	175,820	170,596	170,595	(5,225)
Other Student Support	420,209	441,824	425,146	4,937
Regular Instruction Program	299,127	315,270	307,125	7,998
Special Education Program	244,764	257,515	244,580	(184)
Technology	283,812	356,275	356,275	72,463
Board of Education	286,460	302,009	302,009	15,549
Director of Schools	341,493	356,511	356,511	15,018
Office of the Principal	1,075,416	1,138,192	1,138,192	62,776
Fiscal Services	209,233	220,475	218,641	9,408
Operation of Plant	999,401	1,089,237	1,089,237	89,836
Maintenance of Plant	511,343	648,600	589,258	77,915
Transportation	729,179	859,163	860,063	130,884
<u>Operation of Non-Instructional Services</u>				
Community Services	226,826	199,312	228,924	2,098
Early Childhood Education	404,116	397,557	419,257	15,141
<u>Capital Outlay</u>				
Regular Capital Outlay	829	500,000	500,000	499,171
<u>Principal on Debt</u>				
Education	0	162,228	0	0
<u>Other Debt Service</u>				
Education	405,427	200,004	405,428	1
Total Expenditures	\$ 15,393,664	\$ 17,010,594	\$ 17,007,171	\$ 1,613,507
Excess (Deficiency) of Revenues Over Expenditures	\$ 180,515	\$ (1,473,745)	\$ (1,439,629)	\$ 1,620,144
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,285	\$ 0	\$ 0	\$ 8,285
Transfers In	334,736	338,500	338,500	(3,764)
Transfers Out	(60,000)	0	(60,000)	0
Total Other Financing Sources	\$ 283,021	\$ 338,500	\$ 278,500	\$ 4,521
Net Change in Fund Balance	\$ 463,536	\$ (1,135,245)	\$ (1,161,129)	\$ 1,624,665
Fund Balance, July 1, 2019	3,081,544	2,507,127	2,507,127	574,417
Fund Balance, June 30, 2020	\$ 3,545,080	\$ 1,371,882	\$ 1,345,998	\$ 2,199,082

Exhibit I-9

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett 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	\$ 1,029,688	\$ 1,070,474	\$ 1,096,453	\$ (66,765)
Total Revenues	\$ 1,029,688	\$ 1,070,474	\$ 1,096,453	\$ (66,765)
<u>Expenditures</u>				
<u> Instruction</u>				
Regular Instruction Program	\$ 419,815	\$ 452,164	\$ 452,164	\$ 32,349
Special Education Program	385,693	436,868	436,868	51,175
Career and Technical Education Program	40,575	0	40,865	290
<u> Support Services</u>				
Other Student Support	5,474	1,000	6,474	1,000
Regular Instruction Program	92,121	173,362	173,362	81,241
Special Education Program	4,874	7,080	7,080	2,206
Career and Technical Education Program	741	0	1,147	406
Total Expenditures	\$ 949,293	\$ 1,070,474	\$ 1,117,960	\$ 168,667
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,395	\$ 0	\$ (21,507)	\$ 101,902
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 60,000	\$ 0	\$ 0	\$ 60,000
Total Other Financing Sources	\$ 60,000	\$ 0	\$ 0	\$ 60,000
Net Change in Fund Balance	\$ 140,395	\$ 0	\$ (21,507)	\$ 161,902
Fund Balance, July 1, 2019	21,507	21,507	21,507	0
Fund Balance, June 30, 2020	\$ 161,902	\$ 21,507	\$ 0	\$ 161,902

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 196,146	\$ 245,500	\$ 245,500	\$ (49,354)
Other Local Revenues	3,669	5,300	5,300	(1,631)
State of Tennessee	9,556	10,000	10,000	(444)
Federal Government	1,044,884	1,047,561	1,047,561	(2,677)
Total Revenues	<u>\$ 1,254,255</u>	<u>\$ 1,308,361</u>	<u>\$ 1,308,361</u>	<u>\$ (54,106)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,235,515	\$ 1,302,194	\$ 1,302,194	\$ 66,679
Total Expenditures	<u>\$ 1,235,515</u>	<u>\$ 1,302,194</u>	<u>\$ 1,302,194</u>	<u>\$ 66,679</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 18,740</u>	<u>\$ 6,167</u>	<u>\$ 6,167</u>	<u>\$ 12,573</u>
Net Change in Fund Balance	\$ 18,740	\$ 6,167	\$ 6,167	\$ 12,573
Fund Balance, July 1, 2019	<u>285,769</u>	<u>234,675</u>	<u>234,675</u>	<u>51,094</u>
Fund Balance, June 30, 2020	<u>\$ 304,509</u>	<u>\$ 240,842</u>	<u>\$ 240,842</u>	<u>\$ 63,667</u>

Exhibit I-11

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 349,370	\$ 373,633	\$ 373,633	\$ (24,263)
Total Revenues	\$ 349,370	\$ 373,633	\$ 373,633	\$ (24,263)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,908	\$ 6,500	\$ 6,500	\$ 592
Total Expenditures	\$ 5,908	\$ 6,500	\$ 6,500	\$ 592
Excess (Deficiency) of Revenues Over Expenditures	\$ 343,462	\$ 367,133	\$ 367,133	\$ (23,671)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (334,736)	\$ (338,500)	\$ (338,500)	\$ 3,764
Total Other Financing Sources	\$ (334,736)	\$ (338,500)	\$ (338,500)	\$ 3,764
Net Change in Fund Balance	\$ 8,726	\$ 28,633	\$ 28,633	\$ (19,907)
Fund Balance, July 1, 2019	8,413	10,135	10,135	(1,722)
Fund Balance, June 30, 2020	\$ 17,139	\$ 38,768	\$ 38,768	\$ (21,629)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, 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	Outstanding 6-30-20
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Adult Education Technology Center	\$ 1,100,000	0 %	5-27-10	4-1-20	\$ 114,527	\$ 0	\$ 114,527	\$ 0
Public Works Projects	260,000	2.95	11-20-12	6-1-24	125,000	0	25,000	100,000
School Land	105,000	2.83	12-5-14	12-5-24	66,540	0	10,319	56,221
County Building Renovations	172,000	2.63	5-26-15	6-1-25	108,577	0	16,908	91,669
Senior Center Expansion	208,400	2.9	2-18-16	6-1-26	145,000	0	21,000	124,000
Public Works Projects	175,000	5	8-1-18	8-1-30	175,000	0	11,027	163,973
General Obligation School Bond Anticipation Note	(1)	Variable	5-1-20	5-1-22	0	610,890	0	610,890
Total Notes Payable					\$ 734,644	\$ 610,890	\$ 198,781	\$ 1,146,753
<u>OTHER LOAN PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient Schools Initiative	2,000,000	0	2-2-12	10-1-22	\$ 716,626	\$ 0	\$ 200,004	\$ 516,622
Total Other Loan Payable					\$ 716,626	\$ 0	\$ 200,004	\$ 516,622
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Zoll Monitors/Defibrillators	146,061	4.694	11-15-15	10-15-20	\$ 42,156	\$ 0	\$ 31,326	\$ 10,830
Senior Center Bus	41,165	6.45	12-11-15	12-11-19	8,730	0	8,730	0
Sheriff's Department Vehicle	29,655	7	3-19-18	3-19-20	9,870	0	9,870	0
Sheriff's Department Vehicles	92,227	6.75	10-31-18	10-31-20	59,456	0	28,757	30,699
Sheriff's Department Vehicles	55,626	6.9	9-20-19	9-20-21	0	55,626	19,792	35,834
Total Payable through General Fund					\$ 120,212	\$ 55,626	\$ 98,475	\$ 77,363
<u>Payable through General Debt Service Fund</u>								
Laptop Computers	71,910	4.65	11-20-17	1-20-20	\$ 23,953	\$ 0	\$ 23,953	\$ 0
Laptop Computers	52,003	4.65	11-20-17	1-20-20	17,323	0	17,323	0
Total Payable through Debt Service Fund					\$ 41,276	\$ 0	\$ 41,276	\$ 0
Total Capital Leases Payable					\$ 161,488	\$ 55,626	\$ 139,751	\$ 77,363

(Continued)

Exhibit J-1

Crockett County, Tennessee

Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds (Continued)

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	Outstanding 6-30-20
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding, Series 2018	\$ 8,300,000	5 %	6-22-18	4-1-25	\$ 7,200,000	\$ 0	\$ 1,100,000	\$ 6,100,000
Total Bonds Payable					<u>\$ 7,200,000</u>	<u>\$ 0</u>	<u>\$ 1,100,000</u>	<u>\$ 6,100,000</u>

(1) Total amount approved was \$7,200,000, of which \$6,589,110 remains available for draws as of June 30, 2020.

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 85,537	\$ 18,916	\$ 104,453
2022	697,766	16,110	713,876
2023	88,276	13,453	101,729
2024	89,727	10,655	100,382
2025	65,117	8,099	73,216
2026	34,736	5,670	40,406
2027	15,483	4,343	19,826
2028	16,268	3,558	19,826
2029	17,085	2,741	19,826
2030	17,959	1,867	19,826
2031	18,799	957	19,756
Total	<u>\$ 1,146,753</u>	<u>\$ 86,369</u>	<u>\$ 1,233,122</u>

Year Ending June 30	Other Loan	
	Principal	Total
2021	\$ 200,004	\$ 200,004
2022	200,004	200,004
2023	116,614	116,614
Total	<u>\$ 516,622</u>	<u>\$ 516,622</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2021	\$ 58,848	\$ 4,604	\$ 63,452
2022	18,515	1,277	19,792
Total	<u>\$ 77,363</u>	<u>\$ 5,881</u>	<u>\$ 83,244</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,100,000	\$ 305,000	\$ 1,405,000
2022	1,150,000	250,000	1,400,000
2023	1,225,000	192,500	1,417,500
2024	1,300,000	131,250	1,431,250
2025	1,325,000	66,250	1,391,250
Total	<u>\$ 6,100,000</u>	<u>\$ 945,000</u>	<u>\$ 7,045,000</u>

Exhibit J-3

Crockett County, Tennessee
Schedule of Transfers
Discretely Presented Crockett 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>DISCRETELY PRESENTED CROCKETT</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 60,000
School Transportation	General Purpose School	School transportation	<u>334,736</u>
Total Transfers Discretely Presented Crockett County School Department			<u>\$ 394,736</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 85,435	\$ 100,000	(3) Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	81,368	100,000	(3) "
Director of Schools	State Board of Education and and County Board of Education	120,700 (1)	100,000	(3) "
Trustee	Section 8-24-102, <i>TCA</i>	73,971	782,095	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	50,000	(3) "
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	50,000	(3) "
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	50,000	(3) "
Clerk and Master	Section 8-24-102, <i>TCA</i>	73,971	50,000	(3) "
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	50,000	(3) "
Sheriff	Section 8-24-102, <i>TCA</i>	81,368 (2)	100,000	(3) "
Employee Bonds:				
General Fund Employees			400,000	Tennessee Risk Management Trust
Road Department Employees			400,000	"
School Department Employees			400,000	"

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

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

(3) Also covered by \$400,000 insurance with Tennessee Risk Management Trust.

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,223,085	\$ 0	\$ 0	\$ 0	\$ 264,581	\$ 4,487,666
Discount on Property Taxes	(37,119)	0	0	0	(2,323)	(39,442)
Trustee's Collections - Prior Year	128,403	0	0	0	7,523	135,926
Trustee's Collections - Bankruptcy	1,833	0	0	0	186	2,019
Circuit Clerk/Clerk and Master Collections - Prior Years	145,956	0	0	0	11,970	157,926
Interest and Penalty	23,079	0	0	0	1,488	24,567
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	7	103
Payments in-Lieu-of Taxes - Other	2,507	0	0	0	0	2,507
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	225,559	0	0	782,427	1,007,986
Hotel/Motel Tax	7,957	0	0	0	0	7,957
Wheel Tax	0	0	0	401,262	319,757	721,019
Litigation Tax - General	48,150	0	0	0	0	48,150
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	18,092	18,092
Business Tax	121,119	0	0	0	0	121,119
Mixed Drink Tax	553	0	0	0	0	553
<u>Statutory Local Taxes</u>						
Bank Excise Tax	54,534	0	0	0	0	54,534
Wholesale Beer Tax	0	54,218	0	0	0	54,218
Total Local Taxes	\$ 4,720,153	\$ 279,777	\$ 0	\$ 401,262	\$ 1,403,708	\$ 6,804,900
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 6,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,443

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 570
Building Permits	39,775	0	0	0	0	39,775
Total Licenses and Permits	\$ 46,788	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,788
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,843
Officers Costs	933	0	0	0	0	933
Drug Control Fines	0	0	257	0	0	257
Drug Court Fees	1,076	0	0	0	0	1,076
Jail Fees	812	0	0	0	0	812
DUI Treatment Fines	142	0	0	0	0	142
Data Entry Fee - Circuit Court	148	0	0	0	0	148
<u>General Sessions Court</u>						
Fines	12,348	0	0	0	0	12,348
Fines for Littering	48	0	0	0	0	48
Officers Costs	18,696	0	0	0	0	18,696
Game and Fish Fines	47	0	0	0	0	47
Drug Control Fines	1,602	0	1,568	0	0	3,170
Drug Court Fees	4,167	0	0	0	0	4,167
Jail Fees	1,838	0	0	0	0	1,838
DUI Treatment Fines	3,699	0	0	0	0	3,699
Data Entry Fee - General Sessions Court	7,269	0	0	0	0	7,269
Courtroom Security Fee	15	0	0	0	0	15

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 166	\$ 0	\$ 0	\$ 0	\$ 0	166
Officers Costs	808	0	0	0	0	808
Data Entry Fee - Juvenile Court	209	0	0	0	0	209
<u>Chancery Court</u>						
Officers Costs	589	0	0	0	0	589
Data Entry Fee - Chancery Court	3,002	0	0	0	0	3,002
Courtroom Security Fee	1,030	0	0	0	0	1,030
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	15,986	0	0	15,986
Total Fines, Forfeitures, and Penalties	\$ 61,487	\$ 0	\$ 17,811	\$ 0	\$ 0	79,298
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 13,132	\$ 0	\$ 0	\$ 0	13,132
Surcharge - Waste Tire Disposal	0	4,520	0	0	0	4,520
Patient Charges	654,254	0	0	0	0	654,254
<u>Fees</u>						
Copy Fees	444	0	0	0	0	444
Library Fees	6,110	0	0	0	0	6,110
Telephone Commissions	18,065	0	0	0	0	18,065
Data Processing Fee - Register	4,184	0	0	0	0	4,184
Data Processing Fee - Sheriff	999	0	0	0	0	999
Sexual Offender Registration Fee - Sheriff	3,000	0	0	0	0	3,000
Data Processing Fee - County Clerk	363	0	0	0	0	363
Vehicle Insurance Coverage and Reinstatement Fees	1,115	0	0	0	0	1,115
Total Charges for Current Services	\$ 688,534	\$ 17,652	\$ 0	\$ 0	\$ 0	706,186

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,971	\$ 42,971
Lease/Rentals	20,793	0	0	0	67,561	88,354
Sale of Materials and Supplies	0	0	0	1,440	0	1,440
Commissary Sales	8,918	0	0	0	0	8,918
Miscellaneous Refunds	10,516	0	0	4,302	0	14,818
<u>Nonrecurring Items</u>						
Sale of Equipment	500	0	0	0	0	500
Damages Recovered from Individuals	50	0	0	0	0	50
Total Other Local Revenues	\$ 40,777	\$ 0	\$ 0	\$ 5,742	\$ 110,532	\$ 157,051
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 149,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 149,696
Circuit Court Clerk	8,890	0	0	0	0	8,890
General Sessions Court Clerk	104,119	0	0	0	0	104,119
Clerk and Master	62,792	0	0	0	0	62,792
Juvenile Court Clerk	2,944	0	0	0	0	2,944
Register	48,737	0	0	0	0	48,737
Sheriff	6,672	0	0	0	0	6,672
Trustee	221,361	0	0	0	0	221,361
Total Fees Received From County Officials	\$ 605,211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 605,211
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,815	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,815

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds			Debt Service	Total
		Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund General Debt Service	
<u>State of Tennessee (Cont.)</u>						
<u>General Government Grants (Cont.)</u>						
Aging Programs	\$ 85,474	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,474
Solid Waste Grants	40,238	0	0	0	0	40,238
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,800	0	0	0	0	12,800
<u>Health and Welfare Grants</u>						
Health Department Programs	84,237	0	0	0	0	84,237
Other Health and Welfare Grants	3,000	0	0	0	0	3,000
<u>Public Works Grants</u>						
Bridge Program	0	0	0	1,172,271	0	1,172,271
Litter Program	66,372	0	0	0	0	66,372
<u>Other State Revenues</u>						
Income Tax	6,951	0	0	0	0	6,951
Vehicle Certificate of Title Fees	6,013	0	0	0	0	6,013
Alcoholic Beverage Tax	0	41,717	0	0	0	41,717
State Revenue Sharing - T.V.A.	347,448	0	0	0	0	347,448
State Revenue Sharing - Telecommunications	20,033	0	0	0	0	20,033
Contracted Prisoner Boarding	113,529	0	0	0	0	113,529
Gasoline and Motor Fuel Tax	0	0	0	1,941,501	0	1,941,501
Petroleum Special Tax	0	0	0	10,524	0	10,524
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	57,269	0	0	0	0	57,269
Other State Revenues	29,080	0	0	0	0	29,080
Total State of Tennessee	\$ 892,423	\$ 41,717	\$ 0	\$ 3,124,296	\$ 0	\$ 4,058,436

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds			Debt Service	Total
		Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund General Debt Service	
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 33,559	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,559
COVID-19 Grant #1	40,003	0	0	0	0	40,003
Other Federal through State	47,090	0	0	0	0	47,090
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	1,000	0	0	0	0	1,000
Total Federal Government	\$ 121,652	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,652
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 405,427	\$ 405,427
Contracted Services	3,819	0	0	42,759	0	46,578
Total Other Governments and Citizens Groups	\$ 3,819	\$ 0	\$ 0	\$ 42,759	\$ 405,427	\$ 452,005
Total	\$ 7,180,844	\$ 339,146	\$ 17,811	\$ 3,574,059	\$ 1,919,667	\$ 13,031,527

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund Education Capital Projects	Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,096,698	\$ 0	\$ 0	\$ 240,522	\$ 0	\$ 1,337,220
Discount on Property Taxes	(9,613)	0	0	(2,110)	0	(11,723)
Trustee's Collections - Prior Year	31,551	0	0	6,892	0	38,443
Trustee's Collections - Bankruptcy	528	0	0	117	0	645
Circuit Clerk/Clerk and Master Collections - Prior Years	29,127	0	0	8,564	0	37,691
Interest and Penalty	6,046	0	0	1,329	0	7,375
Payments in-Lieu-of Taxes - T.V.A.	46	0	0	10	0	56
<u>County Local Option Taxes</u>						
Local Option Sales Tax	532,108	0	0	0	0	532,108
Wheel Tax	42,643	0	0	94,046	0	136,689
Mixed Drink Tax	376	0	0	0	0	376
Total Local Taxes	\$ 1,729,510	\$ 0	\$ 0	\$ 349,370	\$ 0	\$ 2,078,880
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 459	\$ 0	\$ 0	\$ 0	\$ 0	\$ 459
Total Licenses and Permits	\$ 459	\$ 0	\$ 0	\$ 0	\$ 0	\$ 459
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 100,380	\$ 0	\$ 0	\$ 100,380
Lunch Payments - Adults	0	0	17,031	0	0	17,031
Income from Breakfast	0	0	136	0	0	136
A la Carte Sales	0	0	38,912	0	0	38,912

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			School Transportation	Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria			Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>							
<u>Education Charges (Cont.)</u>							
Transportation - Other State Systems	\$ 6,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,937
Receipts from Individual Schools	11,285	0	0	0	0	0	11,285
Other Charges for Services	0	0	39,687	0	0	0	39,687
Total Charges for Current Services	\$ 18,222	\$ 0	\$ 196,146	\$ 0	\$ 0	\$ 0	214,368
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 31,515	\$ 0	\$ 1,780	\$ 0	\$ 0	\$ 0	33,295
Lease/Rentals	19,729	0	0	0	0	0	19,729
Miscellaneous Refunds	34,374	0	1,889	0	0	0	36,263
<u>Nonrecurring Items</u>							
Damages Recovered from Individuals	114	0	0	0	0	0	114
<u>Other Local Revenues</u>							
Other Local Revenues	70	0	0	0	0	0	70
Total Other Local Revenues	\$ 85,802	\$ 0	\$ 3,669	\$ 0	\$ 0	\$ 0	89,471
<u>State of Tennessee</u>							
<u>State Education Funds</u>							
Basic Education Program	\$ 12,785,030	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12,785,030
Early Childhood Education	316,566	0	0	0	0	0	316,566
School Food Service	0	0	9,556	0	0	0	9,556
Driver Education	19,067	0	0	0	0	0	19,067
Other State Education Funds	97,094	0	0	0	0	0	97,094
Coordinated School Health	62,337	0	0	0	0	0	62,337

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	School Transportation	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Family Resource Centers	\$ 26,390	\$ 0	\$ 0	\$ 0	\$ 0	26,390
Career Ladder Program	30,539	0	0	0	0	30,539
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	50,000	0	0	0	0	50,000
Other State Grants	159,306	0	0	0	0	159,306
Safe Schools	43,195	0	0	0	0	43,195
Total State of Tennessee	\$ 13,589,524	\$ 0	\$ 9,556	\$ 0	\$ 0	13,599,080
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 608,157	\$ 0	\$ 0	608,157
USDA - Commodities	0	0	97,795	0	0	97,795
Breakfast	0	0	321,535	0	0	321,535
USDA - Other	0	0	17,397	0	0	17,397
Vocational Education - Basic Grants to States	0	46,602	0	0	0	46,602
Title I Grants to Local Education Agencies	0	393,891	0	0	0	393,891
Special Education - Grants to States	31,387	428,957	0	0	0	460,344
Special Education Preschool Grants	0	10,952	0	0	0	10,952
English Language Acquisition Grants	0	7,686	0	0	0	7,686
Rural Education	0	48,847	0	0	0	48,847
Eisenhower Professional Development State Grants	0	62,451	0	0	0	62,451
Other Federal through State	14,135	30,302	0	0	0	44,437
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	4,074	0	0	0	0	4,074
Total Federal Government	\$ 49,596	\$ 1,029,688	\$ 1,044,884	\$ 0	\$ 0	2,124,168

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	School Transportation	Education Capital Projects	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	610,891	\$ 610,891
<u>Other</u>						
Other	101,066	0	0	0	0	101,066
Total Other Governments and Citizens Groups	\$ 101,066	\$ 0	\$ 0	\$ 0	610,891	\$ 711,957
Total	\$ 15,574,179	\$ 1,029,688	\$ 1,254,255	\$ 349,370	610,891	\$ 18,818,383

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	15,325	
Dues and Memberships		1,300	
Total County Commission			\$ 16,625

Board of Equalization

Board and Committee Members Fees	\$	170	
Total Board of Equalization			170

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Accountants/Bookkeepers		41,079	
Purchasing Personnel		28,366	
Longevity Pay		1,450	
Contracts with Private Agencies		12,752	
Dues and Memberships		1,835	
Postal Charges		1,155	
Printing, Stationery, and Forms		1,669	
Travel		2,757	
Other Contracted Services		5,000	
Office Supplies		276	
Office Equipment		6,068	
Total County Mayor/Executive			187,842

Election Commission

County Official/Administrative Officer	\$	66,572	
Data Processing Personnel		20,927	
Election Commission		1,900	
Election Workers		12,577	
In-service Training		1,520	
Contracts with Private Agencies		18,970	
Data Processing Services		8,281	
Dues and Memberships		310	
Legal Notices, Recording, and Court Costs		3,137	
Maintenance and Repair Services - Equipment		1,175	
Postal Charges		1,289	
Printing, Stationery, and Forms		3,013	
Travel		185	
Drugs and Medical Supplies		1,484	
Office Supplies		4,667	
Other Charges		186	
Office Equipment		3,050	
Other Equipment		8,772	
Total Election Commission			158,015

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		27,925	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Longevity Pay	\$	750	
Data Processing Services		2,993	
Dues and Memberships		560	
Operating Lease Payments		1,468	
Postal Charges		275	
Other Contracted Services		647	
Office Supplies		302	
Total Register of Deeds	\$		108,891

County Buildings

Maintenance Personnel	\$	27,841	
Longevity Pay		100	
Communication		67,984	
Engineering Services		51,295	
Operating Lease Payments		6,000	
Maintenance and Repair Services - Buildings		61,883	
Maintenance and Repair Services - Equipment		3,953	
Maintenance and Repair Services - Vehicles		1,000	
Pest Control		4,260	
Custodial Supplies		13,977	
Drugs and Medical Supplies		13,059	
Electricity		26,284	
Gasoline		1,895	
Natural Gas		9,709	
Water and Sewer		9,162	
Building and Contents Insurance		28,440	
Building Improvements		69,947	
Total County Buildings			396,789

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		5,543	
Total Accounting and Budgeting			6,111

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		33,829	
Longevity Pay		200	
Contracts with Private Agencies		9,788	
Data Processing Services		8,353	
Dues and Memberships		1,555	
Postal Charges		853	
Travel		2,938	
Office Supplies		1,531	
Office Equipment		1,680	
Total Property Assessor's Office			134,698

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		64,111	
Longevity Pay		2,550	
Data Processing Services		7,960	
Dues and Memberships		660	
Maintenance Agreements		3,196	
Postal Charges		2,880	
Other Contracted Services		892	
Office Supplies		1,594	
Other Equipment		15,939	
Total County Trustee's Office			\$ 173,753

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		67,247	
Longevity Pay		800	
Dues and Memberships		740	
Postal Charges		2,585	
Printing, Stationery, and Forms		130	
Travel		149	
Other Contracted Services		14,251	
Office Supplies		1,950	
Office Equipment		1,427	
Other Equipment		7,400	
Total County Clerk's Office			170,650

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		104,635	
Longevity Pay		400	
Jury and Witness Expense		4,075	
Data Processing Services		14,404	
Dues and Memberships		725	
Postal Charges		2,035	
Printing, Stationery, and Forms		893	
Office Supplies		5,098	
Office Equipment		940	
Total Circuit Court			207,176

General Sessions Judge

Judge(s)	\$	96,345	
Travel		1,419	
Other Contracted Services		4,800	
Total General Sessions Judge			102,564

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Assistant(s)	\$	17,040	
Supervisor/Director		30,900	
Social Security		6,817	
Communication		2,457	
Travel		3,273	
Drug Treatment		777	
Other Contracted Services		5,300	
Office Supplies		260	
Office Equipment		1,442	
Total Drug Court			\$ 68,266

Chancery Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		29,013	
Longevity Pay		250	
Dues and Memberships		625	
Maintenance Agreements		5,304	
Postal Charges		3,859	
Other Contracted Services		1,557	
Office Supplies		791	
Other Equipment		1,895	
Total Chancery Court			117,265

Juvenile Court

Supervisor/Director	\$	37,522	
Probation Officer(s)		14,555	
Longevity Pay		300	
Communication		970	
Contracts with Government Agencies		700	
Contracts with Private Agencies		1,133	
Maintenance and Repair Services - Vehicles		607	
Travel		500	
Other Contracted Services		1,175	
Gasoline		1,048	
Office Supplies		60	
In Service/Staff Development		380	
Other Charges		359	
Office Equipment		1,416	
Total Juvenile Court			60,725

Other Administration of Justice

Other Salaries and Wages	\$	7,496	
Total Other Administration of Justice			7,496

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Assistant(s)	\$	47,802	
Deputy(ies)		509,512	
Data Processing Personnel		33,193	
Guards		22,430	
Secretary(ies)		33,193	
Longevity Pay		5,500	
Other Salaries and Wages		68,741	
In-service Training		12,800	
Communication		25,029	
Data Processing Services		54,174	
Dues and Memberships		2,930	
Maintenance and Repair Services - Vehicles		21,325	
Postal Charges		3,648	
Travel		6,729	
Gasoline		49,134	
Law Enforcement Supplies		3,042	
Office Supplies		6,504	
Tires and Tubes		8,891	
Uniforms		4,854	
Vehicle Parts		12,241	
Other Supplies and Materials		289	
In Service/Staff Development		220	
Other Charges		2,087	
Law Enforcement Equipment		6,158	
Motor Vehicles		55,626	
Office Equipment		314	
Other Equipment		10,520	
Total Sheriff's Department			\$ 1,088,254

Jail

Supervisor/Director	\$	45,701
Dispatchers/Radio Operators		224,266
Guards		306,068
Part-time Personnel		20,318
Longevity Pay		4,950
Other Salaries and Wages		76,560
In-service Training		100
Data Processing Services		10,486
Evaluation and Testing		959
Medical and Dental Services		85,561
Travel		1,063
Custodial Supplies		9,920
Drugs and Medical Supplies		30,536
Electricity		39,909
Food Supplies		109,762
Natural Gas		9,673
Prisoners Clothing		5,383

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	2,627	
Water and Sewer		17,795	
Other Supplies and Materials		865	
In Service/Staff Development		200	
Other Charges		1,546	
Data Processing Equipment		2,036	
Office Equipment		556	
Other Equipment		22,055	
Total Jail			\$ 1,028,895

Fire Prevention and Control

Medical Insurance	\$	4,588	
Contributions		56,000	
Total Fire Prevention and Control			60,588

Civil Defense

Supervisor/Director	\$	14,040	
Communication		5,152	
Dues and Memberships		370	
Operating Lease Payments		959	
Maintenance and Repair Services - Vehicles		1,724	
Travel		384	
Electricity		10,241	
Food Supplies		14	
Gasoline		2,112	
Office Supplies		57	
Utilities		2,136	
Total Civil Defense			37,189

Rescue Squad

Contributions	\$	10,000	
Total Rescue Squad			10,000

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	2,000	
Contracts with Government Agencies		4,680	
Total County Coroner/Medical Examiner			6,680

Public Health and Welfare

Local Health Center

Medical Personnel	\$	36,392	
Clerical Personnel		36,091	
Educational Assistants		31,665	
Longevity Pay		250	
Social Security		7,500	
Pensions		6,030	
Employee and Dependent Insurance		8,080	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Unemployment Compensation	\$	83	
Communication		8,917	
Travel		1,760	
Other Contracted Services		9,999	
Custodial Supplies		211	
Drugs and Medical Supplies		303	
Office Supplies		374	
Utilities		7,952	
Other Supplies and Materials		56	
Other Charges		953	
Total Local Health Center			\$ 156,616

Rabies and Animal Control

Supervisor/Director	\$	25,470	
Longevity Pay		50	
Communication		710	
Maintenance and Repair Services - Vehicles		245	
Travel		1,117	
Other Contracted Services		715	
Gasoline		1,364	
Tires and Tubes		725	
Other Supplies and Materials		5,263	
Total Rabies and Animal Control			35,659

Ambulance/Emergency Medical Services

Assistant(s)	\$	7,676	
Supervisor/Director		56,455	
Medical Personnel		474,691	
Secretary(ies)		17,124	
Part-time Personnel		59,048	
Longevity Pay		5,100	
Other Salaries and Wages		134,710	
Communication		9,011	
Contracts with Private Agencies		59,379	
Dues and Memberships		375	
Evaluation and Testing		140	
Licenses		2,616	
Maintenance and Repair Services - Vehicles		44,896	
Postal Charges		26	
Diesel Fuel		24,534	
Drugs and Medical Supplies		47,099	
Office Supplies		365	
Tires and Tubes		5,770	
Uniforms		1,212	
Other Supplies and Materials		2,555	
In Service/Staff Development		930	
Other Equipment		9,787	
Total Ambulance/Emergency Medical Services			963,499

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Maternal and Child Health Services

Contributions	\$	4,000	
Total Maternal and Child Health Services			\$ 4,000

Alcohol and Drug Programs

Contributions	\$	5,165	
Total Alcohol and Drug Programs			5,165

Crippled Children Services

Contributions	\$	1,650	
Total Crippled Children Services			1,650

Other Local Health Services

Contributions	\$	2,000	
Other Supplies and Materials		4,453	
Total Other Local Health Services			6,453

Appropriation to State

Contracts with Government Agencies	\$	40,110	
Contributions		2,000	
Total Appropriation to State			42,110

Other Local Welfare Services

Other Charges	\$	649	
Total Other Local Welfare Services			649

Waste Pickup

Other Salaries and Wages	\$	11,590	
Travel		1,070	
Other Supplies and Materials		31,327	
Total Waste Pickup			43,987

Other Public Health and Welfare

Other Supplies and Materials	\$	4,982	
Total Other Public Health and Welfare			4,982

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	21,990	
Supervisor/Director		39,989	
Social Workers		23,047	
Medical Personnel		24,302	
Bus Drivers		18,640	
Clerical Personnel		9,698	
Educational Assistants		23,576	
Cafeteria Personnel		14,547	
Maintenance Personnel		9,274	
Temporary Personnel		4,375	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Part-time Personnel	\$	9,578	
Longevity Pay		2,038	
Communication		7,696	
Data Processing Services		655	
Dues and Memberships		380	
Licenses		2,080	
Maintenance and Repair Services - Buildings		769	
Maintenance and Repair Services - Vehicles		3,121	
Postal Charges		790	
Travel		1,428	
Other Contracted Services		8,700	
Custodial Supplies		2,039	
Food Supplies		2,413	
Gasoline		3,710	
Instructional Supplies and Materials		963	
Office Supplies		1,425	
Utilities		7,032	
Other Supplies and Materials		58	
In Service/Staff Development		750	
Other Charges		123	
Office Equipment		2,758	
Total Adult Activities			\$ 247,944

Libraries

Librarians	\$	30,133	
Longevity Pay		750	
Other Salaries and Wages		58,588	
Communication		2,045	
Travel		215	
Other Contracted Services		1,725	
Data Processing Supplies		923	
Library Books/Media		16,941	
Office Supplies		1,628	
Utilities		7,951	
Other Supplies and Materials		326	
Other Charges		60	
Data Processing Equipment		2,523	
Office Equipment		2,246	
Total Libraries			126,054

Parks and Fair Boards

Contributions	\$	3,000	
Other Contracted Services		2,400	
Electricity		2,105	
Total Parks and Fair Boards			7,505

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	14,775	
Assistant(s)		15,124	
Supervisor/Director		6,679	
Clerical Personnel		9,957	
Other Fringe Benefits		8,179	
Communication		5,745	
Dues and Memberships		243	
Travel		489	
Office Supplies		1,861	
Maintenance Equipment		7,784	
Total Agricultural Extension Service	\$		70,836

Soil Conservation

Supervisor/Director	\$	38,004	
Secretary(ies)		28,648	
Longevity Pay		2,450	
Other Salaries and Wages		31,965	
Other Charges		5,000	
Total Soil Conservation			106,067

Flood Control

Dues and Memberships	\$	10,717	
Total Flood Control			10,717

Other Operations

Veterans' Services

Supervisor/Director	\$	28,710	
Contracts with Private Agencies		509	
Postal Charges		110	
Travel		977	
Office Supplies		373	
Other Charges		1,000	
Office Equipment		55	
Total Veterans' Services			31,734

Other Charges

Liability Insurance	\$	56,432	
Trustee's Commission		104,051	
Vehicle and Equipment Insurance		42,126	
Workers' Compensation Insurance		78,696	
Total Other Charges			281,305

Contributions to Other Agencies

Contributions	\$	47,300	
Total Contributions to Other Agencies			47,300

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Social Security	\$	295,334	
Pensions		217,967	
Employee and Dependent Insurance		5,975	
Medical Insurance		203,042	
Unemployment Compensation		2,730	
Total Employee Benefits			\$ 725,048

COVID-19 Grant #1

Other Charges	\$	40,003	
Total COVID-19 Grant #1			40,003

Miscellaneous

Contracts with Government Agencies	\$	10,000	
Contributions		1,000	
Evaluation and Testing		12,550	
Legal Notices, Recording, and Court Costs		4,897	
Postal Charges		61	
Other Contracted Services		5,397	
Instructional Supplies and Materials		2,415	
Office Supplies		3,399	
Other Supplies and Materials		7,104	
Premiums on Corporate Surety Bonds		62	
In Service/Staff Development		2,500	
Other Charges		6,077	
Other Equipment		1,932	
Total Miscellaneous			57,394

Principal on Debt

General Government

Principal on Capital Leases	\$	98,475	
Total General Government			98,475

Interest on Debt

General Government

Interest on Capital Leases	\$	6,610	
Total General Government			6,610

Total General Fund \$ 7,270,404

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Attendants	\$	46,321	
Other Salaries and Wages		12	
Social Security		3,544	
Communication		1,733	
Contracts with Private Agencies		217,676	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Maintenance and Repair Services - Vehicles	\$	1,937	
Other Contracted Services		6,000	
Gasoline		2,161	
Utilities		7,653	
Trustee's Commission		3,263	
Total Convenience Centers			\$ 290,300

Total Solid Waste/Sanitation Fund \$ 290,300

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	500	
Instructional Supplies and Materials		155	
Law Enforcement Supplies		18,747	
Other Supplies and Materials		551	
Trustee's Commission		18	
Total Drug Enforcement			\$ 19,971

Total Drug Control Fund 19,971

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,368	
Accountants/Bookkeepers		76,564	
Board and Committee Members Fees		14,220	
Communication		3,611	
Data Processing Services		11,923	
Dues and Memberships		3,239	
Legal Notices, Recording, and Court Costs		995	
Maintenance and Repair Services - Buildings		3,664	
Maintenance and Repair Services - Office Equipment		583	
Postal Charges		583	
Printing, Stationery, and Forms		375	
Travel		1,454	
Custodial Supplies		669	
Data Processing Supplies		106	
Drugs and Medical Supplies		1,307	
Electricity		5,882	
Natural Gas		633	
Office Supplies		520	
Water and Sewer		1,720	
Other Charges		5,242	
Total Administration			\$ 214,658

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	82,609	
Equipment Operators		228,806	
Truck Drivers		50,356	
Laborers		95,851	
Engineering Services		33,953	
Asphalt - Hot Mix		5,589	
Asphalt - Liquid		195,738	
Crushed Stone		159,000	
Fertilizer, Lime, and Seed		1,300	
Pipe		47,740	
Road Signs		3,873	
Wood Products		102,498	
Other Supplies and Materials		2,714	
Total Highway and Bridge Maintenance			\$ 1,010,027

Operation and Maintenance of Equipment

Mechanic(s)	\$	37,417	
Laborers		66,740	
Laundry Service		3,844	
Maintenance and Repair Services - Equipment		18,143	
Diesel Fuel		78,980	
Equipment and Machinery Parts		57,309	
Garage Supplies		987	
Gasoline		8,236	
Lubricants		11,069	
Propane Gas		20	
Small Tools		1,923	
Tires and Tubes		32,194	
Other Supplies and Materials		1,302	
Total Operation and Maintenance of Equipment			318,164

Other Charges

Trustee's Commission	\$	23,440	
Vehicle and Equipment Insurance		43,941	
Workers' Compensation Insurance		55,099	
Total Other Charges			122,480

Employee Benefits

Social Security	\$	45,504	
Pensions		40,184	
Employee and Dependent Insurance		124,994	
Unemployment Compensation		5,132	
Employer Medicare		10,642	
Total Employee Benefits			226,456

Capital Outlay

Bridge Construction	\$	1,311,996	
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(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Highway Equipment	\$ 187,660	
Motor Vehicles	44,929	
Office Equipment	1,416	
Total Capital Outlay		\$ 1,546,001

Total Highway/Public Works Fund \$ 3,437,786

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 100,000	
Principal on Notes	188,462	
Total General Government		\$ 288,462

Education

Principal on Bonds	\$ 1,000,000	
Principal on Notes	10,319	
Principal on Capital Leases	41,276	
Principal on Other Loans	200,004	
Total Education		1,251,599

Interest on Debt

General Government

Interest on Bonds	\$ 32,727	
Interest on Notes	19,664	
Total General Government		52,391

Education

Interest on Bonds	\$ 327,273	
Interest on Notes	1,908	
Interest on Capital Leases	1,920	
Total Education		331,101

Other Debt Service

General Government

Trustee's Commission	\$ 17,540	
Total General Government		17,540

Education

Fiscal Agent Charges	\$ 500	
Interest on Notes	5,795	
Total Education		6,295

Total General Debt Service Fund 1,947,388

(Continued)

Exhibit J-7

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>610,890</u>	
Total Education Capital Projects			<u>\$ 610,890</u>
Total Education Capital Projects Fund			<u>\$ 610,890</u>
Total Governmental Funds - Primary Government			<u>\$ 13,576,739</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,837,004	
Career Ladder Program		20,050	
Homebound Teachers		662	
Educational Assistants		110,701	
Other Salaries and Wages		65,917	
Certified Substitute Teachers		16,323	
Non-certified Substitute Teachers		62,917	
Social Security		285,828	
Pensions		479,386	
Medical Insurance		670,878	
Unemployment Compensation		9,786	
Employer Medicare		67,416	
Maintenance and Repair Services - Equipment		473	
Other Contracted Services		15,322	
Instructional Supplies and Materials		134,393	
Textbooks - Bound		231,574	
Other Charges		27,032	
Regular Instruction Equipment		173,319	
Total Regular Instruction Program			\$ 7,208,981

Alternative Instruction Program

Teachers	\$	106,340	
Educational Assistants		25,547	
Social Security		7,600	
Pensions		12,982	
Medical Insurance		12,450	
Employer Medicare		1,777	
Total Alternative Instruction Program			166,696

Special Education Program

Teachers	\$	239,820	
Educational Assistants		75,641	
Non-certified Substitute Teachers		7,995	
Social Security		18,703	
Pensions		28,546	
Medical Insurance		21,565	
Employer Medicare		4,374	
Instructional Supplies and Materials		14,027	
Other Supplies and Materials		5,499	
Other Charges		535	
Special Education Equipment		46,446	
Total Special Education Program			463,151

Career and Technical Education Program

Teachers	\$	641,104	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Clerical Personnel	\$	35,565	
Social Security		38,144	
Pensions		65,191	
Medical Insurance		75,630	
Employer Medicare		8,921	
Maintenance and Repair Services - Equipment		1,852	
Instructional Supplies and Materials		15,249	
Other Supplies and Materials		1,442	
Total Career and Technical Education Program			\$ 884,098

Support Services

Attendance

Supervisor/Director	\$	35,192	
Social Security		2,000	
Pensions		3,741	
Medical Insurance		6,284	
Employer Medicare		468	
Data Processing Services		8,712	
Travel		546	
In Service/Staff Development		340	
Total Attendance			57,283

Health Services

Supervisor/Director	\$	51,965	
Medical Personnel		49,360	
Other Salaries and Wages		20,783	
Social Security		6,992	
Pensions		12,136	
Medical Insurance		11,041	
Employer Medicare		1,635	
Communication		59	
Travel		769	
Other Supplies and Materials		13,823	
In Service/Staff Development		2,829	
Other Charges		4,428	
Total Health Services			175,820

Other Student Support

Guidance Personnel	\$	212,745	
Guards		1,380	
Secretary(ies)		38,951	
Other Salaries and Wages		81,157	
Social Security		19,687	
Pensions		29,836	
Medical Insurance		12,221	
Employer Medicare		4,624	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Evaluation and Testing	\$	3,562	
Travel		1,161	
Other Contracted Services		3,898	
Other Supplies and Materials		191	
Other Charges		5,996	
Other Equipment		4,800	
Total Other Student Support			\$ 420,209

Regular Instruction Program

Supervisor/Director	\$	76,460	
Librarians		108,051	
Social Security		9,915	
Pensions		19,614	
Medical Insurance		33,095	
Employer Medicare		2,319	
Travel		5,122	
Library Books/Media		25,950	
In Service/Staff Development		18,601	
Total Regular Instruction Program			299,127

Special Education Program

Supervisor/Director	\$	69,895	
Other Salaries and Wages		49,860	
Social Security		6,782	
Pensions		12,730	
Medical Insurance		13,524	
Employer Medicare		1,586	
Communication		837	
Postal Charges		473	
Travel		1,478	
Other Contracted Services		69,719	
Other Supplies and Materials		4,838	
In Service/Staff Development		7,326	
Other Charges		173	
Other Equipment		5,543	
Total Special Education Program			244,764

Technology

Supervisor/Director	\$	65,000	
Other Salaries and Wages		39,410	
Social Security		6,324	
Pensions		6,699	
Medical Insurance		5,311	
Employer Medicare		1,479	
Communication		1,660	
Maintenance and Repair Services - Equipment		23,503	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Internet Connectivity	\$	60,899	
Travel		1,443	
Software		30,625	
Regular Instruction Equipment		41,459	
Total Technology			\$ 283,812

Board of Education

Board and Committee Members Fees	\$	4,900	
Social Security		304	
Employer Medicare		71	
Audit Services		10,500	
Dues and Memberships		12,054	
Legal Services		15,386	
Travel		3,497	
Other Contracted Services		560	
Liability Insurance		17,679	
Premiums on Corporate Surety Bonds		223	
Trustee's Commission		48,131	
Workers' Compensation Insurance		121,050	
Refund to Applicant for Criminal Investigation		3,902	
Other Charges		48,203	
Total Board of Education			286,460

Director of Schools

County Official/Administrative Officer	\$	119,700	
Assistant(s)		82,000	
Career Ladder Program		1,000	
Secretary(ies)		38,960	
Bonus Payments		2,700	
Social Security		13,489	
Pensions		24,107	
Medical Insurance		36,149	
Employer Medicare		3,155	
Communication		7,577	
Dues and Memberships		409	
Postal Charges		1,077	
Travel		3,672	
Other Contracted Services		7,273	
In Service/Staff Development		85	
Other Charges		140	
Total Director of Schools			341,493

Office of the Principal

Principals	\$	350,287	
Career Ladder Program		5,000	
Accountants/Bookkeepers		24,894	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Assistant Principals	\$	313,240	
Secretary(ies)		89,506	
Bonus Payments		2,700	
Social Security		42,493	
Pensions		73,883	
Medical Insurance		85,548	
Employer Medicare		10,502	
Communication		15,501	
Dues and Memberships		2,169	
Postal Charges		2,525	
Travel		1,434	
Other Contracted Services		51,848	
Office Supplies		3,886	
Total Office of the Principal			\$ 1,075,416

Fiscal Services

Supervisor/Director	\$	69,760	
Clerical Personnel		72,318	
Social Security		6,329	
Pensions		7,724	
Medical Insurance		22,753	
Employer Medicare		1,820	
Data Processing Services		22,934	
Travel		1,208	
Office Supplies		4,167	
In Service/Staff Development		220	
Total Fiscal Services			209,233

Operation of Plant

Custodial Personnel	\$	263,794	
Social Security		14,917	
Pensions		15,060	
Medical Insurance		42,014	
Employer Medicare		3,489	
Other Contracted Services		61,122	
Electricity		306,886	
Natural Gas		92,751	
Water and Sewer		40,575	
Other Supplies and Materials		49,842	
Boiler Insurance		5,657	
Building and Contents Insurance		99,530	
Other Charges		3,764	
Total Operation of Plant			999,401

Maintenance of Plant

Maintenance Personnel	\$	191,686	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	10,716	
Pensions		11,500	
Medical Insurance		30,527	
Employer Medicare		2,506	
Communication		4,772	
Maintenance and Repair Services - Buildings		105,630	
Maintenance and Repair Services - Equipment		75,572	
Maintenance and Repair Services - Vehicles		3,797	
Other Supplies and Materials		39,582	
Other Charges		3,694	
Administration Equipment		15,361	
Maintenance Equipment		16,000	
Total Maintenance of Plant			\$ 511,343

Transportation

Supervisor/Director	\$	35,192	
Mechanic(s)		38,500	
Bus Drivers		229,328	
Other Salaries and Wages		20,266	
Social Security		19,729	
Pensions		15,478	
Medical Insurance		11,595	
Employer Medicare		4,614	
Communication		1,432	
Maintenance and Repair Services - Vehicles		8,293	
Medical and Dental Services		4,159	
Diesel Fuel		63,258	
Equipment and Machinery Parts		1,725	
Gasoline		12,045	
Lubricants		2,794	
Tires and Tubes		7,690	
Vehicle Parts		14,813	
Other Supplies and Materials		5,190	
Vehicle and Equipment Insurance		31,821	
Other Charges		17,975	
Transportation Equipment		183,282	
Total Transportation			729,179

Operation of Non-Instructional Services

Community Services

Teachers	\$	86,786	
Educational Assistants		40,439	
Other Salaries and Wages		53,026	
Social Security		9,672	
Pensions		14,817	
Employer Medicare		2,487	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Travel	\$	559	
Instructional Supplies and Materials		1,500	
Other Supplies and Materials		17,540	
Total Community Services			\$ 226,826

Early Childhood Education

Supervisor/Director	\$	32,960	
Teachers		183,563	
Educational Assistants		78,790	
Social Security		15,878	
Pensions		27,687	
Medical Insurance		48,398	
Employer Medicare		3,713	
Communication		737	
Travel		77	
Instructional Supplies and Materials		3,030	
Other Supplies and Materials		8,920	
In Service/Staff Development		363	
Total Early Childhood Education			404,116

Capital Outlay

Regular Capital Outlay

Architects	\$	829	
Total Regular Capital Outlay			829

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	405,427	
Total Education			405,427

Total General Purpose School Fund \$ 15,393,664

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	192,469	
Educational Assistants		47,859	
Other Salaries and Wages		50,263	
Social Security		16,357	
Pensions		26,408	
Medical Insurance		30,978	
Employer Medicare		3,825	
Instructional Supplies and Materials		34,983	
Other Supplies and Materials		13,170	
Regular Instruction Equipment		3,503	
Total Regular Instruction Program			\$ 419,815

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	227,244	
Educational Assistants		49,054	
Social Security		15,559	
Pensions		21,083	
Medical Insurance		35,058	
Employer Medicare		3,639	
Instructional Supplies and Materials		19,077	
Other Supplies and Materials		6,441	
Special Education Equipment		8,538	
Total Special Education Program			\$ 385,693

Career and Technical Education Program

Instructional Supplies and Materials	\$	1,995	
Vocational Instruction Equipment		38,580	
Total Career and Technical Education Program			40,575

Support Services

Other Student Support

In Service/Staff Development	\$	5,474	
Total Other Student Support			5,474

Regular Instruction Program

Supervisor/Director	\$	32,960	
Other Salaries and Wages		2,077	
In-service Training		330	
Social Security		1,964	
Pensions		3,724	
Medical Insurance		3,607	
Employer Medicare		459	
Travel		33	
Other Contracted Services		36,000	
In Service/Staff Development		10,967	
Total Regular Instruction Program			92,121

Special Education Program

Other Supplies and Materials	\$	1,080	
In Service/Staff Development		3,794	
Total Special Education Program			4,874

Career and Technical Education Program

Travel	\$	741	
Total Career and Technical Education Program			741

Total School Federal Projects Fund \$ 949,293

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund</u>			
<u>Operation of Non-Instructional Services</u>			
<u>Food Service</u>			
Supervisor/Director	\$	51,893	
Accountants/Bookkeepers		17,133	
Cafeteria Personnel		376,559	
Other Salaries and Wages		11,710	
Social Security		24,744	
Pensions		24,480	
Medical Insurance		94,615	
Employer Medicare		5,787	
Communication		817	
Maintenance and Repair Services - Equipment		9,354	
Postal Charges		151	
Travel		1,812	
Other Contracted Services		23,556	
Food Supplies		448,158	
Office Supplies		905	
Uniforms		244	
USDA - Commodities		97,795	
Other Supplies and Materials		31,232	
Trustee's Commission		19	
In Service/Staff Development		1,742	
Other Charges		3,739	
Food Service Equipment		9,070	
Total Food Service		<u>1,235,515</u>	\$ 1,235,515
Total Central Cafeteria Fund			\$ 1,235,515
<u>School Transportation Fund</u>			
<u>Support Services</u>			
<u>Board of Education</u>			
Trustee's Commission	\$	5,908	
Total Board of Education		<u>5,908</u>	\$ 5,908
Total School Transportation Fund			5,908
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	35,254	
Building Improvements		597,309	
Furniture and Fixtures		50,835	
Other Equipment		500	
Total Education Capital Projects		<u>683,898</u>	\$ 683,898
Total Education Capital Projects Fund			<u>683,898</u>
Total Governmental Funds - Crockett County School Department			<u>\$ 18,268,278</u>

Exhibit J-9

Crockett 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 - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 310,010	\$ 203,613	\$ 513,623
Discount on Property Taxes	0	(2,723)	(1,789)	(4,512)
Trustee's Collections - Prior Years	0	9,421	6,188	15,609
Trustee's Collections - Bankruptcy	0	154	101	255
Circuit/Clerk and Master Collections - Prior Years	0	10,948	7,193	18,141
Interest and Penalty	0	1,703	1,118	2,821
Payments in-Lieu-of Taxes - T.V.A.	0	13	9	22
Local Option Sales Tax	557,159	148,166	97,316	802,641
Wheel Tax	0	12,105	7,949	20,054
Mixed Drink Tax	0	110	72	182
Marriage Licenses	0	130	86	216
Total Cash Receipts	\$ 557,159	\$ 490,037	\$ 321,856	\$ 1,369,052
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 551,587	\$ 478,318	\$ 314,163	\$ 1,344,068
Trustee's Commission	5,572	8,100	5,320	18,992
Total Cash Disbursements	\$ 557,159	\$ 486,418	\$ 319,483	\$ 1,363,060
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 3,619	\$ 2,373	\$ 5,992
Cash Balance, July 1, 2019	0	1,593	1,049	2,642
Cash Balance, June 30, 2020	\$ 0	\$ 5,212	\$ 3,422	\$ 8,634

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

Crockett County Mayor and
Board of County Commissioners
Crockett 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 Crockett County, Tennessee, as of and for the year ended June 30, 2020, the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 4, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2020-001(A) and 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett 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(B,C), and 2020-003.

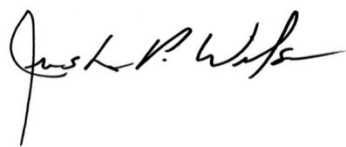
Crockett County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 4, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Crockett 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 Crockett 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 Crockett 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 Crockett 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.

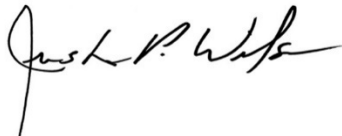
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 Crockett County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements. We issued our report thereon dated November 4, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 4, 2020

JPW/yu

Crockett County, Tennessee, and the Crockett County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
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:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 97,795 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	240,593 (7)
COVID 19 - School Breakfast Program	10.553	N/A	80,942 (7)
National School Lunch Program	10.555	N/A	496,904 (6)
COVID 19 - National School Lunch Program	10.555	N/A	128,650 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	18,642
Total U.S. Department of Agriculture			<u>\$ 1,063,526</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(5)	\$ 4,815
Total U.S. Department of Justice			<u>\$ 4,815</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(5)	\$ 4,074
Total U.S. Department of Labor			<u>\$ 4,074</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(5)	\$ 1,666
Total Institute of Museum and Library Services			<u>\$ 1,666</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 382,329
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	411,002
Special Education - Preschool Grants	84.173	N/A	10,952
Career and Technical Education - Basic Grants to States	84.048	N/A	46,786
Rural Education	84.358	N/A	42,192
Supporting Effective Instruction State Grant	84.367	N/A	49,676
Student Support and Academic Enrichment Program	84.424	N/A	30,057
Passed-through Lauderdale County Board of Education:			
English Language Acquisition State Grants	84.365	N/A	7,686
Total U.S. Department of Education			<u>\$ 980,680</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	\$ 1,690
Total U.S. Election Assistance Commission			<u>\$ 1,690</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Aging Cluster: (4)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(5)	\$ 82,757
Passed-through State Department of Health:			
Family Planning Services	93.217	(5)	9,521
Maternal and Child Health Services Block Grant to the States	93.994	(5)	15,571
Passed-through State Department of Education:			
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in School	93.981	NU58DP006439	14,135
Total U.S. Department of Health and Human Services			<u>\$ 121,984</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	(5)	\$ 30,002
Homeland Security Grant Program	97.067	(5)	<u>33,559</u>
Total U.S. Department of Homeland Security			<u>\$ 63,561</u>
 Total Federal Awards			 <u>\$ 2,241,996</u>
 <u>State Grants</u>			
		<u>Contract Number</u>	
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(5)	\$ 2,717
Litter Grant - State Department of Transportation	N/A	(5)	66,372
Convenience Center Grant - State Department of Environment and Conservation	N/A	(5)	40,238
Local Health Services - State Department of Health	N/A	(5)	84,237
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(5)	57,269
Governor's Foundation - State Department of Health	N/A	(5)	3,000
COVID 19 - PPE - State Department of Military	N/A	(5)	10,001
Early Childhood Education - State Department of Education	N/A	(5)	316,566
Lottery for Education: After School Programs - State Department of Education	N/A	(5)	87,096
Coordinated School Health - State Department of Education	N/A	(5)	62,337
Family Resource Center - State Department of Education	N/A	(5)	26,390
Crockett Academy - State Department of Children's Services	N/A	(5)	68,520
Safe Schools - State Department of Education	N/A	(5)	43,195
ConnectTN - State Department of Education	N/A	(5)	3,000
Youth Risk Behavior Survey - State Department of Education	N/A	(5)	<u>690</u>
 Total State Grants			 <u>\$ 871,628</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) Crockett 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) Child Nutrition Cluster total \$1,044,884; Special Education Cluster total \$421,954; Aging Cluster total \$82,757.
- (5) Information not available.
- (6) Total for CFDA No. 10.555 is \$723,349.
- (7) Total for CFDA No. 10.553 is \$321,535.

Crockett 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 Crockett 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
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OFFICE OF DIRECTOR OF SCHOOLS

2019	175	2019-001	The Office had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	176	2019-002	Funds were Transferred from the General Purpose School Fund to the School Federal Projects Fund without County Commission and Board of Education Approval	N/A	Corrected

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2019	177	2019-003	Unclaimed Funds were not Reported and Paid to the State	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	178	2019-004	The Office had Accounting Deficiencies	N/A	Corrected
2019	179	2019-005	A Cash Shortage of \$35,534 Existed in the Office of General Sessions Court Clerk at June 30, 2019	N/A	Corrected

Prior-year Federal Awards Findings

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

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Program:
 - * CFDA Number: 84.010 Title I to Local Educational Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and 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 plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2020-001

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. and C. – Noncompliance Under *Government Auditing Standards*)

Our examination revealed numerous deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to limits authorized by the county commission, which resulted in unauthorized expenditures; failed to provide sufficient oversight; failed to correct the finding noted in the prior-year audit report; and failed to implement their corrective action plan.

- A. Several budget amendments were posted in the General Purpose School Fund that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.
- B. Expenditures exceeded appropriations approved by the county commission in three of 22 major appropriation categories (the legal level of control) of the General Purpose School Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Instruction - Special Education Program	\$ 496
Support Services - Health Services	5,225
Support Services - Special Education Program	184

- C. Salaries exceeded appropriations in ten of 55 salary line-items of the General Purpose School Fund by amounts ranging from \$186 to \$12,701 and in two of eight salary line-items of the School Federal Projects Fund by \$256 and \$330. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution.

Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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.”

RECOMMENDATION

Budget amendments should be posted to the accounting records only after approval by the board of education and the county commission. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – SCHOOL DEPARTMENT’S BUSINESS MANAGER

The school department concurs with the finding. The school department will work towards having approvals from the board of education and county commission before budget amendments are done. The school department will work on monitoring expenditures monthly to make sure they are being held within appropriations approved by county commission.

FINDING 2020-002

THE EDUCATION CAPITAL PROJECTS FUND HAD A CASH OVERDRAFT AND A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2020

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Education Capital Projects Fund had a cash overdraft of \$73,007 and a deficit in unassigned fund balance of \$73,007 at June 30, 2020. The cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee, and the deficit in unassigned fund balance resulted from expenditures exceeding available funds. Sound business practices dictate that disbursements be held within available funds. The cash overdraft and the deficit in unassigned fund balance was liquidated subsequent to June 30, 2020.

RECOMMENDATION

The school department should not issue checks exceeding cash on deposit with the county trustee, and expenditures should be held within available funds.

MANAGEMENT’S RESPONSE – SCHOOL DEPARTMENT’S BUSINESS MANAGER

The school department concurs with the finding. The school department will not issue checks for capital projects until funds are requested and then received by the trustee.

OFFICE OF CIRCUIT, GENERAL SESSIONS AND JUVENILE COURTS CLERK

FINDING 2020-003

UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE

(Noncompliance Under *Government Auditing Standards*)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling \$10,197. At June 30, 2020, Circuit Court had 219 outstanding checks totaling \$6,670, and General Sessions Court had 85 outstanding checks totaling \$3,527 that were issued between September 1, 2010 and June 30, 2019. The Unclaimed Property Act, Section 66-29-101, et seq., *Tennessee Code Annotated*, provides that any funds held by the office for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

The office should report and pay to the state unclaimed funds held for more than one year as required by state statute.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I agree with the finding that there are several old outstanding checks that have not been turned over as unclaimed property. Most of these are a result of a software update in July 2010. When the old information was rolled over to the new software, some of the information was missing and we were unable to tell exactly who these funds were paid to and we did not have accurate addresses.

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.

Crockett 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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OFFICE OF DIRECTOR OF SCHOOLS

2020-001	The Office had Deficiencies in Budget Operations	178
2020-002	The Education Capital Projects Fund had a Cash Overdraft and a Deficit in Unassigned Fund Balance at June 30, 2020	179

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2020-003	Unclaimed Funds were not Reported and Paid to the State	180
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Crockett County Schools

102 North Cavalier Drive
Alamo, Tennessee 38001
731-696-2604 Phone / 731-696-4734 Fax
www.crockettcava.net

DIRECTOR OF SCHOOLS
Phillip A. Pratt

ASSISTANT DIRECTOR
Jared Foust

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Meghan Rayburn, Business Manager

Person Responsible for Implementing the Corrective Action:
Meghan Rayburn, Business Manager

Anticipated Completion Date of Corrective Action:
Date: October 14, 2020

Repeat Finding:
yes

Planned Corrective Action:

A,B, and C. Crockett County School District will no longer enter budget amendments into the General Ledger until after approval has been made by the School Board and the County Commission. Crockett County School District will also monitor all major expenditures monthly to ensure they are being held within appropriations approved by the School Board and County Commission.

Signature: _____



Crockett County Schools

102 North Cavalier Drive
Alamo, Tennessee 38001
731-696-2604 Phone / 731-696-4734 Fax
www.crockettcava.net

DIRECTOR OF SCHOOLS
Phillip A. Pratt

ASSISTANT DIRECTOR
Jared Foust

Corrective Action Plan

FINDING: THE EDUCATION CAPITAL PROJECTS FUND HAD A CASH OVERDRAFT AND A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2020
(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Meghan Rayburn, Business Manager

Person Responsible for Implementing the Corrective Action:
Meghan Rayburn, Business Manager

Anticipated Completion Date of Corrective Action:
Date: October 14, 2020

Repeat Finding:
NO

Planned Corrective Action:

Crockett County School District will no longer issue checks exceeding cash on deposit with the County Trustee. In addition, the School District will insure all expenditures will be held until all funds are deposited to the County Trustee.

Signature: _____

Circuit Judge
Clayburn Peeples

General Session Judge
Paul B. Conley, III

District Attorney
Garry Brown

KIM KAIL

Circuit & General Sessions Clerk
1 South Bells St., Suite 6
Alamo, TN 38001

Office Phone:
731-696-5462

Fax:
731-696-2605

Corrective Action Plan

FINDING: UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE

Response and Corrective Action Plan Prepared by:
Kim Kail, Circuit & General Sessions Courts Clerk

Person Responsible for Implementing the Corrective Action:
Kim Kail, Circuit & General Sessions Courts Clerk

Anticipated Completion Date of Corrective Action:
June 2021

Repeat Finding:
Yes


Reason Corrective Action was Not Taken in the Prior Year:

Corrective action was taken during the last year. Some of the old checks that appears on last year's outstanding checks list have already been turned over to the Department of Revenue as unclaimed property. My plan is to make sure that all outstanding checks that are more than one year old are turned over to the Department of Revenue within the next accounting year.

Planned Corrective Action:

The number and amount of checks have not been turned over as unclaimed property has gone down significantly over the last couple of audits. My plan is to make every effort possible to get the remainder of these turned over by the next audit. In the process of setting these checks up the system requires a certain amount of information regarding who the payee was on these checks. This is the problem we have experienced in trying to remedy this finding. With the checks having been issued prior to 2010, the required information to turn them over is not in the system. I hope to have all this corrected as soon as possible.

Signature: _____



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 Crockett County.

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

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