



ANNUAL FINANCIAL REPORT

Hawkins County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Hawkins 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 COUNTY MAYOR

- ◆ Subsidiary accounting records were not closed and available for audit by August 31, 2020.
-

OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

- ◆ Warrants were issued on the School Federal Projects Fund that exceeded cash on deposit with the county trustee, and the trustee certified warrants issued on the School Federal Projects Fund that exceeded available funds.

INTRODUCTORY SECTION

Hawkins County Officials

June 30, 2020

Officials

Jim Lee, County Mayor
Lowell Bean, Road Superintendent
Matt Hixson, Director of Schools
Jim Shanks, Trustee
Jeff Thacker, Assessor of Property
Nancy Davis, County Clerk
Randall Collier, Circuit and General Sessions Courts Clerk
Holly Jaynes, Clerk and Master
Judy Kirkpatrick, Register of Deeds
Ronnie Lawson, Sheriff

Board of County Commissioners

Rick Brewer, Chairman	Valerie Goins
Danny Alvis	Michael Herrell
Nancy Barker	Charles Housewright
Jeff Barrett	Raymond Jessee
George Bridwell	Tom Kern
Larry Clonce	John Metz
Glenda Davis	Donnie Talley
Mark DeWitte	Charles Thacker
Bob Edens	Syble Vaughan Trent
Dawson Fields	Hannah Winegar
Keith Gibson	

Board of Education

Chris Christian, Chairman	Bob Larkins
Jackie Charles	Debbie Shedden
Kathy Cradic	Judy Trent
Tecky Hicks	

Audit Committee

Nancy Barker, Chair
Glenda Davis
Michael Herrell
Charles Housewright
Tom Kern
Syble Vaughan Trent
Hannah Winager

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkins County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins 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.

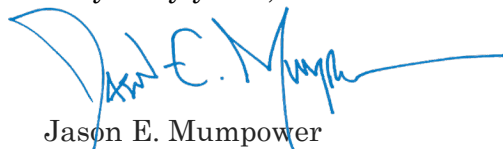
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), schedule 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 Education Debt Service Fund, combining and individual fund financial statements of the Hawkins 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 January 26, 2021, on our consideration of Hawkins 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 Hawkins 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 Hawkins County’s internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 26, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Hawkins County School Department
<u>ASSETS</u>		
Cash	\$ 25,478	\$ 851
Equity in Pooled Cash and Investments	29,591,840	17,982,628
Accounts Receivable	228,846	197,552
Due from Other Governments	1,185,780	1,859,097
Property Taxes Receivable	17,042,740	11,765,323
Allowance for Uncollectible Property Taxes	(666,874)	(460,370)
Prepaid Items	49,682	0
Cash Shortage	0	64,800
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	295,844
Net Pension Asset - Agent Plan	0	46,205
Net Pension Asset - Agent Plan - Legacy	1,508,059	1,140,912
Net Pension Asset - Teacher Retirement Plan	0	269,960
Net Pension Asset - Teacher Legacy Pension Plan	0	7,358,648
Capital Assets:		
Assets Not Depreciated:		
Land	1,406,159	1,570,973
Construction in Progress	204,109	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	13,944,237	39,944,266
Infrastructure	32,204,520	0
Other Capital Assets	2,531,034	3,379,735
Total Assets	<u>\$ 99,255,610</u>	<u>\$ 85,416,424</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 1,567,401	\$ 0
Pension Changes in Experience	1,740	419,475
Pension Changes in Assumptions	311,827	1,238,955
Pension Contributions after Measurement Date	618,475	3,107,414
Pension Changes in Proportion	0	24,847
OPEB Changes in Experience	1,356,847	1,716,702
OPEB Changes in Assumptions	0	257,909
OPEB Contributions After Measurement Date	0	677,526
OPEB Changes in Proportion	0	1,008,470
Total Deferred Outflows of Resources	<u>\$ 3,856,290</u>	<u>\$ 8,451,298</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Hawkins County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 289,235	\$ 245,768
Accrued Payroll	8,314	30,087
Payroll Deductions Payable	899	352
Cash Overdraft	0	1,809
Contracts Payable	368,866	0
Retainage Payable	8,981	0
Accrued Interest Payable	184,532	0
Due to State of Tennessee	4,115	0
Derivative - Interest Rate Swap	2,361,979	0
Other Current Liabilities	188,408	2,776,347
Noncurrent Liabilities:		
Due Within One Year - Debt	3,531,372	0
Due Within One Year - Other	534,913	979,806
Due in More Than One Year - Debt	61,426,323	0
Due in More Than One Year - Other	6,554,538	17,489,205
Total Liabilities	<u>\$ 75,462,475</u>	<u>\$ 21,523,374</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 15,906,303	\$ 10,980,793
Pension Changes in Experience	330,181	4,794,770
Pension Changes in Investment Earnings	430,222	2,441,793
Pension Changes in Proportion	0	83,882
OPEB Changes in Experience	403,243	526,148
OPEB Changes in Assumptions	0	1,356,721
OPEB Changes in Proportion	0	349,149
Total Deferred Inflows of Resources	<u>\$ 17,069,949</u>	<u>\$ 20,533,256</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Hawkins County School Department</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 36,172,596	\$ 44,894,974
Restricted for:		
General Government	111,256	0
Finance	88,329	0
Administration of Justice	557,487	0
Public Safety	216,610	0
Public Health and Welfare	15,046	0
Highways	4,904,010	0
Debt Service	12,227,347	0
Education	0	3,814,994
Capital Projects	814,362	855,971
Pensions	1,508,059	9,111,569
Unrestricted	<u>(46,035,626)</u>	<u>(6,866,416)</u>
Total Net Position	<u>\$ 10,579,476</u>	<u>\$ 51,811,092</u>

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

Exhibit B

Hawkins 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
					Government Total	Unit
				Governmental Activities	Hawkins County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 3,484,846	\$ 413,668	\$ 130,245	\$ 32,766	\$ (2,908,167)	\$ 0
Finance	1,789,675	1,423,840	0	0	(365,835)	0
Administration of Justice	1,691,469	893,137	50,000	0	(748,332)	0
Public Safety	8,541,029	1,212,401	176,484	9,735	(7,142,409)	0
Public Health and Welfare	2,898,414	77,647	429,174	344,984	(2,046,609)	0
Social, Cultural, and Recreational Services	590,290	6,345	33,979	0	(549,966)	0
Agriculture and Natural Resources	198,333	0	0	0	(198,333)	0
Highways	6,670,340	22,418	2,779,688	395,718	(3,472,516)	0
Interest on Long-term Debt	2,598,309	0	0	0	(2,598,309)	0
Total Primary Government	\$ 28,462,705	\$ 4,049,456	\$ 3,599,570	\$ 783,203	\$ (20,030,476)	\$ 0
Component Unit:						
Hawkins County School Department	\$ 67,420,077	\$ 868,874	\$ 6,679,619	\$ 36,000	\$ 0	\$ (59,835,584)
Total Component Unit	\$ 67,420,077	\$ 868,874	\$ 6,679,619	\$ 36,000	\$ 0	\$ (59,835,584)

(Continued)

Exhibit B

Hawkins 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 Activities	Unit Hawkins County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 10,826,109	\$ 6,733,823
Property Taxes Levied for Highway/Public Works					1,564,925	0
Property Taxes Levied for Transportation					0	3,264,706
Property Taxes Levied for Capital Projects					0	1,211,178
Property Taxes Levied for Debt Service					3,839,298	0
Local Option Sales Taxes					1,204,664	5,185,896
Wheel Tax					3,013,190	317,153
Litigation Tax - General					89,882	0
Litigation Tax - Jail, Workhouse, Courthouse					91,352	0
Litigation Tax - Courthouse Security					88,814	0
Litigation Tax - Special					54,224	0
Business Tax					353,574	0
Mixed Drink Tax					280	0
Mineral Severance Tax					87,833	0
Wholesale Beer Tax					71,932	0
Other Local Tax					0	1,210
Grants and Contributions Not Restricted to Specific Programs					1,318,198	40,933,585
Unrestricted Investment Income					589,493	26,501
Miscellaneous					59,731	318,545
Gain on Investments					0	9,264
Gain on Sale of Assets					0	22,569
Total General Revenues					\$ 23,253,499	\$ 58,024,430
Change in Fair Value of Derivatives - Interest Rate Swap					\$ (314,217)	\$ 0
Change in Net Position					\$ 2,908,806	\$ (1,811,154)
Net Position, July 1, 2019					7,670,670	53,622,246
Net Position, June 30, 2020					\$ 10,579,476	\$ 51,811,092

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 25,478	\$ 25,478
Equity in Pooled Cash and Investments	9,134,779	5,162,582	9,238,713	6,055,766	29,591,840
Accounts Receivable	48,071	0	1,934	176,792	226,797
Due from Other Governments	375,091	481,675	0	329,014	1,185,780
Due from Other Funds	135,810	0	0	7,204	143,014
Property Taxes Receivable	10,786,753	1,641,205	3,431,504	1,183,278	17,042,740
Allowance for Uncollectible Property Taxes	(422,080)	(64,219)	(134,273)	(46,302)	(666,874)
Prepaid Items	0	0	49,682	0	49,682
Total Assets	<u>\$ 20,058,424</u>	<u>\$ 7,221,243</u>	<u>\$ 12,587,560</u>	<u>\$ 7,731,230</u>	<u>\$ 47,598,457</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 119,171	\$ 104,895	\$ 0	\$ 65,169	\$ 289,235
Accrued Payroll	8,314	0	0	0	8,314
Payroll Deductions Payable	752	144	0	3	899
Contracts Payable	0	332,148	0	36,718	368,866
Retainage Payable	3,305	0	0	5,676	8,981
Due to Other Funds	7,204	0	0	133,761	140,965
Due to State of Tennessee	2,288	1,682	0	145	4,115
Other Current Liabilities	155,137	20,805	0	12,466	188,408
Total Liabilities	<u>\$ 296,171</u>	<u>\$ 459,674</u>	<u>\$ 0</u>	<u>\$ 253,938</u>	<u>\$ 1,009,783</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,067,476	\$ 1,531,767	\$ 3,202,686	\$ 1,104,374	\$ 15,906,303

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 256,200	\$ 38,981	\$ 81,503	\$ 28,104	\$ 404,788
Other Deferred/Unavailable Revenue	90,749	244,610	0	128,746	464,105
Total Deferred Inflows of Resources	<u>\$ 10,414,425</u>	<u>\$ 1,815,358</u>	<u>\$ 3,284,189</u>	<u>\$ 1,261,224</u>	<u>\$ 16,775,196</u>

FUND BALANCES

Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 49,682	\$ 0	\$ 49,682
Restricted:					
Restricted for General Government	85,912	0	0	0	85,912
Restricted for Finance	88,329	0	0	0	88,329
Restricted for Administration of Justice	557,487	0	0	0	557,487
Restricted for Public Safety	40,752	0	0	166,676	207,428
Restricted for Public Health and Welfare	15,046	0	0	0	15,046
Restricted for Other Operations	25,344	0	0	0	25,344
Restricted for Highways/Public Works	0	4,696,795	0	0	4,696,795
Restricted for Debt Service	0	0	9,253,689	3,012,953	12,266,642
Restricted for Capital Projects	0	0	0	800,310	800,310
Committed:					
Committed for General Government	9,794	0	0	0	9,794
Committed for Finance	30,441	0	0	0	30,441
Committed for Public Safety	101,076	0	0	0	101,076
Committed for Public Health and Welfare	11,786	0	0	1,795,015	1,806,801
Committed for Social, Cultural, and Recreational Services	6,900	0	0	0	6,900
Committed for Other Operations	3,617	0	0	0	3,617
Committed for Highways/Public Works	0	249,416	0	0	249,416

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Committed (Cont.):					
Committed for Debt Service	\$ 0	\$ 0	\$ 0	\$ 441,114	\$ 441,114
Assigned:					
Assigned for General Government	1,162,853	0	0	0	1,162,853
Assigned for Finance	3,270	0	0	0	3,270
Assigned for Administration of Justice	6,718	0	0	0	6,718
Assigned for Public Safety	72,258	0	0	0	72,258
Assigned for Public Health and Welfare	1,000	0	0	0	1,000
Assigned for Social, Cultural, and Recreational Services	5,900	0	0	0	5,900
Unassigned	7,119,345	0	0	0	7,119,345
Total Fund Balances	<u>\$ 9,347,828</u>	<u>\$ 4,946,211</u>	<u>\$ 9,303,371</u>	<u>\$ 6,216,068</u>	<u>\$ 29,813,478</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,058,424</u>	<u>\$ 7,221,243</u>	<u>\$ 12,587,560</u>	<u>\$ 7,731,230</u>	<u>\$ 47,598,457</u>

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

Hawkins 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)		\$ 29,813,478
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,406,159	
Add: construction in progress	204,109	
Add: buildings and improvements net of accumulated depreciation	13,944,237	
Add: infrastructure net of accumulated depreciation	32,204,520	
Add: other capital assets net of accumulated depreciation	<u>2,531,034</u>	50,290,059
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (17,365,440)	
Less: bonds payable	(46,495,000)	
Add: deferred amount on refunding	1,567,401	
Less: compensated absences payable	(713,218)	
Less: unamortized premium on debt	(1,097,255)	
Less: accrued interest on bonds and other loans payable	(184,532)	
Less: other post employment benefits liability	(6,376,233)	
Add: net pension asset - agent plan - legacy	1,508,059	
Less: negative fair market value of interest rate swap	<u>(2,361,979)</u>	(71,518,197)
(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	\$ 932,042	
Less: deferred inflows of resources related to pensions	(760,403)	
Add: deferred outflows of resources related to OPEB	1,356,847	
Less: deferred inflows of resources related to OPEB	<u>(403,243)</u>	1,125,243
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>868,893</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 10,579,476</u></u>

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

Exhibit C-3

Hawkins 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	Education Debt Service	Other Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 12,988,216	\$ 1,664,568	\$ 3,635,866	\$ 3,113,930	\$ 21,402,580
Licenses and Permits	2,042	0	0	148,826	150,868
Fines, Forfeitures, and Penalties	148,464	0	0	29,008	177,472
Charges for Current Services	235,769	4,959	0	29,592	270,320
Other Local Revenues	94,117	13,044	456,942	194,552	758,655
Fees Received From County Officials	2,370,700	0	0	0	2,370,700
State of Tennessee	1,729,475	3,163,364	0	144,154	5,036,993
Federal Government	291,328	0	0	389,766	681,094
Other Governments and Citizens Groups	409,360	0	431,616	5,439	846,415
Total Revenues	\$ 18,269,471	\$ 4,845,935	\$ 4,524,424	\$ 4,055,267	\$ 31,695,097
<u>Expenditures</u>					
Current:					
General Government	\$ 2,650,968	\$ 0	\$ 0	\$ 4	\$ 2,650,972
Finance	1,548,340	0	0	0	1,548,340
Administration of Justice	1,635,725	0	0	28,260	1,663,985
Public Safety	7,907,415	0	0	105,139	8,012,554
Public Health and Welfare	695,646	0	0	1,633,959	2,329,605
Social, Cultural, and Recreational Services	554,350	0	0	0	554,350
Agriculture and Natural Resources	196,845	0	0	0	196,845
Other Operations	732,855	0	0	0	732,855
Highways	45,254	5,221,412	0	0	5,266,666
Debt Service:					
Principal on Debt	0	0	2,423,569	1,037,514	3,461,083
Interest on Debt	0	0	1,866,783	500,700	2,367,483
Other Debt Service	0	0	124,088	18,182	142,270

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 857,438	\$ 857,438
Total Expenditures	\$ 15,967,398	\$ 5,221,412	\$ 4,414,440	\$ 4,181,196	\$ 29,784,446
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,302,073	\$ (375,477)	\$ 109,984	\$ (125,929)	\$ 1,910,651
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 21,150	\$ 7,582	\$ 0	\$ 0	\$ 28,732
Transfers In	0	0	106,261	0	106,261
Transfers Out	(106,261)	0	0	0	(106,261)
Total Other Financing Sources (Uses)	\$ (85,111)	\$ 7,582	\$ 106,261	\$ 0	\$ 28,732
Net Change in Fund Balances	\$ 2,216,962	\$ (367,895)	\$ 216,245	\$ (125,929)	\$ 1,939,383
Fund Balance, July 1, 2019	7,130,866	5,314,106	9,087,126	6,341,997	27,874,095
Fund Balance, June 30, 2020	\$ 9,347,828	\$ 4,946,211	\$ 9,303,371	\$ 6,216,068	\$ 29,813,478

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

Exhibit C-4

Hawkins 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)		\$ 1,939,383
(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	\$ 872,203	
Less: current-year depreciation expense	<u>(2,766,611)</u>	(1,894,408)
(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	\$ 868,893	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(878,262)</u>	(9,369)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt related items.		
Add: principal payments on bonds	\$ 1,745,000	
Add: principal payments on other loans	1,716,083	
Add: change in unamortized premium on debt issuances	74,171	
Less: change in deferred amount on refunding debt	(275,396)	
Less: change in fair value of derivatives - interest rate swap	<u>(314,217)</u>	2,945,641
(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	\$ (29,601)	
Change in OPEB liability	(1,135,337)	
Change in compensated absences payable	35,184	
Change in net pension asset/liability	568,682	
Change in deferred outflows related to pensions	(269,367)	
Change in deferred inflows related to pensions	(71,320)	
Change in deferred outflows related to OPEB	775,553	
Change in deferred inflows related to OPEB	<u>53,765</u>	(72,441)
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,908,806</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,988,216	\$ 0	\$ 0	\$ 12,988,216	\$ 12,389,464	\$ 12,389,464	\$ 598,752
Licenses and Permits	2,042	0	0	2,042	2,150	2,150	(108)
Fines, Forfeitures, and Penalties	148,464	0	0	148,464	146,215	146,215	2,249
Charges for Current Services	235,769	0	0	235,769	225,350	225,350	10,419
Other Local Revenues	94,117	0	0	94,117	62,050	62,050	32,067
Fees Received From County Officials	2,370,700	0	0	2,370,700	2,359,500	2,359,500	11,200
State of Tennessee	1,729,475	0	0	1,729,475	2,191,760	2,266,467	(536,992)
Federal Government	291,328	0	0	291,328	283,091	294,670	(3,342)
Other Governments and Citizens Groups	409,360	0	0	409,360	218,111	351,281	58,079
Total Revenues	\$ 18,269,471	\$ 0	\$ 0	\$ 18,269,471	\$ 17,877,691	\$ 18,097,147	\$ 172,324
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 123,639	\$ 0	\$ 9,000	\$ 132,639	\$ 147,486	\$ 147,486	\$ 14,847
Board of Equalization	5,555	0	0	5,555	8,912	8,912	3,357
Beer Board	642	0	0	642	3,033	3,033	2,391
Budget and Finance Committee	4,996	0	0	4,996	8,427	8,427	3,431
County Mayor/Executive	497,785	(1,813)	6,205	502,177	521,375	521,375	19,198
County Attorney	36,916	0	0	36,916	37,321	37,321	405
Election Commission	293,547	0	900	294,447	377,058	384,158	89,711
Register of Deeds	285,462	0	0	285,462	313,256	313,256	27,794
Planning	16,522	0	0	16,522	18,625	18,625	2,103
County Buildings	648,175	(46,495)	136,771	738,451	936,157	936,157	197,706
Other General Administration	736,359	0	8,104	744,463	826,514	836,514	92,051
Preservation of Records	1,370	0	0	1,370	10,300	10,300	8,930
<u>Finance</u>							
Property Assessor's Office	448,048	(2,359)	0	445,689	475,594	475,594	29,905
Reappraisal Program	151,261	0	0	151,261	157,199	157,199	5,938
County Trustee's Office	259,628	0	3,270	262,898	291,763	291,763	28,865
County Clerk's Office	689,403	(400)	0	689,003	718,655	718,655	29,652

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court Clerk	\$ 624,302	\$ (3,800)	\$ 5,928	\$ 626,430	\$ 660,389	\$ 679,889	\$ 53,459
Criminal Court	5,084	0	0	5,084	12,000	12,000	6,916
General Sessions Court	317,254	(800)	0	316,454	346,357	328,357	11,903
Drug Court	66,464	0	0	66,464	64,122	77,180	10,716
Chancery Court	324,180	0	0	324,180	337,386	344,431	20,251
Juvenile Court	162,187	0	0	162,187	166,696	166,696	4,509
Courtroom Security	136,254	0	790	137,044	142,922	157,922	20,878
<u>Public Safety</u>							
Sheriff's Department	3,946,872	(2,121)	8,866	3,953,617	4,054,350	4,225,066	271,449
Drug Enforcement	6,876	0	0	6,876	9,745	9,745	2,869
Administration of the Sexual Offender Registry	3,644	(300)	300	3,644	6,000	6,000	2,356
Jail	2,801,357	(7,935)	15,410	2,808,832	3,304,961	3,304,961	496,129
Juvenile Services	283,939	0	0	283,939	299,999	299,999	16,060
Fire Prevention and Control	289,480	0	0	289,480	267,060	315,060	25,580
Rescue Squad	73,500	(24,500)	49,000	98,000	98,000	98,000	0
Disaster Relief	0	0	0	0	6,000	6,000	6,000
Other Emergency Management	339,866	0	9,912	349,778	372,739	403,162	53,384
County Coroner/Medical Examiner	161,881	(29,456)	29,331	161,756	165,323	165,323	3,567
<u>Public Health and Welfare</u>							
Local Health Center	295,646	(2,632)	3,645	296,659	362,588	362,588	65,929
Ambulance/Emergency Medical Services	60,000	0	0	60,000	60,000	60,000	0
Other Local Health Services	333,587	0	0	333,587	540,959	547,354	213,767
Aid to Dependent Children	1,085	0	0	1,085	5,000	5,000	3,915
Other Public Health and Welfare	5,328	(1,500)	0	3,828	19,430	21,097	17,269
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	2,000	(2,000)	2,000	2,000	2,000	2,000	0
Senior Citizens Assistance	199,439	0	4,900	204,339	217,762	218,773	14,434
Libraries	106,860	0	0	106,860	106,860	106,860	0
Parks and Fair Boards	246,051	(98,072)	5,900	153,879	185,714	185,714	31,835

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 110,153	\$ 0	\$ 0	\$ 110,153	\$ 123,252	\$ 123,252	\$ 13,099
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	71,410	0	0	71,410	74,275	74,275	2,865
Flood Control	0	0	0	0	4,000	4,000	4,000
Storm Water Management	13,782	0	0	13,782	19,153	19,153	5,371
<u>Other Operations</u>							
Tourism	1,500	0	0	1,500	1,500	1,500	0
Industrial Development	188,692	0	4,209	192,901	211,270	212,201	19,300
Airport	86,113	0	13,219	99,332	105,350	135,850	36,518
Veterans' Services	81,801	0	0	81,801	88,995	88,995	7,194
Contributions to Other Agencies	26,950	0	0	26,950	26,950	26,950	0
Employee Benefits	28,715	0	0	28,715	78,608	74,567	45,852
COVID-19 Grant #1	41,596	0	0	41,596	0	41,596	0
COVID-19 Grant #2	1,424	0	0	1,424	0	1,424	0
Miscellaneous	276,064	(3,900)	0	272,164	288,310	287,597	15,433
<u>Highways</u>							
Litter and Trash Collection	45,254	0	0	45,254	72,594	72,594	27,340
<u>Interest on Debt</u>							
General Government	0	0	0	0	4,000	4,000	4,000
Total Expenditures	\$ 15,967,398	\$ (228,083)	\$ 317,660	\$ 16,056,975	\$ 17,765,794	\$ 18,147,406	\$ 2,090,431
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,302,073	\$ 228,083	\$ (317,660)	\$ 2,212,496	\$ 111,897	\$ (50,259)	\$ 2,262,755
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 21,150	\$ 0	\$ 0	\$ 21,150	\$ 0	\$ 7,661	\$ 13,489
Transfers Out	(106,261)	0	0	(106,261)	(106,091)	(106,262)	1
Total Other Financing Sources	\$ (85,111)	\$ 0	\$ 0	\$ (85,111)	\$ (106,091)	\$ (98,601)	\$ 13,490

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,216,962	\$ 228,083	\$ (317,660)	\$ 2,127,385	\$ 5,806	\$ (148,860)	\$ 2,276,245
Fund Balance, July 1, 2019	7,130,866	(228,083)	0	6,902,783	6,879,391	6,879,391	23,392
Fund Balance, June 30, 2020	\$ 9,347,828	\$ 0	\$ (317,660)	\$ 9,030,168	\$ 6,885,197	\$ 6,730,531	\$ 2,299,637

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,664,568	\$ 0	\$ 0	\$ 1,664,568	\$ 1,579,331	\$ 1,579,331	\$ 85,237
Charges for Current Services	4,959	0	0	4,959	1,300	1,300	3,659
Other Local Revenues	13,044	0	0	13,044	1,000	1,000	12,044
State of Tennessee	3,163,364	0	0	3,163,364	3,889,985	3,889,985	(726,621)
Total Revenues	\$ 4,845,935	\$ 0	\$ 0	\$ 4,845,935	\$ 5,471,616	\$ 5,471,616	\$ (625,681)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 196,772	\$ 0	\$ 0	\$ 196,772	\$ 235,825	\$ 235,825	\$ 39,053
Highway and Bridge Maintenance	3,420,068	(111,216)	300	3,309,152	4,779,000	4,779,000	1,469,848
Operation and Maintenance of Equipment	326,266	0	500	326,766	968,300	968,300	641,534
Other Charges	190,782	0	0	190,782	209,900	209,900	19,118
Employee Benefits	325,587	0	0	325,587	460,300	460,300	134,713
Capital Outlay	761,937	(456,050)	4,000	309,887	1,545,449	1,645,449	1,335,562
Total Expenditures	\$ 5,221,412	\$ (567,266)	\$ 4,800	\$ 4,658,946	\$ 8,198,774	\$ 8,298,774	\$ 3,639,828
Excess (Deficiency) of Revenues Over Expenditures	\$ (375,477)	\$ 567,266	\$ (4,800)	\$ 186,989	\$ (2,727,158)	\$ (2,827,158)	\$ 3,014,147
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,582	\$ 0	\$ 0	\$ 7,582	\$ 0	\$ 0	\$ 7,582
Total Other Financing Sources	\$ 7,582	\$ 0	\$ 0	\$ 7,582	\$ 0	\$ 0	\$ 7,582
Net Change in Fund Balance	\$ (367,895)	\$ 567,266	\$ (4,800)	\$ 194,571	\$ (2,727,158)	\$ (2,827,158)	\$ 3,021,729
Fund Balance, July 1, 2019	5,314,106	(567,266)	0	4,746,840	4,850,291	4,850,291	(103,451)
Fund Balance, June 30, 2020	\$ 4,946,211	\$ 0	\$ (4,800)	\$ 4,941,411	\$ 2,123,133	\$ 2,023,133	\$ 2,918,278

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,093,394
Equity in Pooled Cash and Investments	162,761
Accounts Receivable	2,958
Due from Other Governments	985,720
Taxes Receivable	1,156,063
Allowance for Uncollectible Taxes	<u>(45,237)</u>
Total Assets	<u>\$ 3,355,659</u>
<u>LIABILITIES</u>	
Due to Other Funds	\$ 2,049
Due to Other Taxing Units	2,259,307
Due to Litigants, Heirs, and Others	<u>1,094,303</u>
Total Liabilities	<u>\$ 3,355,659</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawkins 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 Hawkins County:

A. Reporting Entity

Hawkins County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Hawkins County (the primary government) and its component units. The financial statements of the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and the Hawkins County Library System, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their 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 Hawkins County School Department operates the public school system in the county, and the voters of Hawkins County elect its board. The school department is fiscally dependent on the county because it may not issue debt without county approval, 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 Hawkins County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hawkins County, and the Hawkins 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 Hawkins County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Hawkins County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Hawkins County Industrial Development Board nominates, and the Hawkins County Commission confirms the board members. In a prior year, the county agreed to assume the liability for a note issued by the Industrial Development Board. Due to this financial burden relationship, the board is reported as a discretely presented component unit. In the current year, the Industrial Development Board did not have an audit performed since the majority of operational expenditures are administered by Hawkins County through the county's General Fund and included in the scope of the county's annual audit. The board maintains a separate checking account that is used for economic development expenses for which it receives reimbursements from the Northeast Tennessee Valley Regional Industrial Development Association and the Workforce Investment Act Youth Program. Total deposits and disbursements of \$610,629 and \$130,299, respectively, were channeled through this account during the year. In our opinion, these deposits and disbursements are not material to the component units' opinion unit.

The Hawkins County Library System operates public libraries in Hawkins County, and the county commission appoints its governing body. The library system is funded primarily through contributions from Hawkins County and the various cities within the county. The financial statements of the Hawkins County Library System were not material to the component units' opinion unit and therefore have been omitted from this report.

The Hawkins 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 for the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and Hawkins County Library System can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Hawkins County Emergency
Communications District
2291 East Main Street
Rogersville, TN 37857

Hawkins County Industrial
Development Board
107 East Main Street, Suite 221
Rogersville, TN 37857

Hawkins County Library System
407 East Main Street
Rogersville, TN 37857

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 Hawkins 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 Hawkins 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.

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

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

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

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

Fund financial statements of Hawkins 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. Hawkins County does not have any 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. 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. Hawkins County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Hawkins 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.

Education Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt issued for the Hawkins County School Department.

Additionally, Hawkins County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used in the acquisition or construction of capital assets and general capital expenditures of the county.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Hawkins 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.

The discretely presented Hawkins 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 and the state Basic Education Program are the foundational revenues of this fund.

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

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

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 Hawkins 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 debt service funds. Hawkins County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.058 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.

Most payables are disaggregated on the face of the financial statements. The Other Current Liabilities account reflected on the statement of Net Position for the primary government mainly represents remaining balances in the payroll tax and retirement deposits clearing accounts. Other Current Liabilities amounts for the discretely presented school department represent remaining balances in the insurance, payroll tax, and retirement clearing accounts.

Retainage payable in the primary government's General Fund and nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Fund and nonmajor governmental funds.

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	7 - 30
Vehicles and Other Capital Assets	5 - 12
Infrastructure:	
Roads	20 - 50
Bridges	40

6. Deferred Outflows/Inflows of Resources

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

assumptions, OPEB contributions after the measurement date, OPEB changes in proportion, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

7. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation leave and an unlimited amount of sick leave benefits. There is no liability for unpaid accumulated sick leave since Hawkins County does not have a policy to pay any amounts when employees separate from service with the government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Hawkins County Board of Education has adopted policies allowing all 12-month employees who declare their intention to retire within the calendar year to be paid their unused vacation benefits as they accrue. Other 12-month employees are allowed to accumulate a limited amount (five days) of earned but unused vacation benefits. Due to the COVID-19 pandemic, this policy was amended, for the 2019-2020 fiscal year only, to allow 12-month employees to accumulate ten days of earned but unused vacation benefits.

All certified employees who are present for all scheduled days on the school calendar except for one day of personal leave and two days of professional leave shall receive a \$300 bonus on their June 15 payroll check.

The Hawkins County Board of Education also allows all employees to be paid for any unused sick pay benefits upon retirement at a rate of \$25 to \$40 per unused day based on total days accumulated. Otherwise the granting of unused sick leave has no guaranteed payment attached.

A liability for these amounts is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirement.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$20,442,506 of restricted net position for the primary government, of which \$947,973 is restricted by enabling legislation.

As of June 30, 2020, Hawkins County had \$49,975,967 in outstanding debt for capital purposes for the discretely presented Hawkins 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 Rogersville School System and the City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Hawkins County, but the capital assets acquired are reported in the financial statements of the school department, the City of Rogersville School System, and the City of Kingsport School System. Therefore, Hawkins 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 the unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

These classifications may consist of the following:

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund includes amounts appropriated for use in the 2020-2021 budget (\$859,567), encumbrances (\$252,887), insurance recovery (\$8,739), employee vacation pay (\$25,000), and unclaimed property refunds (\$105,806). Assigned fund balance in the school department's General Purpose School Fund includes encumbrances (\$387,053), fund balance assigned for textbooks (\$38,042), and fund balance appropriated for use in the 2020-2021 budget (\$4,309,937).

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Hawkins County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hawkins 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 Hawkins 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 Hawkins County. For this purpose, Hawkins County recognizes benefit payments when due and payable in accordance with benefit terms. Hawkins County's OPEB plans are not administered through a trust.

Discretely Presented Hawkins 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 Hawkins 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 plans are 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 Hawkins 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 Hawkins 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 Other Capital Projects Fund which adopts 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, Budget and Finance Committee, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2020, Hawkins County and the Hawkins County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 317,660
Highway/Public Works	4,800
Nonmajor Funds:	
Solid Waste/Sanitation	12,240
General Capital Projects	333,983
School Department:	
Major Funds:	
General Purpose School	387,053
School Transportation	1,566
Nonmajor Fund:	
Education Capital Projects	599,970

B. Cash Shortage – Prior Year

The audit of Hawkins County for the 2017-18 year reported a cash shortage of \$64,800 in the Hawkins County School Department. An investigative report of the Comptroller's Office dated August 22, 2018, reported that during the period of April 8, 2011, through December 12, 2017, former contracted certified operator Shawn Hatchett fraudulently claimed and received \$64,800 in fees from the Hawkins County Board of Education. That report is available at <https://www.comptroller.tn.gov/ia/>. On August 20, 2018, the Hawkins County

Grand Jury indicted Shawn Hatchett on one count of Theft over \$60,000, one count of Forgery over \$60,000, and fifty-five counts of Violation of the Water Pollution Control Act. Mr. Hatchett pled guilty to these charges on August 31, 2020, and received a sentence of 12 years to serve 365 days with the remainder to be on supervised probation. He was also ordered to pay restitution in the amount of \$64,800 with payments beginning when Mr. Hatchett is released from incarceration.

C. Cash Overdraft

The School Federal Projects Fund of the discretely presented school department had a cash overdraft of \$1,809 at June 30, 2020. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2020.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Other Waste Disposal major appropriations category (the legal level of control) of the Solid Waste/Sanitation Fund by \$1,484. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hawkins County and the Hawkins 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 and 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 the 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.

Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The Hawkins 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 Hawkins 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 Hawkins 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	\$ 91,712
Developed Market International Equity	N/A	N/A	41,418
Emerging Market International Equity	N/A	N/A	11,834
U.S. Fixed Income	N/A	N/A	59,169
Real Estate	N/A	N/A	29,584
Short-term Securities	N/A	N/A	2,958
NAV - Private Equity and Strategic Lending	N/A	N/A	59,169
 Total			 \$ 295,844

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	\$ 91,712	\$ 91,712	\$ 0	\$ 0	0
Developed Market International Equity	41,418	41,418	0	0	0
Emerging Market International Equity	11,834	11,834	0	0	0
U.S. Fixed Income	59,169	0	59,169	0	0
Real Estate	29,584	0	0	29,584	0
Short-term Securities	2,958	0	2,958	0	0
Private Equity and Strategic Lending	59,169	0	0	0	59,169
 Total	 \$ 295,844	\$ 144,964	\$ 62,127	\$ 29,584	\$ 59,169

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 Hawkins 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 Hawkins 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. Hawkins 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 Hawkins 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. Derivative Instrument

At June 30, 2020, Hawkins County had the following derivative instrument outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$16M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$16,000,000	12-1-09	6-1-29	Pay 3.5325% receive 58.75% of LIBOR

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2020, classified by type, and the change in fair value using a pay fixed, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of such a derivative instrument for the year then ended as reported in the 2020 financial statements are as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at 6-30-20</u>		6-30-20
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Investment Derivative:					
Pay fixed interest rate swaps:					
\$16M Swap	Interest and Investment Earnings	\$ (314,217)	Debt	\$ (2,361,979)	\$ 14,725,000
Total		<u>\$ (314,217)</u>		<u>\$ (2,361,979)</u>	<u>\$ 14,725,000</u>

Interest rate swaps are classified as hedging derivative instruments if the instruments meet effectiveness criteria established by Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The swap agreement described above did not meet that criteria and therefore is classified as an investment derivative.

Derivative Swap Agreement Detail

\$16M Swap

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series V-B-1.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$16 million Series V-B-1 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series V-B-1 bonds have since been refunded with a portion of the proceeds of the Series VII-A-1 bonds, and the interest rate swap is now associated with the Series VII-A-1 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.5325 percent and receives a variable payment computed as 58.75 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$16 million and the associated variable-rate bond had a \$16 million original principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-A-1 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the "SIFMA"). The bonds and the related swap agreement mature on June 1, 2029. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed %	3.5325 %
Variable payment from counterparty	of LIBOR	<u>-0.1916</u>
Net interest rate swap payments		3.3409 %
Variable-rate bond coupon payments		<u>0.6429</u>
Synthetic interest rate on bonds		<u><u>3.9838 %</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$2,361,979. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Raymond James Financial Products ("RJFP", formerly Morgan Keegan Financial Products) was rated "Baa1/BBB+" by Moody's and Standard and Poor's as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should BMA increase to above 58.75 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 58.75 percent of LIBOR, then the synthetic rate on the bonds would decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master

Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2021	\$ 1,325,000	\$ 94,674	\$ 491,941	\$ 1,911,615
2022	1,400,000	86,155	447,675	1,933,830
2023	1,475,000	77,154	400,903	1,953,057
2024	1,550,000	67,670	351,625	1,969,295
2025	1,625,000	57,705	299,842	1,982,547
2026-2029	7,350,000	121,035	628,916	8,099,951
Total	\$ 14,725,000	\$ 504,393	\$ 2,620,902	\$ 17,850,295

C. Capital Assets

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

Primary Government

Governmental Activities

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,406,159	\$ 0	\$ 0	\$ 1,406,159
Construction in Progress	164,396	229,953	190,240	204,109
Total Capital Assets Not Depreciated	\$ 1,570,555	\$ 229,953	\$ 190,240	\$ 1,610,268
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,776,418	\$ 204,867	\$ 0	\$ 21,981,285
Infrastructure	59,272,676	89,800	0	59,362,476
Other Capital Assets	10,894,578	537,823	0	11,432,401
Total Capital Assets Depreciated	\$ 91,943,672	\$ 832,490	\$ 0	\$ 92,776,162
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 7,468,168	\$ 568,880	\$ 0	\$ 8,037,048
Infrastructure	25,692,136	1,465,820	0	27,157,956
Other Capital Assets	8,169,456	731,911	0	8,901,367
Total Accumulated Depreciation	\$ 41,329,760	\$ 2,766,611	\$ 0	\$ 44,096,371
Total Capital Assets Depreciated, Net	\$ 50,613,912	\$ (1,934,121)	\$ 0	\$ 48,679,791
Governmental Activities Capital Assets, Net	\$ 52,184,467	\$ (1,704,168)	\$ 190,240	\$ 50,290,059

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

Governmental Activities:

General Government	\$ 276,663
Finance	4,877
Administration of Justice	13,968
Public Safety	575,471
Public Health and Welfare	238,153
Social, Cultural, and Recreational Services	10,031
Highway/Public Works	<u>1,647,448</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,766,611</u></u>

Discretely Presented Hawkins County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,570,973	\$ 0	\$ 0	\$ 1,570,973
Construction in Progress	134,236	4,050	138,286	0
Total Capital Assets Not Depreciated	<u>\$ 1,705,209</u>	<u>\$ 4,050</u>	<u>\$ 138,286</u>	<u>\$ 1,570,973</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 99,113,448	\$ 587,763	\$ 0	\$ 99,701,211
Other Capital Assets	9,699,495	1,164,489	640,542	10,223,442
Total Capital Assets Depreciated	<u>\$ 108,812,943</u>	<u>\$ 1,752,252</u>	<u>\$ 640,542</u>	<u>\$ 109,924,653</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 56,501,321	\$ 3,255,624	\$ 0	\$ 59,756,945
Other Capital Assets	6,849,345	556,676	562,314	6,843,707
Total Accumulated Depreciation	<u>\$ 63,350,666</u>	<u>\$ 3,812,300</u>	<u>\$ 562,314</u>	<u>\$ 66,600,652</u>
Total Capital Assets Depreciated, Net	<u>\$ 45,462,277</u>	<u>\$ (2,060,048)</u>	<u>\$ 78,228</u>	<u>\$ 43,324,001</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,167,486</u>	<u>\$ (2,055,998)</u>	<u>\$ 216,514</u>	<u>\$ 44,894,974</u>

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

Governmental Activities:

Instruction	\$ 3,225,686
Support Services	532,705
Operation of Non-instructional Services	<u>53,909</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,812,300</u>

D. Construction Commitments

Primary Government

At June 30, 2020, the General Capital Projects Fund had uncompleted construction contracts of approximately \$218,332 for sewer improvements and related engineering services. Funding for these future expenditures is expected to be provided from available fund balance.

Discretely Presented Hawkins County School Department

At June 30, 2020, the General Purpose School Fund had uncompleted construction contracts of approximately \$335,691 for athletic field improvements. The Education Capital Projects fund had had uncompleted construction contracts of approximately \$599,970 for paving projects. Funding for these future expenditures is expected to be provided from available fund balance.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 133,761
"	Agency	2,049
Nonmajor governmental	General	7,204
Discretely Presented School Department:		
General Purpose School	School Transportation	32,594
"	Nonmajor governmental	1
Nonmajor governmental	General Purpose School	58

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

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In Education Debt Service Fund
General Fund	\$ 106,261

Transfers to the General Debt Service Fund are for Qualified School Construction Bond (QSCB) rebates.

Discretely Presented Hawkins County School Department

Transfer Out	Transfer In General Purpose School
Nonmajor Governmental Funds	\$ 32,594

Transfers to the General Purpose School Fund are for indirect costs related to federal programs.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Hawkins 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 loans and bonds. General obligation bonds are direct obligations and pledge the full

faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 22 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, Special Debt Service, or Education Debt Service funds.

Direct Borrowing and Direct Placements - Hawkins 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. In addition, other loans have been issued to refund other loans and bonds. Other loans are direct obligations and pledge the full faith and credit of the government. Other loans outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the Education Debt Service fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds -				
Refunding	1 to 5 %	6-1-38	\$ 40,101,353	\$ 37,309,006
General Obligation Bonds	.75 to 3.5	6-1-36	10,113,647	9,185,994
Direct Borrowing and				
Direct Placement:				
Other Loans - Public Building Authority	*	6-1-29	16,150,000	14,860,000
Other Loans - Qualified School Construction Bonds	0 to 1.515	9-15-27	4,973,000	2,067,221
Other Loans - Energy Efficient Schools Initiative	0 to 0.75	7-1-28	1,192,687	438,219

(*) The interest rate for the Public Building Authority loan is presented in the next table.

The following table presents further details of the outstanding loan agreement with the public building authority. In addition to interest, the county pays various other fees (trustee, administrative, etc.) in connection with the variable rate loan.

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-20	Interest Type	Interest Rate as of 6-30-20	Other Fees on Variable Rate Debt
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Sevier County Public Building Authority

Series VII-A-1 \$ 16,150,000 \$ 14,860,000 Variable (1) 0.638 % 0.25 %

(1) An interest rate swap agreement is associated with this loan. See Note IV.B., Derivative Instrument, for details of that swap agreement.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,765,000	\$ 1,450,480	\$ 3,215,480
2022	1,690,000	1,385,088	3,075,088
2023	1,760,000	1,319,037	3,079,037
2024	1,780,000	1,264,663	3,044,663
2025	1,825,000	1,208,487	3,033,487
2026-2030	9,060,000	5,352,725	14,412,725
2031-2035	18,005,000	3,386,135	21,391,135
2036-2038	10,610,000	625,775	11,235,775
Total	\$ 46,495,000	\$ 15,992,390	\$ 62,487,390

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 1,766,372	\$ 241,591	\$ 33,800	\$ 2,041,763
2022	1,816,088	232,260	30,263	2,078,611
2023	1,840,232	222,461	26,538	2,089,231
2024	1,915,543	212,160	22,625	2,150,328
2025	1,990,844	201,393	18,525	2,210,762
2026-2029	8,036,361	355,662	28,913	8,420,936
Total	\$ 17,365,440	\$ 1,465,527	\$ 160,664	\$ 18,991,631

There is \$12,757,438 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$818, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premium totaled \$1,143, based on the 2010 federal census.

During the year, the school department contributed \$431,616 to the county debt service funds to be applied toward the retirement of school related debt.

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Other Loans - Direct Placement
	<u>Bonds</u>	<u>Other Loans - Direct Placement</u>
Balance, July 1, 2019	\$ 48,240,000	\$ 19,081,523
Additions	0	0
Reductions	(1,745,000)	(1,716,083)
	<u> </u>	<u> </u>
Balance, June 30, 2020	<u>\$ 46,495,000</u>	<u>\$ 17,365,440</u>
	<u> </u>	<u> </u>
Balance Due Within One Year	<u>\$ 1,765,000</u>	<u>\$ 1,766,372</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 63,860,440
Less: Balance Due Within One Year - Debt	(3,531,372)
Add: Unamortized Premium on Debt	<u>1,097,255</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 61,426,323</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 748,402	\$ 5,240,896
Additions	739,950	1,527,101
Reductions	<u>(775,134)</u>	<u>(391,764)</u>
Balance, June 30, 2020	<u>\$ 713,218</u>	<u>\$ 6,376,233</u>
Balance Due Within One Year	<u>\$ 534,913</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 7,089,451
Less: Balance Due Within One Year - Other	<u>(534,913)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,554,538</u>

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

Discretely Presented Hawkins County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2019	\$ 1,869,940	\$ 221,884
Additions	1,034,006	79,898
Reductions	(769,639)	(63,309)
	<hr/>	<hr/>
Balance, June 30, 2020	\$ 2,134,307	\$ 238,473
	<hr/>	<hr/>
Balance Due Within One Year	\$ 893,449	\$ 79,898
	<hr/>	<hr/>
	Retirement Honorarium	Other Postemployment Benefits
Balance, July 1, 2019	\$ 578,662	\$ 15,078,434
Additions	40,562	2,131,760
Reductions	(41,800)	(1,691,387)
	<hr/>	<hr/>
Balance, June 30, 2020	\$ 577,424	\$ 15,518,807
	<hr/>	<hr/>
Balance Due Within One Year	\$ 6,459	\$ 0
	<hr/>	<hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 18,469,011
Less: Balance Due Within One Year - Other	<u>(979,806)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 17,489,205</u>

These long-term obligations will be paid from the employing funds.

H. On-Behalf Payments

Discretely Presented Hawkins County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hawkins County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$206,185 and \$86,095, respectively. The school department has recognized

these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Hawkins County provides commercial health insurance coverage for its employees. Settled claims did not exceed commercial insurance coverage during the past three years.

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation. The county participates in the Local Government Property and Casualty Fund and the Local Government Workers' Compensation Fund, which are public entity risk pools established to provide insurance coverage to member counties, instead of purchasing commercial insurance for these risks. The county pays monthly or annual premiums to these pools for its insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums.

Discretely Presented Hawkins County School Department

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

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

B. Contingent Liabilities

The county is involved in several pending lawsuits. Management, based on letters from attorneys, estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

C. **Joint Ventures**

Primary Government

The Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Third Judicial District, Greene, Hamblen, Hancock, and Hawkins counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hawkins County made no contributions to the DTF for the year ended June 30, 2020.

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Hawkins County and the counties of Carter, Greene, Johnson, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction's facilities. The program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, Inc., to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Hawkins County's participation cost percentage is 11.7 percent. The county also pays a daily fee for each individual from their county using the facility.

Discretely Presented School Department

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

Hawkins County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF, the Upper East Tennessee Juvenile Detention Center, and NETCO can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Third Judicial District Drug Task Force
124 Austin Street, Suite 3
Greeneville, TN 37745

Upper East Tennessee Regional Detention Center
307 Wesley Street
Johnson City, TN 37601

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

D. Jointly Governed Organization

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

Hawkins County is a participant in the joint governance of the Alliance for Business and Training (AB&T), which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs are funded by grants passed through the state Department of Labor to AB&T.

Mayors of the participating counties, along with four members jointly appointed by the mayors serve as the governing board of AB&T. The consortium agreement calls for any liability for disallowed costs of the grant programs to be shared by member counties of the consortium based on each county's percent of the population of the local workforce development area. However, that contingent liability is to be mitigated by \$3 million of insurance coverage provided by AB&T to indemnify the counties pursuant to the consortium agreement.

Complete financial information for the Alliance for Business and Training can be obtained from the following address.

Alliance for Business and Training
386 Hwy 91
P.O. Box 249
Elizabethton, TN 37643

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

Public Employee Legacy Retirement Plan

General Information About the Pension Plan

Plan Description. Employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.93 percent, the non-certified employees of the discretely presented school department comprise 43.07 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit

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

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	458
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	615
Active Employees	551
 Total	 <u>1,624</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. Hawkins County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Hawkins County was \$1,065,260 based on a rate of 7.0 percent of covered payroll. The minimum rate established by the Board of Trustees was 5.68 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hawkins 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)

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

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 59,811,312	\$ 61,495,689	\$ (1,684,377)
Changes for the Year:			
Service Cost	\$ 1,333,026	\$ 0	\$ 1,333,026
Interest	4,317,167	0	4,317,167
Differences Between Expected and Actual Experience	(69,712)	0	(69,712)
Contributions-Employer	0	1,299,371	(1,299,371)
Contributions-Employees	0	760,623	(760,623)
Net Investment Income	0	4,534,860	(4,534,860)
Benefit Payments, Including Refunds of Employee Contributions	(3,194,406)	(3,194,406)	0
Administrative Expense	0	(49,779)	49,779
Net Changes	\$ 2,386,075	\$ 3,350,669	\$ (964,594)
Balance, June 30, 2019	\$ 62,197,387	\$ 64,846,358	\$ (2,648,971)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.93%	\$ 35,408,972	\$ 36,917,032	\$ (1,508,059)
School Department	43.07%	26,788,415	27,929,326	(1,140,912)
Total		\$ 62,197,387	\$ 64,846,358	\$ (2,648,971)

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

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

Net Pension Liability (Asset) \$ 4,719,511 \$ (2,648,971) \$ (8,828,774)

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

Pension Expense. For the year ended June 30, 2020, Hawkins County recognized pension expense of \$711,804.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Hawkins 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	\$ 3,057	\$ 579,978
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	755,704
Changes in Assumptions	547,738	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	1,065,260	N/A
Total	<u>\$ 1,616,055</u>	<u>\$ 1,335,682</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	\$ 932,042	\$ 760,403
School Department	684,013	575,279
Total	<u>\$ 1,616,055</u>	<u>\$ 1,335,682</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	\$ (47,876)
2022	(551,598)
2023	(161,550)
2024	(23,870)
2025	0
Thereafter	0

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

Discretely Presented Hawkins County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description – Hawkins County Legacy Plan. As noted above under the primary government, employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.93 percent and the non-certified employees of the discretely presented school department comprise 43.07 percent of the plan based on contribution data.

The discretely presented Hawkins County School Department withdrew from the TCRS Hawkins County Plan effective July 1, 2015. Non-certified school employees hired after the date of withdrawal are not eligible to participate in the Hawkins County Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Plan Description – Hawkins County Schools Hybrid Plan. Non-certified employees of the discretely presented Hawkins County School Department hired after July 1, 2015, are provided a defined benefit pension plan (Hawkins County Schools Hybrid Plan) through the Public Employee Retirement Plan, an agent 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 the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80 in which the member's age and service credits total 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 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.

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	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	59
Active Employees	155
Total	214

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. The school department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. 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 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 Retirement Plan were \$63,066, which is 2.57 percent of covered payroll. In addition, employer contributions of \$24,918 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 to Pensions

Pension Liabilities (Assets). The school department’s net pension liability (asset) was measured at June 30, 2019, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	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 the school department will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 193,151	\$ 237,619	\$ (44,468)
Changes for the Year:			
Service Cost	\$ 112,311	\$ 0	\$ 112,311
Interest	21,947	0	21,947
Differences Between Expected and Actual Experience	33,978	0	33,978
Contributions-Employer	0	44,592	(44,592)
Contributions-Employees	0	114,682	(114,682)
Net Investment Income	0	22,961	(22,961)
Benefit Payments, Including Refunds of Employee Contributions	(5,485)	(5,485)	0
Administrative Expense	0	(12,262)	12,262
Net Changes	\$ 162,751	\$ 164,488	\$ (1,737)
Balance, June 30, 2019	\$ 355,902	\$ 402,107	\$ (46,205)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the school department 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:

	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 37,539	\$ (46,205)	\$ (110,355)

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

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$14,499.

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	\$ 48,690	\$ 3,037
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,390
Changes in Assumptions	2,048	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	63,066	N/A
Total	<u>\$ 113,804</u>	<u>\$ 5,427</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.

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	\$ 5,019
2022	4,909
2023	5,398
2024	5,746
2025	5,867
Thereafter	18,367

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

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher

Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$128,842, which is 2.03 percent of covered payroll. In addition, employer contributions of \$123,889 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 (\$269,960) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .478240 percent. The proportion as of June 30, 2018, was .466100 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$83,556.

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	\$ 11,194	\$ 47,127
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	11,413
Changes in Assumptions	9,380	0
Changes in Proportion of Net Pension Liability (Asset)	0	12,792
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	128,842	N/A
Total	<u>\$ 149,416</u>	<u>\$ 71,332</u>

The school department's employer contributions of \$128,842, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (6,888)
2022	(8,635)
2023	(5,433)
2024	(3,801)
2025	(3,336)
Thereafter	(22,666)

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 85,534 \$ (269,960) \$ (532,736)

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hawkins County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$2,468,721, 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 (\$7,358,648) 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 .715696 percent. The proportion measured at June 30, 2018, was .710748 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$950,055.

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	\$ 358,274	\$ 4,494,809
Changes in Assumptions	991,616	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,102,508
Changes in Proportion of Net Pension Liability (Asset)	24,847	71,090
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>2,468,721</u>	N/A
Total	<u>\$ 3,843,458</u>	<u>\$ 6,668,407</u>

The school department's employer contributions of \$2,468,721 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (1,533,444)
2022	(2,121,620)
2023	(939,818)
2024	(698,787)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 15,046,310 \$ (7,358,648) \$ (25,181,172)

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

The discretely presented Hawkins County School Department offers its employees an optional deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

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 a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$311,487 and teachers contributed \$409,971 to this deferred compensation pension plan.

Non-certified personnel of the school department hired after July 1, 2015, are required to participate in a separate hybrid pension plan administered by TCRS. The school department is also required to contribute five percent of non-certified employees' salaries to this Section 401(k) plan. The Section 401(k) plan assets remain the property of the participating employees and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the school department contributed \$128,087 and employees contributed \$59,437 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Hawkins County and the discretely presented Hawkins County School Department provide OPEB benefits to their retirees under various plans. These include OPEB provided through commercial plans for both the primary government and the school department as well as OPEB provided through state administered public entity risk pools for the school department. For reporting purposes the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of 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 Commercial Health Plan (Primary Government)

Plan Description. Hawkins County participates in a commercial postemployment health insurance plan administered by Blue Cross Blue Shield for its pre-65 retirees. Any employee hired before October 31, 2017, is eligible to participate in the Hawkins County postemployment health insurance plan. Enrollment is not available for employees hired on or after November 1, 2017. Benefits are established and may be amended by the county commission.

Benefits Provided. Employees eligible for retirement under the Tennessee Consolidated Retirement System may continue medical coverage under the county health insurance plan upon retirement provided that the retiree is not eligible for coverage under another health insurance plan. The county pays 70 percent of the retiree health insurance premiums. Retirees may stay on the plan until Medicare eligible. The spouse of a retiree may continue coverage under the plan. If the spouse was already in the plan at the time of retirement, the county will continue to pay 70 percent of the spouse's premium. Once the retiree becomes Medicare eligible, the spouse must pay the entire premium.

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2019, 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	187
Total	<u><u>193</u></u>

Total OPEB Liability

The plan's total OPEB liability of \$6,376,233 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019, and updated to the measurement date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the actuarial valuation 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	2.50%
Discount Rate	2.21%
Healthcare Cost Trend Rates	4.50%
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate of 2.21 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2020.

Mortality rates were based on the 2019 PPA Mortality Table (RP-2014 Mortality, base year 2006, adjusted to 2019 with Mortality Improvement Scale MP-2017)).

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 5,240,896
Changes for the Year:	
Service Cost	\$ 322,023
Interest	197,572
Difference between Expected and Actuarial Experience	1,007,506
Benefit Payments	(35,289)
Implicit Rate Subsidy	(356,475)
Net Changes	<u>\$ 1,135,337</u>
Balance June 30, 2020	<u><u>\$ 6,376,233</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$697,782. At June 30, 2020, the county 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	\$ 1,356,847	\$ 403,243
Total	<u>\$ 1,356,847</u>	<u>\$ 403,243</u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 178,187
2022	178,187
2023	178,187
2024	178,187
2025	161,111
Thereafter	79,747

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 calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 6,883,315	\$ 6,376,233	\$ 5,927,668

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease (3.5%)	Current Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	\$ 5,815,046	\$ 6,736,233	\$ 7,033,846

OPEB Provided through Commercial Life Insurance Plan (Discretely Presented School Department)

Plan Description. Hawkins County School Department participates in a commercial postemployment life insurance plan administered by USABLE. Benefits are established and may be amended by the board of education.

Benefits Provided. Retirees with 10 or more years of service with Hawkins County are eligible for postemployment life insurance coverage. Premiums for the coverage are paid entirely by the school department. Retirees under age 65 are provided with \$50,000 of life insurance. At age 65, coverage lowers to \$33,333. At age 70, coverage terminates. Spouse coverage is not provided.

Employees Covered by Benefit Terms

As of July 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	196
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	1,079
Total	<u><u>1,275</u></u>

Total OPEB Liability

The plan's total OPEB liability of \$865,867 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019, and updated to the measurement date.

Actuarial Assumptions and other inputs. The total OPEB liability in the actuarial valuation 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
Discount Rate	2.21%
Life Insurance Cost Trend Rates	0% for all years
Retirees share of Benefit-related Cost	None

The discount rate of 2.21 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2020.

The mortality assumption is based on RP-2014, base year 2006, adjusted to 2019 with Mortality Improvement Scale MP-2017.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	<u>\$ 764,644</u>
Changes for the Year:	
Service Cost	\$ 9,936
Interest	26,255
Difference between Expected and Actuarial Experience	87,185
Benefit Payments	<u>(22,153)</u>
Net Changes	<u>\$ 101,223</u>
Balance June 30, 2020	<u><u>\$ 865,867</u></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 \$74,574. At June 30, 2020, the school department 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	\$ 221,489	\$ 272
Total	<u>\$ 221,489</u>	<u>\$ 272</u>

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

Year Ending June 30	Amount
2021	\$ 38,383
2022	38,383
2023	38,383
2024	38,383
2025	38,383
Thereafter	29,303

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 calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 971,951	\$ 865,867	\$ 777,203

OPEB Provided through State Administered Public Entity Risk Pools

The school department provides healthcare benefits to its retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. Employees of the school department may then join the Tennessee Plan - Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The school department's total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	LGP and LEP: Based on the Getzen Model, with trend starting 6.03% 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% TN-M: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on the Bond Buyer 20 Bond GO index closest to but not later than the measurement date.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale

MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2020 plan year. The assumed initial trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

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

Plan Description. Employees of the Hawkins County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Hawkins County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department provides a direct subsidy ranging from \$151 to \$831 per month toward the cost of insurance for retired certified employees based on years of service and insurance coverage selected. The school department provides a direct subsidy ranging from \$347 to \$1,238 per month toward the cost of insurance for retired non-certified employees based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	69
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	783
Total	<u>852</u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$580,371 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Hawkins County School Department 75.4185%	State of TN 24.5815%	Total OPEB Liability
Balance July 1, 2018	\$ 11,538,755	\$ 3,439,755	\$ 14,978,510
Changes for the Year:			
Service Cost	\$ 611,082	\$ 199,173	\$ 810,255
Interest	419,127	136,608	555,735
Changes in Benefit Terms	360,631	117,542	478,173
Difference between Expected and Actuarial Experience	(135,198)	(44,066)	(179,264)
Changes in Proportion	(242,188)	242,188	0
Changes in Assumption and Other Inputs	(844,680)	(275,310)	(1,119,990)
Benefit Payments	(665,023)	(216,754)	(881,777)
Net Changes	<u>\$ (496,249)</u>	<u>\$ 159,381</u>	<u>\$ (336,868)</u>
Balance June 30, 2019	<u>\$ 11,042,506</u>	<u>\$ 3,599,136</u>	<u>\$ 14,641,642</u>

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$389,591 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability was 75.4185 percent and the State of Tennessee's share was 24.5815 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$1,849,693 which includes expenses funded by nonemployer contributing entities. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,124,389	\$ 120,092
Changes of Assumptions/Inputs	196,902	1,096,579
Changes in Proportion	715,733	185,008
Benefits Paid After the Measurement Date of June 30, 2019	<u>580,371</u>	<u>0</u>
Total	<u>\$ 2,617,395</u>	<u>\$ 1,401,679</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>School</u> <u>Department</u>
2021	\$ 69,261
2022	69,261
2023	69,261
2024	69,261
2025	69,261
Thereafter	289,040

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 11,853,745	\$ 11,042,506	\$ 10,276,766
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 9,922,645	\$ 11,042,506	\$ 12,355,782
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Closed Tennessee Plan – Medicare (Discretely Presented School Department)

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

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA 8-27-209*, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA Sections 8-27-201, 8-27-301 and 8-27-701*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Hawkins County School Department provides a direct subsidy to retired certified employees ranging from \$25 to \$50 per month based on years of service. The school department provides a direct subsidy to retired non-certified employees ranging from \$50 to \$100 per month based on years of service. The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	158
Inactive Employees Entitled to But Not Yet Receiving Benefits	86
Active Employees	840
Total	1,084

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the school department paid \$97,155 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		Total OPEB Liability
	Hawkins County School Department 61.4256%	State of TN 38.5744%	
Balance July 1, 2018	\$ 2,775,035	\$ 2,186,805	\$ 4,961,840
Changes for the Year:			
Service Cost	\$ 69,568	\$ 43,688	\$ 113,256
Interest	110,910	69,650	180,560
Difference between Expected and Actuarial Experience	421,003	264,384	685,387
Changes in Proportion	272,805	(272,805)	0
Changes in Assumption and Other Inputs	69,263	43,496	112,759
Benefit Payments	(108,150)	(67,917)	(176,067)
Net Changes	\$ 835,399	\$ 80,496	\$ 915,895
Balance June 30, 2019	\$ 3,610,434	\$ 2,267,301	\$ 5,877,735

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$69,445 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability for the TNM plan was 61.4256 percent and the State of Tennessee's share was 38.5744 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$214,089, which includes expenses funded by nonemployer contributing entities.

At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 370,824	\$ 405,783
Changes of Assumptions/Inputs	61,007	260,142
Changes in Proportion	292,737	164,141
Benefits Paid After the Measurement Date of June 30, 2019	97,155	0
Total	<u>\$ 821,723</u>	<u>\$ 830,066</u>

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

Year Ending June 30	School Department
2021	\$ (35,834)
2022	(35,834)
2023	(35,834)
2024	(35,834)
2025	(35,834)
Thereafter	73,672

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability

would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,187,972	\$ 3,610,434	\$ 3,139,670
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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

G. Termination Benefits and Retirement Honorarium

The discretely presented school department offers a voluntary termination benefits plan to its employees. To be eligible, employees must have 30 years of credible service in the Tennessee Consolidated Retirement System and no less than ten years of service with the Hawkins County School System. Under the plan, employees who accept the benefit shall receive an annual amount equal to ten percent of their total compensation based on the highest annual salary of their last three years of employment. Benefits shall begin in July following retirement and continue until they reach the age of 62, or for a maximum of seven years, whichever is less. In the event an employee dies during the term of the agreement, the designated beneficiary shall continue to receive the payments for the remainder of the fiscal year of the employee's death. During the year, 13 retirees participated in the program. The estimated cost of the cash payments reported in the government-wide Statement of Net Position is \$238,473. The school department determined this liability by calculating the total cash payments due over the next six years. Of that amount, \$79,898 is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers a retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service with the Hawkins County School Department. Under the terms of the plan, employees receive \$100 for each year of service with Hawkins County up to a maximum of 20 years. As of June 30, 2020, 327 employees met the requirement of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$577,424, of which \$6,459 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$41,800 in the General Purpose School Fund.

H. Purchasing Law

Purchasing procedures for all departments of Hawkins County, including the discretely presented Hawkins County School Department, are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases and for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

I. Subsequent Events

Holly Jaynes, Hawkins County Clerk and Master, retired on June 30, 2020, and was succeeded by Brent Price effective July 1, 2020.

On August 28, 2020, the Hawkins County Board of Education approved a \$13.7 million energy efficiency project which includes issuing an Energy Efficient Schools Initiative (EESI) loan in the amount of \$4,966,890 at 0.5% interest and requests the county to issue bonds of approximately \$9.6 million. On October 26, 2020, the county commission approved the EESI loan. However, this loan had not been issued and the county commission had not approved to issue the bonds as of the date of this report.

Jeff Thacker, Hawkins County Assessor of Property, passed away on December 20, 2020. The county commission appointed David Pearson, Assessor of Property, on January 25, 2021.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Hawkins 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	\$ 1,292,383	\$ 1,388,131	\$ 1,370,544	\$ 1,372,583	\$ 1,373,076	\$ 1,333,026
Interest	3,618,616	3,735,883	3,893,700	4,077,560	4,195,156	4,317,167
Differences Between Actual and Expected Experience	(879,835)	(328,471)	15,277	(381,698)	(750,034)	(69,712)
Changes in Assumptions	0	0	0	1,369,345	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)
Net Change in Total Pension Liability	\$ 1,478,695	\$ 2,221,311	\$ 2,506,308	\$ 3,550,803	\$ 1,822,138	\$ 2,386,075
Total Pension Liability, Beginning	48,232,057	49,710,752	51,932,063	54,438,371	57,989,174	59,811,312
Total Pension Liability, Ending (a)	\$ 49,710,752	\$ 51,932,063	\$ 54,438,371	\$ 57,989,174	\$ 59,811,312	\$ 62,197,387
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371
Contributions - Employee	766,561	783,114	775,293	819,476	763,520	760,623
Net Investment Income	7,260,957	1,554,198	1,364,232	5,914,668	4,750,506	4,534,860
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)
Administrative Expense	(28,022)	(37,272)	(51,442)	(53,513)	(57,156)	(49,779)
Other	0	0	0	0	5	0
Net Change in Plan Fiduciary Net Position	\$ 6,850,743	\$ 1,081,960	\$ 660,775	\$ 5,136,643	\$ 3,778,974	\$ 3,350,669
Plan Fiduciary Net Position, Beginning	43,986,594	50,837,337	51,919,297	52,580,072	57,716,715	61,495,689
Plan Fiduciary Net Position, Ending (b)	\$ 50,837,337	\$ 51,919,297	\$ 52,580,072	\$ 57,716,715	\$ 61,495,689	\$ 64,846,358
Net Pension Liability (Asset), Ending (a - b)	\$ (1,126,585)	\$ 12,766	\$ 1,858,299	\$ 272,459	\$ (1,684,377)	\$ (2,648,971)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.27%	99.98%	96.59%	99.53%	102.82%	104.26%
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.38%)	0.08%	11.98%	1.76%	(11.09%)	(17.70%)

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

Hawkins County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS
Discretely Presented Hawkins County School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019
Total Pension Liability				
Service Cost	\$ 26,012	\$ 51,610	\$ 79,994	\$ 112,311
Interest	1,951	5,558	11,749	21,947
Differences Between Actual and Expected Experience	(5,469)	1,681	21,709	33,978
Changes in Assumptions	0	3,074	0	0
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)
Net Change in Total Pension Liability	\$ 22,494	\$ 61,923	\$ 108,734	\$ 162,751
Total Pension Liability, Beginning	0	22,494	84,417	193,151
Total Pension Liability, Ending (a)	\$ 22,494	\$ 84,417	\$ 193,151	\$ 355,902
Plan Fiduciary Net Position				
Contributions - Employer	\$ 11,561	\$ 37,107	\$ 58,503	\$ 44,592
Contributions - Employee	14,451	46,384	73,130	114,682
Net Investment Income	327	7,092	13,745	22,961
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)
Administrative Expense	(2,563)	(7,069)	(10,331)	(12,262)
Other	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 23,776	\$ 83,514	\$ 130,329	\$ 164,488
Plan Fiduciary Net Position, Beginning	0	23,776	107,290	237,619
Plan Fiduciary Net Position, Ending (b)	\$ 23,776	\$ 107,290	\$ 237,619	\$ 402,107
Net Pension Liability (Asset), Ending (a - b)	\$ (1,282)	\$ (22,873)	\$ (44,468)	\$ (46,205)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.70%	127.10%	123.02%	112.98%
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.44%)	(2.47%)	(3.04%)	(2.23%)

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

Exhibit E-3

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 864,379
Less Contributions in Relation to the Actuarially Determined Contribution	(1,403,716)	(1,356,152)	(1,345,905)	(1,342,999)	(1,318,159)	(1,299,371)	(1,065,260)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (200,881)
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,217,946
Contributions as a Percentage of Covered Payroll	9.19%	8.68%	8.68%	8.68%	8.68%	8.68%	7.00%

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

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

Exhibit E-4

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

	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 5,780	\$ 10,483	\$ 22,886	\$ 44,592	\$ 63,066
Less Contributions in Relation to the Actuarially Determined Contribution	(11,561)	(37,107)	(58,503)	(44,592)	(63,066)
Contribution Deficiency (Excess)	\$ (5,781)	\$ (26,624)	\$ (35,617)	\$ 0	\$ 0
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	2.15%	2.57%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 29,900	\$ 73,046	\$ 119,156	\$ 162,926	\$ 98,179	\$ 128,842
Less Contributions in Relation to the Contractually Required Contribution	(29,900)	(73,046)	(119,156)	(162,926)	(98,179)	(128,842)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841
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-6

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 2,500,355	\$ 2,467,027	\$ 2,360,756	\$ 2,309,662	\$ 2,259,837	\$ 2,510,225	\$ 2,468,721
Less Contributions in Relation to the Contractually Required Contribution	(2,500,355)	(2,467,027)	(2,360,756)	(2,309,662)	(2,259,837)	(2,510,225)	(2,468,721)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091
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-7

Hawkins County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Hawkins 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	0.359770%	0.415032%	0.453865%	0.466100%	0.478240%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,473)	\$ (43,206)	\$ (119,745)	\$ (211,389)	\$ (269,960)
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973
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-8

Hawkins County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hawkins 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	0.717381%	0.729000%	0.723435%	0.722764%	0.710748%	0.715696%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (116,571) \$	298,623 \$	4,521,070 \$	(236,476) \$	(2,501,062) \$	(7,358,648)
Covered Payroll	\$ 28,157,151 \$	27,290,132 \$	26,114,561 \$	25,552,000 \$	24,888,086 \$	23,997,025
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(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-9

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

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 308,392	\$ 332,149	\$ 322,023
Interest	176,978	175,628	197,572
Differences Between Actual and Expected Experience	(564,540)	642,483	1,007,506
Benefit Payments	(29,211)	(25,485)	(35,289)
Implicit Rate Subsidy	(205,319)	(205,319)	(356,475)
Net Change in Total OPEB Liability	\$ (313,700)	\$ 919,456	\$ 1,135,337
Total OPEB Liability, Beginning	4,635,140	4,321,440	5,240,896
 Total OPEB Liability, Ending	 \$ 4,321,440	 \$ 5,240,896	 \$ 6,376,233
 Covered Employee Payroll	 \$ 8,285,453	 \$ 8,307,211	 \$ 8,736,986
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	63.09%	72.98%

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

Note 2: Changes in assumptions. The following are the discount rates used in each period:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%

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

Exhibit E-10

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

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 34,860	\$ 9,741	\$ 9,936
Interest	17,234	28,318	26,255
Differences Between Actual and Expected Experience	(425)	182,442	87,185
Benefit Payments	(27,868)	(23,782)	(22,153)
Net Change in Total OPEB Liability	\$ 23,801	\$ 196,719	\$ 101,223
Total OPEB Liability, Beginning	544,124	567,925	764,644
Total OPEB Liability, Ending	<u>\$ 567,925</u>	<u>\$ 764,644</u>	<u>\$ 865,867</u>
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.56%	2.09%	2.34%

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

Note 2: Changes in assumptions. The following are the discount rates used in each period:

2017	3.00%
2018	3.05%
2019	3.50%
2020	2.21%

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 877,677	\$ 819,891	\$ 810,255
Interest	458,702	547,363	555,735
Changes in Benefit Terms	0	(2,633,339)	478,173
Differences Between Actual and Expected Experience	0	1,858,982	(179,264)
Changes in Assumptions or Other Inputs	(655,917)	325,543	(1,119,990)
Benefit Payments	(921,688)	(990,826)	(881,777)
Net Change in Total OPEB Liability	\$ (241,226)	\$ (72,386)	\$ (336,868)
Total OPEB Liability, Beginning	15,292,122	15,050,896	14,978,510
Total OPEB Liability, Ending	\$ 15,050,896	\$ 14,978,510	\$ 14,641,642
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,329,661	\$ 3,439,755	\$ 3,599,136
Employer Proportionate Share of the Total OPEB Liability	10,721,235	11,538,755	11,042,506
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.48%	31.53%	29.78%

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

Note 2: Changes in assumptions.

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

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

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

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

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

Exhibit E-12

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 208,059	\$ 171,994	\$ 113,256
Interest	187,101	214,221	180,560
Changes in Benefit Terms	0	(267,040)	0
Differences Between Actual and Expected Experience	0	(873,709)	685,387
Changes in Assumptions or Other Inputs	(580,688)	(42,554)	112,759
Benefit Payments	(164,100)	(173,016)	(176,067)
Net Change in Total OPEB Liability	\$ (349,628)	\$ (970,104)	\$ 915,895
Total OPEB Liability, Beginning	6,281,572	5,931,944	4,961,840
Total OPEB Liability, Ending	\$ 5,931,944	\$ 4,961,840	\$ 5,877,735
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,421,004	\$ 2,186,805	\$ 2,267,301
Employer Proportionate Share of the Total OPEB Liability	3,510,940	2,775,035	3,610,434
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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

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

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

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

HAWKINS 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 Adjustment	2.25%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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.

Debt Service Funds

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

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

Special Debt Service Fund – The Special Debt Service Fund is used to account for the accumulation of resources for, and the payment of, the highway department’s long-term debt principal, interest, and related costs.

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county and the issuance of debt on behalf of the Hawkins County School Department.

Other Capital Projects Fund – The Other Capital Projects Fund was used during the year to account for expenditures related to the Home Investment Partnership Program grant.

Exhibit F-1

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

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 25,478	\$ 25,478	\$ 0
Equity in Pooled Cash and Investments	1,609,958	171,595	0	1,781,553	2,633,867
Accounts Receivable	50,449	0	108,283	158,732	630
Due from Other Governments	319,832	9,182	0	329,014	0
Due from Other Funds	7,204	0	0	7,204	0
Property Taxes Receivable	0	0	0	0	591,639
Allowance for Uncollectible Property Taxes	0	0	0	0	(23,151)
Total Assets	\$ 1,987,443	\$ 180,777	\$ 133,761	\$ 2,301,981	\$ 3,202,985
<u>LIABILITIES</u>					
Accounts Payable	\$ 65,150	\$ 19	\$ 0	\$ 65,169	\$ 0
Payroll Deductions Payable	3	0	0	3	0
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	0	0	133,761	133,761	0
Due to State of Tennessee	145	0	0	145	0
Other Current Liabilities	7,566	4,900	0	12,466	0
Total Liabilities	\$ 72,864	\$ 4,919	\$ 133,761	\$ 211,544	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 552,187

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds</u>				<u>Debt Service Funds</u>
	<u>Solid Waste / Sanitation</u>	<u>Drug Control</u>	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>General Debt Service</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,052
Other Deferred/Unavailable Revenue	119,564	9,182	0	128,746	0
Total Deferred Inflows of Resources	<u>\$ 119,564</u>	<u>\$ 9,182</u>	<u>\$ 0</u>	<u>\$ 128,746</u>	<u>\$ 566,239</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 166,676	\$ 0	\$ 166,676	\$ 0
Restricted for Debt Service	0	0	0	0	2,195,632
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	1,795,015	0	0	1,795,015	0
Committed for Debt Service	0	0	0	0	441,114
Total Fund Balances	<u>\$ 1,795,015</u>	<u>\$ 166,676</u>	<u>\$ 0</u>	<u>\$ 1,961,691</u>	<u>\$ 2,636,746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,987,443</u>	<u>\$ 180,777</u>	<u>\$ 133,761</u>	<u>\$ 2,301,981</u>	<u>\$ 3,202,985</u>

(Continued)

Exhibit F-1

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Special</u> <u>Debt</u> <u>Service</u>	<u>Total</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 25,478
Equity in Pooled Cash and Investments	817,321	3,451,188	823,025	6,055,766
Accounts Receivable	0	630	17,430	176,792
Due from Other Governments	0	0	0	329,014
Due from Other Funds	0	0	0	7,204
Property Taxes Receivable	0	591,639	591,639	1,183,278
Allowance for Uncollectible Property Taxes	0	(23,151)	(23,151)	(46,302)
Total Assets	\$ 817,321	\$ 4,020,306	\$ 1,408,943	\$ 7,731,230
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 65,169
Payroll Deductions Payable	0	0	0	3
Contracts Payable	0	0	36,718	36,718
Retainage Payable	0	0	5,676	5,676
Due to Other Funds	0	0	0	133,761
Due to State of Tennessee	0	0	0	145
Other Current Liabilities	0	0	0	12,466
Total Liabilities	\$ 0	\$ 0	\$ 42,394	\$ 253,938
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 552,187	\$ 552,187	\$ 1,104,374

(Continued)

Exhibit F-1

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Special</u> <u>Debt</u> <u>Service</u>	<u>Total</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 0	\$ 14,052	\$ 14,052	\$ 28,104
Other Deferred/Unavailable Revenue	0	0	0	128,746
Total Deferred Inflows of Resources	\$ 0	\$ 566,239	\$ 566,239	\$ 1,261,224
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 166,676
Restricted for Debt Service	817,321	3,012,953	0	3,012,953
Restricted for Capital Projects	0	0	800,310	800,310
Committed:				
Committed for Public Health and Welfare	0	0	0	1,795,015
Committed for Debt Service	0	441,114	0	441,114
Total Fund Balances	\$ 817,321	\$ 3,454,067	\$ 800,310	\$ 6,216,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 817,321	\$ 4,020,306	\$ 1,408,943	\$ 7,731,230

Exhibit F-2

Hawkins 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				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 1,557,492	\$ 0	\$ 0	\$ 1,557,492	\$ 652,058
Licenses and Permits	148,826	0	0	148,826	0
Fines, Forfeitures, and Penalties	0	29,008	0	29,008	0
Charges for Current Services	1,159	0	28,433	29,592	0
Other Local Revenues	61,600	0	0	61,600	132,952
State of Tennessee	144,154	0	0	144,154	0
Federal Government	0	44,782	0	44,782	0
Other Governments and Citizens Groups	0	4,239	0	4,239	0
Total Revenues	\$ 1,913,231	\$ 78,029	\$ 28,433	\$ 2,019,693	\$ 785,010
<u>Expenditures</u>					
Current:					
General Government	\$ 4	\$ 0	\$ 0	\$ 4	\$ 0
Administration of Justice	0	0	28,260	28,260	0
Public Safety	0	104,966	173	105,139	0
Public Health and Welfare	1,633,959	0	0	1,633,959	0
Debt Service:					
Principal on Debt	0	0	0	0	689,477
Interest on Debt	0	0	0	0	392,202
Other Debt Service	0	0	0	0	15,018
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 1,633,963	\$ 104,966	\$ 28,433	\$ 1,767,362	\$ 1,096,697

(Continued)

Exhibit F-2

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

	Special Revenue Funds			Total	Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		Funds
					General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ 279,268	\$ (26,937)	\$ 0	\$ 252,331	\$ (311,687)
Net Change in Fund Balances	\$ 279,268	\$ (26,937)	\$ 0	\$ 252,331	\$ (311,687)
Fund Balance, July 1, 2019	1,515,747	193,613	0	1,709,360	2,948,433
Fund Balance, June 30, 2020	\$ 1,795,015	\$ 166,676	\$ 0	\$ 1,961,691	\$ 2,636,746

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 339,118	\$ 991,176	\$ 565,262	\$ 0	\$ 565,262	\$ 3,113,930
Licenses and Permits	0	0	0	0	0	148,826
Fines, Forfeitures, and Penalties	0	0	0	0	0	29,008
Charges for Current Services	0	0	0	0	0	29,592
Other Local Revenues	0	132,952	0	0	0	194,552
State of Tennessee	0	0	0	0	0	144,154
Federal Government	0	0	0	344,984	344,984	389,766
Other Governments and Citizens Groups	0	0	0	1,200	1,200	5,439
Total Revenues	\$ 339,118	\$ 1,124,128	\$ 565,262	\$ 346,184	\$ 911,446	\$ 4,055,267
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4
Administration of Justice	0	0	0	0	0	28,260
Public Safety	0	0	0	0	0	105,139
Public Health and Welfare	0	0	0	0	0	1,633,959
Debt Service:						
Principal on Debt	348,037	1,037,513	0	0	0	1,037,513
Interest on Debt	108,498	500,701	0	0	0	500,701
Other Debt Service	3,164	18,182	0	0	0	18,182
Capital Projects	0	0	511,254	346,184	857,438	857,438
Total Expenditures	\$ 459,699	\$ 1,556,396	\$ 511,254	\$ 346,184	\$ 857,438	\$ 4,181,196

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (120,581)	\$ (432,268)	\$ 54,008	\$ 0	\$ 54,008	\$ (125,929)
Net Change in Fund Balances	\$ (120,581)	\$ (432,268)	\$ 54,008	\$ 0	\$ 54,008	\$ (125,929)
Fund Balance, July 1, 2019	937,902	3,886,335	746,302	0	746,302	6,341,997
Fund Balance, June 30, 2020	\$ 817,321	\$ 3,454,067	\$ 800,310	\$ 0	\$ 800,310	\$ 6,216,068

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,557,492	\$ 0	\$ 0	\$ 1,557,492	\$ 1,225,000	\$ 1,225,000	\$ 332,492
Licenses and Permits	148,826	0	0	148,826	137,000	137,000	11,826
Charges for Current Services	1,159	0	0	1,159	2,000	2,000	(841)
Other Local Revenues	61,600	0	0	61,600	70,000	70,000	(8,400)
State of Tennessee	144,154	0	0	144,154	136,000	136,000	8,154
Total Revenues	\$ 1,913,231	\$ 0	\$ 0	\$ 1,913,231	\$ 1,570,000	\$ 1,570,000	\$ 343,231
<u>Expenditures</u>							
<u>General Government</u>							
Other Boards and Committees	\$ 4	\$ 0	\$ 0	\$ 4	\$ 6,129	\$ 6,129	\$ 6,125
<u>Public Health and Welfare</u>							
Sanitation Management	71,680	0	0	71,680	75,227	75,667	3,987
Waste Pickup	270,312	0	0	270,312	328,728	328,728	58,416
Convenience Centers	435,050	(59,240)	12,240	388,050	441,854	441,854	53,804
Recycling Center	142,301	(4,507)	0	137,794	246,440	246,440	108,646
Landfill Operation and Maintenance	677,132	0	0	677,132	686,237	686,237	9,105
Other Waste Disposal	37,484	0	0	37,484	36,000	36,000	(1,484)
<u>Interest on Debt</u>							
General Government	0	0	0	0	1,000	1,000	1,000
Total Expenditures	\$ 1,633,963	\$ (63,747)	\$ 12,240	\$ 1,582,456	\$ 1,821,615	\$ 1,822,055	\$ 239,599
Excess (Deficiency) of Revenues Over Expenditures	\$ 279,268	\$ 63,747	\$ (12,240)	\$ 330,775	\$ (251,615)	\$ (252,055)	\$ 582,830
Net Change in Fund Balance	\$ 279,268	\$ 63,747	\$ (12,240)	\$ 330,775	\$ (251,615)	\$ (252,055)	\$ 582,830
Fund Balance, July 1, 2019	1,515,747	(63,747)	0	1,452,000	1,486,588	1,486,588	(34,588)
Fund Balance, June 30, 2020	\$ 1,795,015	\$ 0	\$ (12,240)	\$ 1,782,775	\$ 1,234,973	\$ 1,234,533	\$ 548,242

Exhibit F-4

Hawkins 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	\$ 29,008	\$ 59,250	\$ 59,250	\$ (30,242)
Federal Government	44,782	13,000	22,000	22,782
Other Governments and Citizens Groups	4,239	0	0	4,239
Total Revenues	<u>\$ 78,029</u>	<u>\$ 72,250</u>	<u>\$ 81,250</u>	<u>\$ (3,221)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 104,966	\$ 110,100	\$ 119,100	\$ 14,134
Total Expenditures	<u>\$ 104,966</u>	<u>\$ 110,100</u>	<u>\$ 119,100</u>	<u>\$ 14,134</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,937)</u>	<u>\$ (37,850)</u>	<u>\$ (37,850)</u>	<u>\$ 10,913</u>
Net Change in Fund Balance	\$ (26,937)	\$ (37,850)	\$ (37,850)	10,913
Fund Balance, July 1, 2019	<u>193,613</u>	<u>41,752</u>	<u>41,752</u>	<u>151,861</u>
Fund Balance, June 30, 2020	<u>\$ 166,676</u>	<u>\$ 3,902</u>	<u>\$ 3,902</u>	<u>\$ 162,774</u>

Exhibit F-5

Hawkins 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	\$ 652,058	\$ 675,213	\$ 675,213	\$ (23,155)
Other Local Revenues	132,952	68,000	68,000	64,952
Total Revenues	<u>\$ 785,010</u>	<u>\$ 743,213</u>	<u>\$ 743,213</u>	<u>\$ 41,797</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 689,477	\$ 689,477	\$ 689,477	0
<u>Interest on Debt</u>				
General Government	392,202	392,203	392,203	1
<u>Other Debt Service</u>				
General Government	15,018	22,700	22,700	7,682
Total Expenditures	<u>\$ 1,096,697</u>	<u>\$ 1,104,380</u>	<u>\$ 1,104,380</u>	<u>\$ 7,683</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (311,687)</u>	<u>\$ (361,167)</u>	<u>\$ (361,167)</u>	<u>\$ 49,480</u>
Net Change in Fund Balance	\$ (311,687)	\$ (361,167)	\$ (361,167)	49,480
Fund Balance, July 1, 2019	<u>2,948,433</u>	<u>2,947,384</u>	<u>2,947,384</u>	<u>1,049</u>
Fund Balance, June 30, 2020	<u>\$ 2,636,746</u>	<u>\$ 2,586,217</u>	<u>\$ 2,586,217</u>	<u>\$ 50,529</u>

Exhibit F-6

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special 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	\$ 339,118	\$ 343,034	\$ 343,034	\$ (3,916)
Total Revenues	\$ 339,118	\$ 343,034	\$ 343,034	\$ (3,916)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 348,037	\$ 348,038	\$ 348,038	\$ 1
<u>Interest on Debt</u>				
Highways and Streets	108,498	108,500	108,500	2
<u>Other Debt Service</u>				
Highways and Streets	3,164	5,700	5,700	2,536
Total Expenditures	\$ 459,699	\$ 462,238	\$ 462,238	\$ 2,539
Excess (Deficiency) of Revenues Over Expenditures	\$ (120,581)	\$ (119,204)	\$ (119,204)	\$ (1,377)
Net Change in Fund Balance	\$ (120,581)	\$ (119,204)	\$ (119,204)	\$ (1,377)
Fund Balance, July 1, 2019	937,902	934,835	934,835	3,067
Fund Balance, June 30, 2020	\$ 817,321	\$ 815,631	\$ 815,631	\$ 1,690

Exhibit F-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 565,262	\$ 0	\$ 0	\$ 565,262	\$ 518,655	\$ 520,655	\$ 44,607
Total Revenues	\$ 565,262	\$ 0	\$ 0	\$ 565,262	\$ 518,655	\$ 520,655	\$ 44,607
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 191,039	\$ (18,370)	\$ 218,331	\$ 391,000	\$ 295,000	\$ 396,000	\$ 5,000
Public Safety Projects	309,079	(424,731)	115,652	0	0	0	0
Other General Government Projects	11,136	0	0	11,136	10,500	12,500	1,364
Total Expenditures	\$ 511,254	\$ (443,101)	\$ 333,983	\$ 402,136	\$ 305,500	\$ 408,500	\$ 6,364
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,008	\$ 443,101	\$ (333,983)	\$ 163,126	\$ 213,155	\$ 112,155	\$ 50,971
Net Change in Fund Balance	\$ 54,008	\$ 443,101	\$ (333,983)	\$ 163,126	\$ 213,155	\$ 112,155	\$ 50,971
Fund Balance, July 1, 2019	746,302	(443,101)	0	303,201	301,596	301,596	1,605
Fund Balance, June 30, 2020	\$ 800,310	\$ 0	\$ (333,983)	\$ 466,327	\$ 514,751	\$ 413,751	\$ 52,576

Major Governmental Fund

Education Debt Service Fund

The Education Debt Service Fund is used to account for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county's schools and the purchase of capital assets.

Exhibit G

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	\$ 3,635,866	\$ 3,492,325	\$ 3,526,325	\$ 109,541
Other Local Revenues	456,942	250,000	250,000	206,942
Other Governments and Citizens Groups	431,616	676,922	676,922	(245,306)
Total Revenues	<u>\$ 4,524,424</u>	<u>\$ 4,419,247</u>	<u>\$ 4,453,247</u>	<u>\$ 71,177</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,423,569	\$ 2,423,574	\$ 2,423,574	\$ 5
<u>Interest on Debt</u>				
Education	1,866,783	1,858,049	1,888,049	21,266
<u>Other Debt Service</u>				
Education	124,088	145,500	149,500	25,412
Total Expenditures	<u>\$ 4,414,440</u>	<u>\$ 4,427,123</u>	<u>\$ 4,461,123</u>	<u>\$ 46,683</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 109,984</u>	<u>\$ (7,876)</u>	<u>\$ (7,876)</u>	<u>\$ 117,860</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 106,261	\$ 106,091	\$ 106,091	\$ 170
Total Other Financing Sources	<u>\$ 106,261</u>	<u>\$ 106,091</u>	<u>\$ 106,091</u>	<u>\$ 170</u>
Net Change in Fund Balance	\$ 216,245	\$ 98,215	\$ 98,215	\$ 118,030
Fund Balance, July 1, 2019	<u>9,087,126</u>	<u>9,048,518</u>	<u>9,048,518</u>	<u>38,608</u>
Fund Balance, June 30, 2020	<u>\$ 9,303,371</u>	<u>\$ 9,146,733</u>	<u>\$ 9,146,733</u>	<u>\$ 156,638</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 - Rogersville Fund and City School ADA - Kingsport Fund – These two funds are used to account for the city school systems' share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school 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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

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

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,093,394	\$ 1,093,394
Equity in Pooled Cash and Investments	0	92,552	70,209	0	162,761
Accounts Receivable	0	0	0	2,958	2,958
Due from Other Governments	834,978	85,775	64,967	0	985,720
Taxes Receivable	0	659,670	496,393	0	1,156,063
Allowance for Uncollectible Taxes	0	(25,813)	(19,424)	0	(45,237)
Total Assets	<u>\$ 834,978</u>	<u>\$ 812,184</u>	<u>\$ 612,145</u>	<u>\$ 1,096,352</u>	<u>\$ 3,355,659</u>
<u>LIABILITIES</u>					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 2,049	\$ 2,049
Due to Other Taxing Units	834,978	812,184	612,145	0	2,259,307
Due to Litigants, Heirs, and Others	0	0	0	1,094,303	1,094,303
Total Liabilities	<u>\$ 834,978</u>	<u>\$ 812,184</u>	<u>\$ 612,145</u>	<u>\$ 1,096,352</u>	<u>\$ 3,355,659</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,737,383	\$ 4,737,383	\$ 0
Due from Other Governments	760,976	834,978	760,976	834,978
Total Assets	\$ 760,976	\$ 5,572,361	\$ 5,498,359	\$ 834,978
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 760,976	\$ 5,572,361	\$ 5,498,359	\$ 834,978
Total Liabilities	\$ 760,976	\$ 5,572,361	\$ 5,498,359	\$ 834,978
<u>City School ADA - Rogersville Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 45,397	\$ 1,133,704	\$ 1,086,549	\$ 92,552
Due from Other Governments	78,373	85,775	78,373	85,775
Taxes Receivable	766,031	659,670	766,031	659,670
Allowance for Uncollectible Taxes	(27,074)	(25,813)	(27,074)	(25,813)
Total Assets	\$ 862,727	\$ 1,853,336	\$ 1,903,879	\$ 812,184
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 862,727	\$ 1,853,336	\$ 1,903,879	\$ 812,184
Total Liabilities	\$ 862,727	\$ 1,853,336	\$ 1,903,879	\$ 812,184
<u>City School ADA - Kingsport Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,436	\$ 853,710	\$ 817,937	\$ 70,209
Due from Other Governments	59,361	64,967	59,361	64,967
Taxes Receivable	580,128	496,393	580,128	496,393
Allowance for Uncollectible Taxes	(20,503)	(19,424)	(20,503)	(19,424)
Total Assets	\$ 653,422	\$ 1,395,646	\$ 1,436,923	\$ 612,145
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 653,422	\$ 1,395,646	\$ 1,436,923	\$ 612,145
Total Liabilities	\$ 653,422	\$ 1,395,646	\$ 1,436,923	\$ 612,145

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,277,439	\$ 12,153,431	\$ 12,337,476	\$ 1,093,394
Accounts Receivable	143	2,958	143	2,958
Total Assets	<u>\$ 1,277,582</u>	<u>\$ 12,156,389</u>	<u>\$ 12,337,619</u>	<u>\$ 1,096,352</u>
<u>Liabilities</u>				
Due to Other Funds	\$ 1,395	\$ 2,049	\$ 1,395	\$ 2,049
Due to Litigants, Heirs, and Others	1,276,187	12,154,340	12,336,224	1,094,303
Total Liabilities	<u>\$ 1,277,582</u>	<u>\$ 12,156,389</u>	<u>\$ 12,337,619</u>	<u>\$ 1,096,352</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,277,439	\$ 12,153,431	\$ 12,337,476	\$ 1,093,394
Equity in Pooled Cash and Investments	79,833	6,724,797	6,641,869	162,761
Accounts Receivable	143	2,958	143	2,958
Due from Other Governments	898,710	985,720	898,710	985,720
Taxes Receivable	1,346,159	1,156,063	1,346,159	1,156,063
Allowance for Uncollectible Taxes	(47,577)	(45,237)	(47,577)	(45,237)
Total Assets	<u>\$ 3,554,707</u>	<u>\$ 20,977,732</u>	<u>\$ 21,176,780</u>	<u>\$ 3,355,659</u>
<u>Liabilities</u>				
Due to Other Funds	\$ 1,395	\$ 2,049	\$ 1,395	\$ 2,049
Due to Other Taxing Units	2,277,125	8,821,343	8,839,161	2,259,307
Due to Litigants, Heirs, and Others	1,276,187	12,154,340	12,336,224	1,094,303
Total Liabilities	<u>\$ 3,554,707</u>	<u>\$ 20,977,732</u>	<u>\$ 21,176,780</u>	<u>\$ 3,355,659</u>

Hawkins County School Department

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

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 39,802,404	\$ 0	\$ 3,005,141	\$ 36,000	\$ (36,761,263)
Support Services	23,160,192	125,462	0	0	(23,034,730)
Operation of Non-instructional Services	4,457,481	743,412	3,674,478	0	(39,591)
Total Governmental Activities	\$ 67,420,077	\$ 868,874	\$ 6,679,619	\$ 36,000	\$ (59,835,584)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,733,823
Property Taxes Levied for Transportation					3,264,706
Property Taxes Levied for Education Capital Projects					1,211,178
Local Option Sales Taxes					5,185,896
Wheel Tax					317,153
Other Local Tax					1,210
Grants and Contributions Not Restricted for Specific Programs					40,933,585
Unrestricted Investment Income					26,501
Miscellaneous					318,545
Gain on Investments					9,264
Gain on Sale of Assets					22,569
Total General Revenues					\$ 58,024,430
Change in Net Position					\$ (1,811,154)
Net Position, July 1, 2019					53,622,246
Net Position, June 30, 2020					\$ 51,811,092

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>School Transportation</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 851	\$ 851
Equity in Pooled Cash and Investments	13,309,543	1,128,242	3,544,843	17,982,628
Accounts Receivable	87,574	0	109,978	197,552
Due from Other Governments	1,354,201	0	504,896	1,859,097
Due from Other Funds	32,595	0	58	32,653
Property Taxes Receivable	7,048,781	3,414,937	1,301,605	11,765,323
Allowance for Uncollectible Property Taxes	(275,815)	(133,624)	(50,931)	(460,370)
Cash Shortage	64,800	0	0	64,800
Restricted Assets	295,844	0	0	295,844
Total Assets	\$ 21,917,523	\$ 4,409,555	\$ 5,411,300	\$ 31,738,378
<u>LIABILITIES</u>				
Accounts Payable	\$ 226,399	\$ 2,224	\$ 17,145	\$ 245,768
Accrued Payroll	16,589	12,496	1,002	30,087
Payroll Deductions Payable	352	0	0	352
Cash Overdraft	0	0	1,809	1,809
Due to Other Funds	58	32,594	1	32,653
Other Current Liabilities	2,776,347	0	0	2,776,347
Total Liabilities	\$ 3,019,745	\$ 47,314	\$ 19,957	\$ 3,087,016
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,578,757	\$ 3,187,224	\$ 1,214,812	\$ 10,980,793
Deferred Delinquent Property Taxes	167,419	81,110	30,915	279,444

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Transportation</u>	<u>Funds Other Governmental Funds</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 408,563	\$ 0	\$ 0	\$ 408,563
Total Deferred Inflows of Resources	\$ 7,154,739	\$ 3,268,334	\$ 1,245,727	\$ 11,668,800
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 916,903	\$ 2,816,981	\$ 3,733,884
Restricted for Capital Projects	0	0	825,056	825,056
Restricted for Hybrid Retirement Stabilization Funds	295,844	0	0	295,844
Committed:				
Committed for Education	0	177,004	500,000	677,004
Committed for Capital Projects	0	0	3,579	3,579
Assigned:				
Assigned for Education	4,395,250	0	0	4,395,250
Assigned for Capital Projects	339,782	0	0	339,782
Unassigned	6,712,163	0	0	6,712,163
Total Fund Balances	\$ 11,743,039	\$ 1,093,907	\$ 4,145,616	\$ 16,982,562
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,917,523	\$ 4,409,555	\$ 5,411,300	\$ 31,738,378

Exhibit I-3

Hawkins County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Hawkins 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)		\$	16,982,562
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,570,973	
Add: building and improvements net of accumulated depreciation		39,944,266	
Add: other capital assets net of accumulated depreciation		<u>3,379,735</u>	44,894,974
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(2,134,307)	
Less: termination benefits payable		(238,473)	
Less: retirement honorarium payable		(577,424)	
Less: other postemployment benefits liability		<u>(15,518,807)</u>	(18,469,011)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			688,007
(4) 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	\$	4,790,691	
Less: deferred inflows of resources related to pensions		(7,320,445)	
Add: deferred outflows of resources related to OPEB		3,660,607	
Less: deferred inflows of resources related to OPEB		<u>(2,232,018)</u>	(1,101,165)
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	46,205	
Add: net pension asset - agent plan - legacy		1,140,912	
Add: net pension asset - teacher retirement plan		269,960	
Add: net pension asset - teacher legacy pension plan		<u>7,358,648</u>	<u>8,815,725</u>
Net position of governmental activities (Exhibit A)			<u>\$ 51,811,092</u>

Exhibit I-4

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hawkins 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	\$ 12,200,156	\$ 3,405,966	\$ 1,190,853	\$ 16,796,975
Licenses and Permits	3,204	0	0	3,204
Charges for Current Services	84,015	45,242	694,812	824,069
Other Local Revenues	399,949	16,500	44,849	461,298
State of Tennessee	41,007,067	0	44,468	41,051,535
Federal Government	137,024	0	7,075,695	7,212,719
Total Revenues	\$ 53,831,415	\$ 3,467,708	\$ 9,050,677	\$ 66,349,800
<u>Expenditures</u>				
Current:				
Instruction	\$ 34,170,756	\$ 0	\$ 2,789,443	\$ 36,960,199
Support Services	18,627,467	3,893,386	1,299,408	23,820,261
Operation of Non-Instructional Services	470,299	0	3,977,327	4,447,626
Capital Outlay	457,401	0	0	457,401
Debt Service:				
Other Debt Service	431,616	0	0	431,616
Capital Projects	0	0	362,218	362,218
Total Expenditures	\$ 54,157,539	\$ 3,893,386	\$ 8,428,396	\$ 66,479,321
Excess (Deficiency) of Revenues Over Expenditures	\$ (326,124)	\$ (425,678)	\$ 622,281	\$ (129,521)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,767	\$ 59,974	\$ 0	\$ 68,741
Transfers In	32,594	0	0	32,594

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	Governmental Funds
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ 0	\$ 0	\$ (32,594)	\$ (32,594)
Total Other Financing Sources (Uses)	\$ 41,361	\$ 59,974	\$ (32,594)	\$ 68,741
Net Change in Fund Balances	\$ (284,763)	\$ (365,704)	\$ 589,687	\$ (60,780)
Fund Balance, July 1, 2019	12,027,802	1,459,611	3,555,929	17,043,342
Fund Balance, June 30, 2020	\$ 11,743,039	\$ 1,093,907	\$ 4,145,616	\$ 16,982,562

Exhibit I-5

Hawkins County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Hawkins 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)		\$	(60,780)
(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	\$	1,618,016	
Less: current-year depreciation expense		<u>(3,812,300)</u>	(2,194,284)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of assets disposed			(78,228)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$	688,007	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(669,064)</u>	18,943
(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 compensated absences payable	\$	(264,367)	
Change in termination benefits payable		(16,589)	
Change in retirement honorarium payable		1,238	
Change in OPEB liability		(440,373)	
Change in net pension asset/liability		5,313,806	
Change in deferred outflows related to pensions		(865,471)	
Change in deferred inflows related to pensions		(2,710,278)	
Change in deferred outflows related to OPEB		417,965	
Change in deferred inflows related to OPEB		<u>(932,736)</u>	<u>503,195</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (1,811,154)</u>

Exhibit I-6

Hawkins County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hawkins 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 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>ASSETS</u>					
Cash	\$ 0	\$ 851	\$ 851	\$ 0	\$ 851
Equity in Pooled Cash and Investments	0	2,721,155	2,721,155	823,688	3,544,843
Accounts Receivable	1,235	108,743	109,978	0	109,978
Due from Other Governments	504,896	0	504,896	0	504,896
Due from Other Funds	58	0	58	0	58
Property Taxes Receivable	0	0	0	1,301,605	1,301,605
Allowance for Uncollectible Property Taxes	0	0	0	(50,931)	(50,931)
Total Assets	\$ 506,189	\$ 2,830,749	\$ 3,336,938	\$ 2,074,362	\$ 5,411,300
<u>LIABILITIES</u>					
Accounts Payable	\$ 3,143	\$ 14,002	\$ 17,145	\$ 0	\$ 17,145
Accrued Payroll	0	1,002	1,002	0	1,002
Cash Overdraft	1,809	0	1,809	0	1,809
Due to Other Funds	1	0	1	0	1
Total Liabilities	\$ 4,953	\$ 15,004	\$ 19,957	\$ 0	\$ 19,957
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,214,812	\$ 1,214,812
Deferred Delinquent Property Taxes	0	0	0	30,915	30,915
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 1,245,727	\$ 1,245,727

(Continued)

Exhibit I-6

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

	<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>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 1,236	\$ 2,815,745	\$ 2,816,981	\$ 0	\$ 2,816,981
Restricted for Capital Projects	0	0	0	825,056	825,056
Committed:					
Committed for Education	500,000	0	500,000	0	500,000
Committed for Capital Projects	0	0	0	3,579	3,579
Total Fund Balances	<u>\$ 501,236</u>	<u>\$ 2,815,745</u>	<u>\$ 3,316,981</u>	<u>\$ 828,635</u>	<u>\$ 4,145,616</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 506,189</u>	<u>\$ 2,830,749</u>	<u>\$ 3,336,938</u>	<u>\$ 2,074,362</u>	<u>\$ 5,411,300</u>

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,190,853	\$ 1,190,853
Charges for Current Services	0	694,812	694,812	0	694,812
Other Local Revenues	0	44,849	44,849	0	44,849
State of Tennessee	0	44,468	44,468	0	44,468
Federal Government	4,150,093	2,925,602	7,075,695	0	7,075,695
Total Revenues	\$ 4,150,093	\$ 3,709,731	\$ 7,859,824	\$ 1,190,853	\$ 9,050,677
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,789,443	\$ 0	\$ 2,789,443	\$ 0	\$ 2,789,443
Support Services	1,299,408	0	1,299,408	0	1,299,408
Operation of Non-Instructional Services	27,355	3,949,972	3,977,327	0	3,977,327
Capital Projects	0	0	0	362,218	362,218
Total Expenditures	\$ 4,116,206	\$ 3,949,972	\$ 8,066,178	\$ 362,218	\$ 8,428,396
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,887	\$ (240,241)	\$ (206,354)	\$ 828,635	\$ 622,281
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (32,594)	\$ 0	\$ (32,594)	\$ 0	\$ (32,594)
Total Other Financing Sources (Uses)	\$ (32,594)	\$ 0	\$ (32,594)	\$ 0	\$ (32,594)

(Continued)

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
Net Change in Fund Balances	\$ 1,293	\$ (240,241)	\$ (238,948)	\$ 828,635	\$ 589,687
Fund Balance, July 1, 2019	499,943	3,055,986	3,555,929	0	3,555,929
Fund Balance, June 30, 2020	\$ 501,236	\$ 2,815,745	\$ 3,316,981	\$ 828,635	\$ 4,145,616

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,200,156	\$ 0	\$ 0	\$ 12,200,156	\$ 11,230,946	\$ 11,230,946	\$ 969,210
Licenses and Permits	3,204	0	0	3,204	4,000	4,000	(796)
Charges for Current Services	84,015	0	0	84,015	90,000	90,510	(6,495)
Other Local Revenues	399,949	0	0	399,949	469,653	488,042	(88,093)
State of Tennessee	41,007,067	0	0	41,007,067	40,137,274	40,927,648	79,419
Federal Government	137,024	0	0	137,024	130,000	130,000	7,024
Total Revenues	\$ 53,831,415	\$ 0	\$ 0	\$ 53,831,415	\$ 52,061,873	\$ 52,871,146	\$ 960,269
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 27,967,568	\$ 0	\$ 247	\$ 27,967,815	\$ 28,580,349	\$ 28,649,158	\$ 681,343
Alternative Instruction Program	327,500	0	499	327,999	324,202	339,002	11,003
Special Education Program	4,349,086	0	0	4,349,086	4,441,207	4,441,786	92,700
Career and Technical Education Program	1,526,602	0	0	1,526,602	1,620,199	1,659,649	133,047
<u>Support Services</u>							
Attendance	276,521	0	931	277,452	275,319	288,441	10,989
Health Services	967,260	(13,800)	11,179	964,639	1,073,346	978,842	14,203
Other Student Support	2,797,380	0	0	2,797,380	2,717,869	2,940,678	143,298
Regular Instruction Program	1,461,361	0	0	1,461,361	1,675,309	1,678,309	216,948
Special Education Program	666,275	(64,687)	0	601,588	527,502	638,748	37,160
Career and Technical Education Program	41,223	0	0	41,223	56,434	60,434	19,211
Technology	741,244	(1,449)	4,268	744,063	971,366	971,876	227,813
Other Programs	292,280	0	0	292,280	0	292,280	0
Board of Education	1,486,588	(24,500)	28,500	1,490,588	1,612,864	1,612,864	122,276
Director of Schools	456,921	(4,800)	0	452,121	477,272	477,272	25,151
Office of the Principal	3,753,202	0	0	3,753,202	3,759,476	3,759,476	6,274
Fiscal Services	336,520	0	0	336,520	343,749	345,149	8,629
Human Services/Personnel	115,797	0	0	115,797	110,562	128,026	12,229
Operation of Plant	3,761,068	(5,343)	0	3,755,725	4,191,910	4,191,910	436,185

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 1,448,738	\$ (117,041)	\$ 1,200	\$ 1,332,897	\$ 1,348,259	\$ 1,488,832	\$ 155,935
Transportation	25,089	0	0	25,089	42,662	42,662	17,573
<u>Operation of Non-Instructional Services</u>							
Community Services	76,767	0	0	76,767	85,158	86,708	9,941
Early Childhood Education	393,532	0	447	393,979	396,055	396,055	2,076
<u>Capital Outlay</u>							
Regular Capital Outlay	457,401	(136,111)	339,782	661,072	400,000	1,658,068	996,996
<u>Other Debt Service</u>							
Education	431,616	0	0	431,616	480,083	480,083	48,467
Total Expenditures	\$ 54,157,539	\$ (367,731)	\$ 387,053	\$ 54,176,861	\$ 55,511,152	\$ 57,606,308	\$ 3,429,447
Excess (Deficiency) of Revenues Over Expenditures	\$ (326,124)	\$ 367,731	\$ (387,053)	\$ (345,446)	\$ (3,449,279)	\$ (4,735,162)	\$ 4,389,716
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,767	\$ 0	\$ 0	\$ 8,767	\$ 0	\$ 8,068	\$ 699
Transfers In	32,594	0	0	32,594	0	0	32,594
Total Other Financing Sources	\$ 41,361	\$ 0	\$ 0	\$ 41,361	\$ 0	\$ 8,068	\$ 33,293
Net Change in Fund Balance	\$ (284,763)	\$ 367,731	\$ (387,053)	\$ (304,085)	\$ (3,449,279)	\$ (4,727,094)	\$ 4,423,009
Fund Balance, July 1, 2019	12,027,802	(367,731)	0	11,660,071	11,540,370	11,540,370	119,701
Fund Balance, June 30, 2020	\$ 11,743,039	\$ 0	\$ (387,053)	\$ 11,355,986	\$ 8,091,091	\$ 6,813,276	\$ 4,542,710

Exhibit I-9

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hawkins 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	\$ 4,150,093	\$ 4,495,855	\$ 6,231,646	\$ (2,081,553)
Total Revenues	\$ 4,150,093	\$ 4,495,855	\$ 6,231,646	\$ (2,081,553)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,274,955	\$ 1,385,850	\$ 1,606,781	\$ 331,826
Special Education Program	1,378,189	1,388,819	1,688,318	310,129
Career and Technical Education Program	136,299	103,853	149,559	13,260
<u>Support Services</u>				
Health Services	0	76,115	0	0
Other Student Support	111,462	652,644	578,596	467,134
Regular Instruction Program	764,187	526,187	1,431,623	667,436
Special Education Program	418,386	279,888	667,584	249,198
Career and Technical Education Program	3,140	6,000	3,140	0
Transportation	2,233	6,500	16,046	13,813
<u>Operation of Non-Instructional Services</u>				
Community Services	27,355	70,000	50,000	22,645
Total Expenditures	\$ 4,116,206	\$ 4,495,856	\$ 6,191,647	\$ 2,075,441
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,887	\$ (1)	\$ 39,999	\$ (6,112)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (32,594)	\$ 0	\$ (40,000)	\$ 7,406
Total Other Financing Sources	\$ (32,594)	\$ 0	\$ (40,000)	\$ 7,406
Net Change in Fund Balance	\$ 1,293	\$ (1)	\$ (1)	\$ 1,294
Fund Balance, July 1, 2019	499,943	500,395	500,395	(452)
Fund Balance, June 30, 2020	\$ 501,236	\$ 500,394	\$ 500,394	\$ 842

Exhibit I-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 694,812	\$ 0	\$ 694,812	\$ 985,000	\$ 985,000	\$ (290,188)
Other Local Revenues	44,849	0	44,849	5,500	23,000	21,849
State of Tennessee	44,468	0	44,468	33,000	48,800	(4,332)
Federal Government	2,925,602	0	2,925,602	3,005,893	3,054,617	(129,015)
Total Revenues	<u>\$ 3,709,731</u>	<u>\$ 0</u>	<u>\$ 3,709,731</u>	<u>\$ 4,029,393</u>	<u>\$ 4,111,417</u>	<u>\$ (401,686)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,949,972	\$ (58,233)	\$ 3,891,739	\$ 4,241,839	\$ 4,310,863	\$ 419,124
Total Expenditures	<u>\$ 3,949,972</u>	<u>\$ (58,233)</u>	<u>\$ 3,891,739</u>	<u>\$ 4,241,839</u>	<u>\$ 4,310,863</u>	<u>\$ 419,124</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (240,241)	\$ 58,233	\$ (182,008)	\$ (212,446)	\$ (199,446)	\$ 17,438
Net Change in Fund Balance	\$ (240,241)	\$ 58,233	\$ (182,008)	\$ (212,446)	\$ (199,446)	\$ 17,438
Fund Balance, July 1, 2019	<u>3,055,986</u>	<u>(58,233)</u>	<u>2,997,753</u>	<u>2,997,526</u>	<u>2,997,526</u>	<u>227</u>
Fund Balance, June 30, 2020	<u>\$ 2,815,745</u>	<u>\$ 0</u>	<u>\$ 2,815,745</u>	<u>\$ 2,785,080</u>	<u>\$ 2,798,080</u>	<u>\$ 17,665</u>

Exhibit I-11

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,405,966	\$ 0	\$ 0	\$ 3,405,966	\$ 3,264,109	\$ 3,264,109	\$ 141,857
Charges for Current Services	45,242	0	0	45,242	50,000	69,815	(24,573)
Other Local Revenues	16,500	0	0	16,500	25,000	25,000	(8,500)
Total Revenues	\$ 3,467,708	\$ 0	\$ 0	\$ 3,467,708	\$ 3,339,109	\$ 3,358,924	\$ 108,784
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 65,030	\$ 0	\$ 0	\$ 65,030	\$ 75,000	\$ 75,000	\$ 9,970
Transportation	3,828,356	(405,918)	1,566	3,424,004	3,595,021	3,729,000	304,996
Total Expenditures	\$ 3,893,386	\$ (405,918)	\$ 1,566	\$ 3,489,034	\$ 3,670,021	\$ 3,804,000	\$ 314,966
Excess (Deficiency) of Revenues Over Expenditures	\$ (425,678)	\$ 405,918	\$ (1,566)	\$ (21,326)	\$ (330,912)	\$ (445,076)	\$ 423,750
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 59,974	\$ 0	\$ 0	\$ 59,974	\$ 0	\$ 59,974	\$ 0
Total Other Financing Sources	\$ 59,974	\$ 0	\$ 0	\$ 59,974	\$ 0	\$ 59,974	\$ 0
Net Change in Fund Balance	\$ (365,704)	\$ 405,918	\$ (1,566)	\$ 38,648	\$ (330,912)	\$ (385,102)	\$ 423,750
Fund Balance, July 1, 2019	1,459,611	(405,918)	0	1,053,693	1,064,096	1,064,096	(10,403)
Fund Balance, June 30, 2020	\$ 1,093,907	\$ 0	\$ (1,566)	\$ 1,092,341	\$ 733,184	\$ 678,994	\$ 413,347

Exhibit I-12

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,190,853	\$ 0	\$ 1,190,853	\$ 1,130,915	\$ 1,130,915	\$ 59,938
Total Revenues	\$ 1,190,853	\$ 0	\$ 1,190,853	\$ 1,130,915	\$ 1,130,915	\$ 59,938
<u>Expenditures</u>						
<u>Capital Projects</u>						
Education Capital Projects	\$ 362,218	\$ 599,970	\$ 962,188	\$ 1,130,915	\$ 1,130,915	\$ 168,727
Total Expenditures	\$ 362,218	\$ 599,970	\$ 962,188	\$ 1,130,915	\$ 1,130,915	\$ 168,727
Excess (Deficiency) of Revenues Over Expenditures	\$ 828,635	\$ (599,970)	\$ 228,665	\$ 0	\$ 0	\$ 228,665
Net Change in Fund Balance	\$ 828,635	\$ (599,970)	\$ 228,665	\$ 0	\$ 0	\$ 228,665
Fund Balance, July 1, 2019	0	0	0	0	0	0
Fund Balance, June 30, 2020	\$ 828,635	\$ (599,970)	\$ 228,665	\$ 0	\$ 0	\$ 228,665

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hawkins County, Tennessee
Schedule of Changes in Other Loans 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	Paid and/or Matured During Period	Outstanding 6-30-20
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through Education Debt Service Fund</u>							
Series VII-A-1 - Refunding	\$ 16,150,000	(1)	% 8-28-08	6-1-29	\$ 16,150,000	\$ 1,290,000	\$ 14,860,000
Qualified School Construction Bonds	2,640,000	1.51	12-17-09	7-1-26	1,184,870	164,731	1,020,139
Qualified School Construction Bonds	2,333,000	0	10-1-10	9-15-27	1,192,658	145,576	1,047,082
Energy Efficient Schools Initiative	767,272	0	9-28-11	2-1-22	204,600	76,728	127,872
Energy Efficient Schools Initiative	158,556	0.75	6-28-16	7-1-28	121,308	12,960	108,348
Energy Efficient Schools Initiative	266,859	0.75	9-16-16	12-1-27	228,087	26,088	201,999
Total Other Loans Payable					<u>\$ 19,081,523</u>	<u>\$ 1,716,083</u>	<u>\$ 17,365,440</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Bonds, Series 2014	9,460,000	2 to 3.5	12-19-14	6-1-36	\$ 9,130,000	\$ 80,000	\$ 9,050,000
General Obligation Bonds, Series 2016	653,647	.75 to 1.2	5-26-16	6-1-21	269,322	133,328	135,994
General Obligation Refunding Bonds, Series 2016	1,660,204	2	5-26-16	6-1-25	1,621,278	13,654	1,607,624
General Obligation Refunding Bonds, Series 2019	1,555,476	5	6-28-19	6-1-25	1,555,476	462,495	1,092,981
Total Payable through General Debt Service Fund					<u>\$ 12,576,076</u>	<u>\$ 689,477</u>	<u>\$ 11,886,599</u>
<u>Payable through Special Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2019	2,345,911	5	6-28-19	6-1-25	\$ 2,345,911	\$ 348,037	\$ 1,997,874
Total Payable through Special Debt Service Fund					<u>\$ 2,345,911</u>	<u>\$ 348,037</u>	<u>\$ 1,997,874</u>

(Continued)

Exhibit J-1

Hawkins County, Tennessee
Schedule of Changes in Other Loans and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE (Cont.)</u>								
<u>Payable through Education Debt Service Fund</u>								
General Obligation Refunding Bonds, Series 2015	\$ 9,655,000	1 to 3.5	%	7-20-15	6-30-36	\$ 9,355,000	\$ 65,000	\$ 9,290,000
General Obligation Refunding Bonds, Series 2016	7,416,149	2 to 2.5		5-26-16	6-30-33	6,494,400	433,018	6,061,382
General Obligation Refunding Bonds, Series 2019	17,468,613	3 to 5		6-28-19	6-1-38	17,468,613	209,468	17,259,145
Total Payable through Education Debt Service Fund						<u>\$ 33,318,013</u>	<u>\$ 707,486</u>	<u>\$ 32,610,527</u>
Total Bonds Payable						<u>\$ 48,240,000</u>	<u>\$ 1,745,000</u>	<u>\$ 46,495,000</u>

(1) The entire amount of the PBA Loan Series V-B-1 was swapped to a synthetic fixed rate by execution of a swap agreement in a prior-year.
 Also, in a prior-year, the Series V-B-1 loan agreement was refunded with proceeds from the Series VII-A-1 loan agreement.

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2021	\$ 1,766,372	\$ 241,591	\$ 33,800	\$ 2,041,763
2022	1,816,088	232,260	30,263	2,078,611
2023	1,840,232	222,461	26,538	2,089,231
2024	1,915,543	212,160	22,625	2,150,328
2025	1,990,844	201,393	18,525	2,210,762
2026	2,082,371	190,134	14,238	2,286,743
2027	2,031,584	141,586	9,700	2,182,870
2028	1,929,002	23,930	4,975	1,957,907
2029	1,993,404	12	0	1,993,416
Total	\$ 17,365,440	\$ 1,465,527	\$ 160,664	\$ 18,991,631

Year Ending June 30	Bonds		Total
	Principal	Interest	
2021	\$ 1,765,000	\$ 1,450,480	\$ 3,215,480
2022	1,690,000	1,385,088	3,075,088
2023	1,760,000	1,319,037	3,079,037
2024	1,780,000	1,264,663	3,044,663
2025	1,825,000	1,208,487	3,033,487
2026	1,410,000	1,150,038	2,560,038
2027	1,425,000	1,111,237	2,536,237
2028	1,480,000	1,072,125	2,552,125
2029	1,520,000	1,031,512	2,551,512
2030	3,225,000	987,813	4,212,813
2031	3,335,000	889,538	4,224,538
2032	3,465,000	788,867	4,253,867
2033	3,565,000	681,895	4,246,895
2034	3,755,000	572,385	4,327,385
2035	3,885,000	453,450	4,338,450
2036	4,015,000	327,575	4,342,575
2037	3,250,000	197,850	3,447,850
2038	3,345,000	100,350	3,445,350
Total	\$ 46,495,000	\$ 15,992,390	\$ 62,487,390

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Transfer QSCB rebate	<u>\$ 106,261</u>
Total Transfers Primary Government			<u><u>\$ 106,261</u></u>
<u>DISCRETELY PRESENTED HAWKINS</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 32,594</u>
Total Transfers Discretely Presented Hawkins County School Department			<u><u>\$ 32,594</u></u>

Exhibit J-4

Hawkins County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hawkins 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, TCA	\$ 104,449	\$ 100,000	Liberty Mutual Insurance Company
Road Superintendent	Section 8-24-102, TCA	96,475	100,000	"
Director of Schools	State Board of Education and County Board of Education	105,000 (1)	(4)	
Trustee	Section 8-24-102, TCA	87,705	2,083,000	Liberty Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	87,705	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	87,705	100,000	Liberty Mutual Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	87,705	100,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	87,705 (2)	150,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, TCA	87,705	100,000	Liberty Mutual Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	96,475 (3)	100,000	"
Employee Blanket Bonds				
	Public Employee Dishonesty - County Departments		400,000	Local Government Property and Casualty Fund
	Public Employee Dishonesty - School Department		400,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,600 or travel allowance totaling \$7,200.

(2) Does not include special commissioner fees of \$28,230.

(3) Does not include \$3,000 for serving as workhouse superintendent or \$800 for a law enforcement training supplement.

(4) Official bonded through \$400,000 blanket bond.

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,763,395	\$ 0	\$ 0	\$ 0	\$ 1,485,497	\$ 535,492
Trustee's Collections - Prior Year	224,363	0	0	0	34,135	2,445
Trustee's Collections - Bankruptcy	2,048	0	0	0	337	195
Circuit Clerk/Clerk and Master Collections - Prior Years	210,264	0	0	0	34,066	15,567
Interest and Penalty	47,651	0	0	0	7,251	984
Pickup Taxes	12,647	0	0	0	2,096	1,209
Payments in-Lieu-of Taxes - T.V.A.	1,644	0	0	0	250	90
Payments in-Lieu-of Taxes - Other	56,459	0	0	0	8,590	3,097
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,203,918	0	0	0	0
Wheel Tax	2,334,954	0	0	0	0	0
Litigation Tax - General	89,882	0	0	0	0	0
Litigation Tax - Special Purpose	54,224	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	91,352
Litigation Tax - Courthouse Security	88,814	0	0	0	0	0
Business Tax	0	353,574	0	0	0	0
Mixed Drink Tax	280	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	87,833	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	29,659	0	0	0	4,513	1,627
Wholesale Beer Tax	71,932	0	0	0	0	0
Total Local Taxes	\$ 12,988,216	\$ 1,557,492	\$ 0	\$ 0	\$ 1,664,568	\$ 652,058

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 148,826	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	1,092	0	0	0	0	0
Other Permits	950	0	0	0	0	0
Total Licenses and Permits	\$ 2,042	\$ 148,826	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,345	0	0	0	0	0
Drug Control Fines	7,630	0	556	0	0	0
Drug Court Fees	532	0	0	0	0	0
DUI Treatment Fines	385	0	0	0	0	0
Data Entry Fee - Circuit Court	1,166	0	0	0	0	0
Courtroom Security Fee	211	0	0	0	0	0
<u>Criminal Court</u>						
Jail Fees	1,440	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	20,650	0	0	0	0	0
Officers Costs	32,204	0	0	0	0	0
Game and Fish Fines	209	0	0	0	0	0
Drug Control Fines	2,074	0	6,590	0	0	0
Drug Court Fees	5,233	0	0	0	0	0
Jail Fees	29,594	0	0	0	0	0
DUI Treatment Fines	6,352	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 11,513	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	70	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	4,581	0	0	0	0	0
Officers Costs	6,094	0	0	0	0	0
Jail Fees	321	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,178	0	0	0	0	0
Courtroom Security Fee	131	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,183	0	0	0	0	0
Data Entry Fee - Chancery Court	7,648	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	21,862	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 148,464	\$ 0	\$ 29,008	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 1,159	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	14,888	0	0	0	0	0
Work Release Charges for Board	19,548	0	0	0	0	0
Other General Service Charges	0	0	0	0	4,959	0
<u>Fees</u>						
Recreation Fees	6,345	0	0	0	0	0
Copy Fees	3,685	0	0	0	0	0
Greenbelt Late Application Fee	400	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 156,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	245	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	203	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	28,230	0	0
Data Processing Fee - Register	17,152	0	0	0	0	0
Data Processing Fee - Sheriff	2,402	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,550	0	0	0	0	0
Data Processing Fee - County Clerk	3,774	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	1,680	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,100	0	0	0	0	0
Total Charges for Current Services	\$ 235,769	\$ 1,159	\$ 0	\$ 28,433	\$ 4,959	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,551
Lease/Rentals	5,700	0	0	0	0	0
Commissary Sales	19,235	0	0	0	0	0
Sale of Gasoline	21,930	0	0	0	0	0
Sale of Maps	50	0	0	0	0	0
Sale of Recycled Materials	0	61,600	0	0	488	0
Miscellaneous Refunds	18,509	0	0	0	12,556	401
<u>Nonrecurring Items</u>						
Sale of Property	25,309	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	3,384	0	0	0	0	0
Total Other Local Revenues	\$ 94,117	\$ 61,600	\$ 0	\$ 0	\$ 13,044	\$ 132,952

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 606,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	102,558	0	0	0	0	0
General Sessions Court Clerk	323,485	0	0	0	0	0
Clerk and Master	232,910	0	0	0	0	0
Juvenile Court Clerk	48,634	0	0	0	0	0
Register	235,155	0	0	0	0	0
Sheriff	17,907	0	0	0	0	0
Trustee	803,438	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,370,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 17,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	33,979	0	0	0	0	0
Solid Waste Grants	0	23,045	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	44,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	358,312	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	395,718	0
Litter Program	60,679	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	26,373	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 4,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	0	121,109	0	0	0	0
State Revenue Sharing - Telecommunications	65,741	0	0	0	0	0
Prisoner Transportation	244	0	0	0	0	0
Contracted Prisoner Boarding	965,406	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,726,639	0
Petroleum Special Tax	0	0	0	0	41,007	0
Registrar's Salary Supplement	11,373	0	0	0	0	0
Other State Grants	68,396	0	0	0	0	0
Other State Revenues	54,131	0	0	0	0	0
Total State of Tennessee	\$ 1,729,475	\$ 144,154	\$ 0	\$ 0	\$ 3,163,364	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 41,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #1	41,596	0	0	0	0	0
COVID-19 Grant #2	1,424	0	0	0	0	0
Other Federal through State	90,129	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	106,261	0	0	0	0	0
Other Direct Federal Revenue	10,918	0	44,782	0	0	0
Total Federal Government	\$ 291,328	\$ 0	\$ 44,782	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 399,428	\$ 0	\$ 4,239	\$ 0	\$ 0	\$ 0
Contracted Services	1,000	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	3,833	0	0	0	0	0
<u>Other</u>						
Other	5,099	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 409,360</u>	<u>\$ 0</u>	<u>\$ 4,239</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 18,269,471</u>	<u>\$ 1,913,231</u>	<u>\$ 78,029</u>	<u>\$ 28,433</u>	<u>\$ 4,845,935</u>	<u>\$ 785,010</u>

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 3,105,952	\$ 535,522	\$ 0	\$ 15,425,858
Trustee's Collections - Prior Year	0	71,372	17,243	0	349,558
Trustee's Collections - Bankruptcy	0	729	0	0	3,309
Circuit Clerk/Clerk and Master Collections - Prior Years	0	71,226	4,259	0	335,382
Interest and Penalty	0	15,167	3,424	0	74,477
Pickup Taxes	0	4,383	0	0	20,335
Payments in-Lieu-of Taxes - T.V.A.	0	523	90	0	2,597
Payments in-Lieu-of Taxes - Other	0	17,961	3,097	0	89,204
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	1,203,918
Wheel Tax	339,118	339,118	0	0	3,013,190
Litigation Tax - General	0	0	0	0	89,882
Litigation Tax - Special Purpose	0	0	0	0	54,224
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	91,352
Litigation Tax - Courthouse Security	0	0	0	0	88,814
Business Tax	0	0	0	0	353,574
Mixed Drink Tax	0	0	0	0	280
Mineral Severance Tax	0	0	0	0	87,833
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	9,435	1,627	0	46,861
Wholesale Beer Tax	0	0	0	0	71,932
Total Local Taxes	\$ 339,118	\$ 3,635,866	\$ 565,262	\$ 0	\$ 21,402,580

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	148,826
<u>Permits</u>					
Beer Permits	0	0	0	0	1,092
Other Permits	0	0	0	0	950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	150,868
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	3,720
Officers Costs	0	0	0	0	4,345
Drug Control Fines	0	0	0	0	8,186
Drug Court Fees	0	0	0	0	532
DUI Treatment Fines	0	0	0	0	385
Data Entry Fee - Circuit Court	0	0	0	0	1,166
Courtroom Security Fee	0	0	0	0	211
<u>Criminal Court</u>					
Jail Fees	0	0	0	0	1,440
<u>General Sessions Court</u>					
Fines	0	0	0	0	20,650
Officers Costs	0	0	0	0	32,204
Game and Fish Fines	0	0	0	0	209
Drug Control Fines	0	0	0	0	8,664
Drug Court Fees	0	0	0	0	5,233
Jail Fees	0	0	0	0	29,594
DUI Treatment Fines	0	0	0	0	6,352

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	11,513
Courtroom Security Fee	0	0	0	0	70
<u>Juvenile Court</u>					
Fines	0	0	0	0	4,581
Officers Costs	0	0	0	0	6,094
Jail Fees	0	0	0	0	321
Data Entry Fee - Juvenile Court	0	0	0	0	1,178
Courtroom Security Fee	0	0	0	0	131
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,183
Data Entry Fee - Chancery Court	0	0	0	0	7,648
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	21,862
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	177,472
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	1,159
Patient Charges	0	0	0	0	14,888
Work Release Charges for Board	0	0	0	0	19,548
Other General Service Charges	0	0	0	0	4,959
<u>Fees</u>					
Recreation Fees	0	0	0	0	6,345
Copy Fees	0	0	0	0	3,685
Greenbelt Late Application Fee	0	0	0	0	400

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	156,000
Vending Machine Collections	0	0	0	0	245
Constitutional Officers' Fees and Commissions	0	0	0	0	203
Special Commissioner Fees/Special Master Fees	0	0	0	0	28,230
Data Processing Fee - Register	0	0	0	0	17,152
Data Processing Fee - Sheriff	0	0	0	0	2,402
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,550
Data Processing Fee - County Clerk	0	0	0	0	3,774
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	1,680
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	1,100
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	270,320
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 456,942	\$ 0	\$ 0	589,493
Lease/Rentals	0	0	0	0	5,700
Commissary Sales	0	0	0	0	19,235
Sale of Gasoline	0	0	0	0	21,930
Sale of Maps	0	0	0	0	50
Sale of Recycled Materials	0	0	0	0	62,088
Miscellaneous Refunds	0	0	0	0	31,466
<u>Nonrecurring Items</u>					
Sale of Property	0	0	0	0	25,309
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	3,384
Total Other Local Revenues	\$ 0	\$ 456,942	\$ 0	\$ 0	758,655

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	606,613
Circuit Court Clerk	0	0	0	0	102,558
General Sessions Court Clerk	0	0	0	0	323,485
Clerk and Master	0	0	0	0	232,910
Juvenile Court Clerk	0	0	0	0	48,634
Register	0	0	0	0	235,155
Sheriff	0	0	0	0	17,907
Trustee	0	0	0	0	803,438
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	2,370,700
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	17,036
Aging Programs	0	0	0	0	33,979
Solid Waste Grants	0	0	0	0	23,045
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	44,800
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	358,312
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	395,718
Litter Program	0	0	0	0	60,679
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	26,373
Beer Tax	0	0	0	0	18,175

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Vehicle Certificate of Title Fees	\$ 0	\$ 0	\$ 0	\$ 0	4,830
Alcoholic Beverage Tax	0	0	0	0	121,109
State Revenue Sharing - Telecommunications	0	0	0	0	65,741
Prisoner Transportation	0	0	0	0	244
Contracted Prisoner Boarding	0	0	0	0	965,406
Gasoline and Motor Fuel Tax	0	0	0	0	2,726,639
Petroleum Special Tax	0	0	0	0	41,007
Registrar's Salary Supplement	0	0	0	0	11,373
Other State Grants	0	0	0	0	68,396
Other State Revenues	0	0	0	0	54,131
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	5,036,993
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	41,000
COVID-19 Grant #1	0	0	0	0	41,596
COVID-19 Grant #2	0	0	0	0	1,424
Other Federal through State	0	0	0	344,984	435,113
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	106,261
Other Direct Federal Revenue	0	0	0	0	55,700
Total Federal Government	\$ 0	\$ 0	\$ 0	344,984	681,094

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 431,616	\$ 0	\$ 0	835,283
Contracted Services	0	0	0	0	1,000
<u>Citizens Groups</u>					
Donations	0	0	0	0	3,833
<u>Other</u>					
Other	0	0	0	1,200	6,299
Total Other Governments and Citizens Groups	\$ 0	\$ 431,616	\$ 0	\$ 1,200	\$ 846,415
Total	\$ 339,118	\$ 4,524,424	\$ 565,262	\$ 346,184	\$ 31,695,097

Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Projects Fund Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,328,497	\$ 0	\$ 0	\$ 3,079,342	\$ 1,178,062	\$ 10,585,901
Trustee's Collections - Prior Year	202,590	0	0	82,649	0	285,239
Trustee's Collections - Bankruptcy	1,825	0	0	726	0	2,551
Circuit Clerk/Clerk and Master Collections - Prior Years	181,979	0	0	73,543	973	256,495
Interest and Penalty	35,752	0	0	15,093	1,228	52,073
Pickup Taxes	11,471	0	0	4,582	0	16,053
Payments in-Lieu-of Taxes - T.V.A.	1,251	0	0	520	198	1,969
Payments in-Lieu-of Taxes - Other	42,945	0	0	17,874	6,813	67,632
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,178,348	0	0	0	0	5,178,348
Wheel Tax	194,906	0	0	122,247	0	317,153
Mixed Drink Tax	1,210	0	0	0	0	1,210
<u>Statutory Local Taxes</u>						
Bank Excise Tax	19,382	0	0	9,390	3,579	32,351
Total Local Taxes	\$ 12,200,156	\$ 0	\$ 0	\$ 3,405,966	\$ 1,190,853	\$ 16,796,975
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,204
Total Licenses and Permits	\$ 3,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,204
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 423,547	\$ 0	\$ 0	\$ 423,547

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Projects Fund Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 60,549	\$ 0	\$ 0	\$ 60,549
Income from Breakfast	0	0	72,805	0	0	72,805
A la Carte Sales	0	0	19,007	0	0	19,007
Transportation - Other State Systems	0	0	0	19,815	0	19,815
Receipts from Individual Schools	79,167	0	0	25,427	0	104,594
Other Charges for Services	4,848	0	118,904	0	0	123,752
Total Charges for Current Services	\$ 84,015	\$ 0	\$ 694,812	\$ 45,242	\$ 0	\$ 824,069
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 9,264	\$ 0	\$ 26,501	\$ 0	\$ 0	\$ 35,765
Lease/Rentals	43,752	0	0	0	0	43,752
Sale of Recycled Materials	375	0	0	0	0	375
Miscellaneous Refunds	309,497	0	278	8,770	0	318,545
<u>Nonrecurring Items</u>						
Sale of Equipment	14,844	0	20	7,705	0	22,569
Damages Recovered from Individuals	653	0	0	25	0	678
Contributions and Gifts	21,414	0	18,050	0	0	39,464
<u>Other Local Revenues</u>						
Other Local Revenues	150	0	0	0	0	150
Total Other Local Revenues	\$ 399,949	\$ 0	\$ 44,849	\$ 16,500	\$ 0	\$ 461,298

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Projects Fund Education Capital Projects	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 292,280	\$ 0	\$ 0	\$ 0	\$ 0	292,280
<u>State Education Funds</u>						
Basic Education Program	37,636,090	0	0	0	0	37,636,090
Early Childhood Education	395,934	0	0	0	0	395,934
School Food Service	0	0	31,168	0	0	31,168
Driver Education	18,379	0	0	0	0	18,379
Other State Education Funds	4,068	0	0	0	0	4,068
Coordinated School Health	118,000	0	0	0	0	118,000
Family Resource Centers	29,494	0	0	0	0	29,494
Statewide Student Management System (SSMS)	9,959	0	0	0	0	9,959
Career Ladder Program	112,346	0	0	0	0	112,346
Vocational Equipment	36,000	0	0	0	0	36,000
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,393,622	0	0	0	0	1,393,622
Other State Grants	3,000	0	13,300	0	0	16,300
Safe Schools	356,946	0	0	0	0	356,946
Other State Revenues	600,949	0	0	0	0	600,949
Total State of Tennessee	\$ 41,007,067	\$ 0	\$ 44,468	\$ 0	\$ 0	41,051,535
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,554,010	\$ 0	\$ 0	1,554,010
USDA - Commodities	0	0	277,968	0	0	277,968
Breakfast	0	0	540,174	0	0	540,174

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>School Transportation</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
USDA - Other	\$ 0	\$ 0	\$ 553,450	\$ 0	\$ 0	\$ 553,450
Vocational Education - Basic Grants to States	0	151,086	0	0	0	151,086
Title I Grants to Local Education Agencies	0	1,798,717	0	0	0	1,798,717
Special Education - Grants to States	0	1,806,639	0	0	0	1,806,639
Special Education Preschool Grants	0	22,527	0	0	0	22,527
English Language Acquisition Grants	0	2,562	0	0	0	2,562
Education for Homeless Children and Youth	0	15,065	0	0	0	15,065
21st Century Community Learning Centers	0	27,355	0	0	0	27,355
Eisenhower Professional Development State Grants	0	275,302	0	0	0	275,302
Other Federal through State	0	50,840	0	0	0	50,840
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	137,024	0	0	0	0	137,024
Total Federal Government	\$ 137,024	\$ 4,150,093	\$ 2,925,602	\$ 0	\$ 0	\$ 7,212,719
Total	\$ 53,831,415	\$ 4,150,093	\$ 3,709,731	\$ 3,467,708	\$ 1,190,853	\$ 66,349,800

Exhibit J-7

Hawkins 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	\$	20,600	
Other Per Diem and Fees		10,600	
Social Security		2,387	
Pensions		853	
Medical Insurance		65,736	
Audit Services		21,597	
Printing, Stationery, and Forms		364	
Travel		1,302	
Tuition		200	
Total County Commission			\$ 123,639

Board of Equalization

Board and Committee Members Fees	\$	5,160	
Social Security		395	
Total Board of Equalization			5,555

Beer Board

Board and Committee Members Fees	\$	550	
Social Security		42	
Pensions		21	
Other Charges		29	
Total Beer Board			642

Budget and Finance Committee

Board and Committee Members Fees	\$	4,550	
Social Security		348	
Pensions		98	
Total Budget and Finance Committee			4,996

County Mayor/Executive

County Official/Administrative Officer	\$	104,449	
Accountants/Bookkeepers		242,194	
Part-time Personnel		16,589	
Other Salaries and Wages		7,639	
Social Security		25,273	
Pensions		23,737	
Life Insurance		365	
Medical Insurance		39,108	
Unemployment Compensation		259	
Communication		2,974	
Maintenance Agreements		17,985	
Rentals		4,732	
Travel		3,150	
Office Supplies		6,238	
In Service/Staff Development		455	
Data Processing Equipment		1,212	
Office Equipment		1,426	
Total County Mayor/Executive			497,785

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	27,433	
Social Security		1,874	
Pensions		1,920	
Life Insurance		25	
Medical Insurance		5,636	
Unemployment Compensation		28	
Total County Attorney			\$ 36,916

Election Commission

Supervisor/Director	\$	71,869	
Deputy(ies)		53,633	
Part-time Personnel		4,231	
Overtime Pay		2,564	
Other Salaries and Wages		5,635	
Election Commission		7,530	
Election Workers		28,710	
Social Security		10,384	
Pensions		8,965	
Life Insurance		150	
Medical Insurance		25,849	
Unemployment Compensation		116	
Communication		1,264	
Dues and Memberships		400	
Operating Lease Payments		1,839	
Legal Notices, Recording, and Court Costs		4,946	
Maintenance Agreements		14,810	
Maintenance and Repair Services - Office Equipment		986	
Rentals		1,967	
Travel		3,723	
Other Contracted Services		12,182	
Crushed Stone		692	
Office Supplies		2,160	
Other Supplies and Materials		2,444	
In Service/Staff Development		600	
Other Charges		210	
Data Processing Equipment		25,050	
Other Equipment		638	
Total Election Commission			293,547

Register of Deeds

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		110,671	
Part-time Personnel		6,960	
Social Security		14,311	
Pensions		13,612	
Life Insurance		250	
Medical Insurance		29,796	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Unemployment Compensation	\$	160	
Communication		1,424	
Dues and Memberships		135	
Maintenance Agreements		532	
Rentals		815	
Other Contracted Services		16,119	
Office Supplies		2,565	
Office Equipment		407	
Total Register of Deeds			\$ 285,462

Planning

Board and Committee Members Fees	\$	2,250	
Social Security		172	
Contracts with Government Agencies		14,100	
Total Planning			16,522

County Buildings

Supervisor/Director	\$	29,167	
Custodial Personnel		76,992	
Maintenance Personnel		24,525	
Overtime Pay		1,011	
Other Salaries and Wages		5,586	
Social Security		9,102	
Pensions		8,814	
Life Insurance		281	
Medical Insurance		38,847	
Unemployment Compensation		181	
Architects		7,740	
Communication		9,293	
Contracts with Government Agencies		14,513	
Janitorial Services		5,464	
Maintenance and Repair Services - Buildings		40,796	
Maintenance and Repair Services - Equipment		607	
Maintenance and Repair Services - Vehicles		904	
Pest Control		4,433	
Rentals		22,473	
Permits		525	
Other Contracted Services		44,538	
Custodial Supplies		10,039	
Gasoline		1,282	
Office Supplies		79	
Small Tools		792	
Tires and Tubes		674	
Uniforms		508	
Utilities		194,453	
Other Supplies and Materials		10,193	
Other Charges		50	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Building Improvements	\$	62,183	
Communication Equipment		16,425	
Other Equipment		5,705	
Total County Buildings			\$ 648,175

Other General Administration

Advertising	\$	2,077	
Bank Charges		180	
Dues and Memberships		12,360	
Evaluation and Testing		3,220	
Legal Notices, Recording, and Court Costs		2,114	
Postal Charges		43,896	
Rentals		7,133	
Duplicating Supplies		5,354	
Other Supplies and Materials		1,155	
Building and Contents Insurance		3,243	
Liability Insurance		376,726	
Premiums on Corporate Surety Bonds		6,016	
Refunds		1,523	
Workers' Compensation Insurance		264,488	
Liability Claims		6,474	
Other Charges		400	
Total Other General Administration			736,359

Preservation of Records

Communication	\$	1,370	
Total Preservation of Records			1,370

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		197,842	
Social Security		19,806	
Pensions		19,988	
Life Insurance		332	
Medical Insurance		51,228	
Unemployment Compensation		168	
Communication		6,001	
Data Processing Services		22,035	
Legal Notices, Recording, and Court Costs		104	
Maintenance Agreements		3,000	
Maintenance and Repair Services - Vehicles		477	
Rentals		1,576	
Towing Services		70	
Travel		910	
Tuition		100	
Other Contracted Services		25,350	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Gasoline	\$	3,079	
Office Supplies		5,038	
Other Supplies and Materials		173	
Other Charges		128	
Office Equipment		2,938	
Total Property Assessor's Office			\$ 448,048

Reappraisal Program

Supervisor/Director	\$	44,099	
Deputy(ies)		64,721	
Social Security		7,609	
Pensions		7,617	
Life Insurance		150	
Medical Insurance		15,829	
Unemployment Compensation		84	
Data Processing Services		7,562	
Postal Charges		1,205	
Travel		188	
Other Contracted Services		1,497	
Office Supplies		700	
Total Reappraisal Program			151,261

County Trustee's Office

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		82,944	
Temporary Personnel		9,269	
Part-time Personnel		8,301	
Social Security		13,702	
Pensions		11,945	
Life Insurance		183	
Medical Insurance		9,692	
Unemployment Compensation		126	
Communication		1,616	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		148	
Maintenance and Repair Services - Office Equipment		19,071	
Rentals		499	
Travel		973	
Tuition		100	
Other Contracted Services		7,428	
Office Supplies		3,778	
Data Processing Equipment		20	
Other Capital Outlay		1,968	
Total County Trustee's Office			259,628

County Clerk's Office

County Official/Administrative Officer	\$	87,705	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Deputy(ies)	\$	390,035	
Part-time Personnel		7,522	
Social Security		33,984	
Pensions		33,456	
Life Insurance		649	
Medical Insurance		65,942	
Unemployment Compensation		366	
Communication		3,206	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		22	
Maintenance and Repair Services - Office Equipment		31,750	
Rentals		2,305	
Travel		146	
Other Contracted Services		10,066	
Office Supplies		8,557	
Other Supplies and Materials		4,400	
Office Equipment		9,142	
Total County Clerk's Office			\$ 689,403

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		296,813	
Part-time Personnel		27,084	
Other Salaries and Wages		6,749	
Social Security		29,182	
Pensions		26,521	
Life Insurance		566	
Medical Insurance		68,719	
Unemployment Compensation		383	
Communication		2,512	
Dues and Memberships		120	
Legal Notices, Recording, and Court Costs		206	
Maintenance Agreements		45,980	
Rentals		2,502	
Travel		582	
Office Supplies		20,257	
Other Supplies and Materials		165	
Data Processing Equipment		7,467	
Office Equipment		789	
Total Circuit Court Clerk			624,302

Criminal Court

Jury and Witness Expense	\$	5,084	
Total Criminal Court			5,084

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	170,869	
Secretary(ies)		30,358	
Clerical Personnel		29,783	
Social Security		14,333	
Pensions		16,171	
Life Insurance		150	
Medical Insurance		46,847	
Unemployment Compensation		56	
Communication		820	
Dues and Memberships		170	
Evaluation and Testing		1,900	
Maintenance and Repair Services - Office Equipment		1,268	
Rentals		1,260	
Travel		1,939	
Office Supplies		640	
Other Supplies and Materials		90	
Data Processing Equipment		600	
Total General Sessions Court			\$ 317,254

Drug Court

Other Salaries and Wages	\$	32,022	
Social Security		2,384	
Pensions		2,242	
Life Insurance		50	
Medical Insurance		1,747	
Unemployment Compensation		28	
Communication		501	
Travel		1,708	
Other Contracted Services		21,915	
Other Supplies and Materials		1,199	
Workers' Compensation Insurance		128	
Other Charges		2,540	
Total Drug Court			66,464

Chancery Court

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		114,113	
Part-time Personnel		5,453	
Social Security		14,203	
Pensions		14,127	
Life Insurance		225	
Medical Insurance		46,305	
Unemployment Compensation		162	
Communication		589	
Dues and Memberships		120	
Legal Notices, Recording, and Court Costs		819	
Maintenance Agreements		22,173	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Maintenance and Repair Services - Office Equipment	\$	379	
Rentals		4,187	
Tuition		100	
Other Contracted Services		3,994	
Office Supplies		3,218	
Communication Equipment		1,642	
Data Processing Equipment		4,666	
Total Chancery Court			\$ 324,180

Juvenile Court

Judge(s)	\$	68,348	
Secretary(ies)		30,899	
Clerical Personnel		23,550	
Social Security		8,592	
Pensions		8,596	
Life Insurance		150	
Medical Insurance		21,323	
Unemployment Compensation		56	
Dues and Memberships		125	
Travel		246	
Other Supplies and Materials		292	
In Service/Staff Development		10	
Total Juvenile Court			162,187

Courtroom Security

Deputy(ies)	\$	82,475	
Social Security		5,263	
Pensions		5,773	
Life Insurance		137	
Medical Insurance		28,891	
Unemployment Compensation		84	
Liability Insurance		3,126	
Workers' Compensation Insurance		4,841	
In Service/Staff Development		14	
Law Enforcement Equipment		1,360	
Other Equipment		4,290	
Total Courtroom Security			136,254

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	96,475	
Deputy(ies)		1,059,605	
Detective(s)		498,206	
Captain(s)		57,896	
Lieutenant(s)		188,472	
Sergeant(s)		224,624	
Salary Supplements		47,800	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Secretary(ies)	\$	90,726	
Part-time Personnel		15,858	
School Resource Officer		273,232	
Overtime Pay		87,920	
Other Salaries and Wages		31,506	
Social Security		186,180	
Pensions		178,344	
Life Insurance		3,287	
Medical Insurance		466,255	
Unemployment Compensation		2,217	
Communication		11,698	
Contributions		6,917	
Dues and Memberships		125	
Evaluation and Testing		2,750	
Maintenance Agreements		4,391	
Maintenance and Repair Services - Equipment		445	
Maintenance and Repair Services - Office Equipment		6,726	
Maintenance and Repair Services - Vehicles		100,261	
Rentals		875	
Towing Services		2,075	
Travel		327	
Other Contracted Services		7,652	
Data Processing Supplies		136	
Gasoline		127,729	
Law Enforcement Supplies		26,927	
Office Supplies		2,371	
Tires and Tubes		30,360	
Uniforms		23,801	
Other Supplies and Materials		1,908	
Liability Insurance		4,168	
Workers' Compensation Insurance		16,039	
In Service/Staff Development		27,922	
Other Charges		505	
Data Processing Equipment		4,422	
Law Enforcement Equipment		25,650	
Office Equipment		2,089	
Total Sheriff's Department			\$ 3,946,872

Drug Enforcement

Salary Supplements	\$	6,000	
Social Security		456	
Pensions		420	
Total Drug Enforcement			6,876

Administration of the Sexual Offender Registry

Communication	\$	844	
Other Charges		2,800	
Total Administration of the Sexual Offender Registry			3,644

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Lieutenant(s)	\$	45,010	
Guards		1,101,099	
Cafeteria Personnel		67,274	
Part-time Personnel		27,738	
Overtime Pay		62,511	
Other Salaries and Wages		13,632	
Social Security		93,058	
Pensions		76,183	
Life Insurance		2,010	
Medical Insurance		198,366	
Unemployment Compensation		1,967	
Communication		4,977	
Evaluation and Testing		875	
Maintenance Agreements		1,501	
Maintenance and Repair Services - Buildings		16,156	
Maintenance and Repair Services - Equipment		9,852	
Maintenance and Repair Services - Office Equipment		9,004	
Maintenance and Repair Services - Vehicles		4,373	
Medical and Dental Services		332,159	
Postal Charges		361	
Travel		29	
Other Contracted Services		9,376	
Custodial Supplies		24,708	
Data Processing Supplies		1,163	
Food Preparation Supplies		18,535	
Food Supplies		334,007	
Office Supplies		2,733	
Prisoners Clothing		5,330	
Small Tools		2,417	
Uniforms		16,366	
Utilities		159,591	
Other Supplies and Materials		43,691	
Medical Claims		57,968	
In Service/Staff Development		3,577	
Other Charges		39	
Building Improvements		522	
Data Processing Equipment		2,361	
Food Service Equipment		3,613	
Law Enforcement Equipment		18,285	
Motor Vehicles		9,000	
Office Equipment		3,302	
Other Equipment		16,638	
Total Jail			\$ 2,801,357

Juvenile Services

Supervisor/Director	\$	43,750
Youth Service Officer(s)		35,807

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Social Security	\$	5,678	
Pensions		5,569	
Life Insurance		100	
Medical Insurance		10,638	
Unemployment Compensation		56	
Communication		2,510	
Contracts with Other Public Agencies		158,984	
Evaluation and Testing		5,956	
Maintenance and Repair Services - Office Equipment		5,294	
Rentals		2,687	
Travel		197	
Office Supplies		3,187	
Other Supplies and Materials		680	
Office Equipment		2,846	
Total Juvenile Services			\$ 283,939

Fire Prevention and Control

Contributions	\$	289,480	
Total Fire Prevention and Control			289,480

Rescue Squad

Contributions	\$	73,500	
Total Rescue Squad			73,500

Other Emergency Management

Supervisor/Director	\$	46,902	
Part-time Personnel		7,587	
Overtime Pay		15,980	
Other Salaries and Wages		7,437	
Social Security		5,680	
Pensions		4,495	
Life Insurance		46	
Medical Insurance		7,142	
Unemployment Compensation		82	
Communication		3,840	
Contributions		194,600	
Operating Lease Payments		19,476	
Maintenance and Repair Services - Equipment		11,845	
Maintenance and Repair Services - Vehicles		1,839	
Rentals		1,186	
Travel		330	
Gasoline		2,050	
Office Supplies		212	
Tires and Tubes		913	
Uniforms		500	
Other Supplies and Materials		1,487	
Workers' Compensation Insurance		2,968	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Communication Equipment	\$	162	
Data Processing Equipment		750	
Other Equipment		2,357	
Total Other Emergency Management			\$ 339,866

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	34,874	
Contracts with Government Agencies		117,322	
Other Supplies and Materials		330	
Other Charges		9,355	
Total County Coroner/Medical Examiner			161,881

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	125,500	
Social Security		8,423	
Pensions		8,785	
Life Insurance		183	
Medical Insurance		29,027	
Unemployment Compensation		112	
Communication		18,456	
Contracts with Government Agencies		15,862	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		2,645	
Maintenance and Repair Services - Equipment		894	
Pest Control		1,213	
Postal Charges		3,502	
Travel		2,182	
Other Contracted Services		60,952	
Custodial Supplies		4,709	
Drugs and Medical Supplies		1,995	
Office Supplies		5,379	
Other Supplies and Materials		4,295	
Workers' Compensation Insurance		866	
Other Charges		291	
Total Local Health Center			295,646

Ambulance/Emergency Medical Services

Contributions	\$	60,000	
Total Ambulance/Emergency Medical Services			60,000

Other Local Health Services

Other Salaries and Wages	\$	249,653	
Social Security		17,677	
Pensions		13,969	
Life Insurance		283	
Medical Insurance		38,545	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Unemployment Compensation	\$	257	
Travel		7,868	
Other Supplies and Materials		3,548	
Workers' Compensation Insurance		1,723	
Other Charges		64	
		<hr/>	
Total Other Local Health Services	\$		333,587

Aid to Dependent Children

Other Charges	\$	1,085	
		<hr/>	
Total Aid to Dependent Children			1,085

Other Public Health and Welfare

Other Supplies and Materials	\$	5,328	
		<hr/>	
Total Other Public Health and Welfare			5,328

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	2,000	
		<hr/>	
Total Adult Activities			2,000

Senior Citizens Assistance

Supervisor/Director	\$	31,009	
Social Workers		13,939	
Bus Drivers		17,471	
Secretary(ies)		23,871	
Social Security		5,984	
Pensions		5,064	
Life Insurance		150	
Medical Insurance		16,680	
Unemployment Compensation		106	
Communication		4,599	
Contracts with Government Agencies		16,036	
Contributions		41,160	
Maintenance and Repair Services - Vehicles		320	
Rentals		1,219	
Transportation - Other than Students		8,700	
Travel		1,682	
Other Contracted Services		1,872	
Custodial Supplies		986	
Gasoline		309	
Office Supplies		373	
Utilities		6,655	
Other Supplies and Materials		712	
Workers' Compensation Insurance		123	
Other Charges		419	
		<hr/>	
Total Senior Citizens Assistance			199,439

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 106,860	
Total Libraries		\$ 106,860

Parks and Fair Boards

Custodial Personnel	\$ 34,643	
Maintenance Personnel	20,598	
Part-time Personnel	10,899	
Social Security	4,683	
Pensions	3,867	
Life Insurance	100	
Medical Insurance	13,052	
Unemployment Compensation	100	
Communication	1,542	
Maintenance and Repair Services - Equipment	56	
Maintenance and Repair Services - Vehicles	2,143	
Rentals	1,053	
Other Contracted Services	1,610	
Crushed Stone	2,049	
Custodial Supplies	4,258	
Electricity	6,190	
Gasoline	4,782	
Office Supplies	73	
Propane Gas	48	
Tires and Tubes	353	
Water and Sewer	627	
Other Supplies and Materials	6,638	
Maintenance Equipment	3,495	
Office Equipment	190	
Other Capital Outlay	123,002	
Total Parks and Fair Boards		246,051

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 102,476	
Communication	1,376	
Rentals	1,343	
Travel	1,958	
Other Equipment	3,000	
Total Agricultural Extension Service		110,153

Forest Service

Contracts with Other Public Agencies	\$ 1,500	
Total Forest Service		1,500

Soil Conservation

Clerical Personnel	\$ 27,000	
Part-time Personnel	16,514	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Social Security	\$	1,900	
Pensions		1,890	
Life Insurance		50	
Medical Insurance		11,080	
Unemployment Compensation		56	
Contracts with Other Public Agencies		3,920	
Contributions		9,000	
Total Soil Conservation			\$ 71,410

Storm Water Management

Part-time Personnel	\$	7,879	
Social Security		603	
Unemployment Compensation		31	
Dues and Memberships		300	
Permits		3,960	
Other Contracted Services		400	
Other Supplies and Materials		309	
Workers' Compensation Insurance		300	
Total Storm Water Management			13,782

Other Operations

Tourism

Other Charges	\$	1,500	
Total Tourism			1,500

Industrial Development

Secretary(ies)	\$	36,512	
Part-time Personnel		16,580	
Social Security		4,062	
Pensions		2,556	
Life Insurance		50	
Unemployment Compensation		94	
Accounting Services		4,000	
Advertising		286	
Communication		428	
Contributions		31,360	
Dues and Memberships		375	
Engineering Services		3,500	
Legal Notices, Recording, and Court Costs		1,067	
Maintenance and Repair Services - Buildings		2,673	
Maintenance and Repair Services - Equipment		5,107	
Rentals		1,872	
Travel		3,513	
Other Contracted Services		52,340	
Electricity		13,529	
Gasoline		927	
Office Supplies		1,137	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Tires and Tubes	\$	980	
Other Supplies and Materials		2,851	
Workers' Compensation Insurance		1,091	
Other Charges		67	
Building Improvements		400	
Maintenance Equipment		1,335	
Total Industrial Development			\$ 188,692

Airport

Communication	\$	1,253	
Maintenance and Repair Services - Buildings		171	
Maintenance and Repair Services - Equipment		272	
Permits		450	
Other Contracted Services		2,246	
Gasoline		30,083	
Other Supplies and Materials		481	
Airport Improvement		23,858	
Other Capital Outlay		27,299	
Total Airport			86,113

Veterans' Services

Supervisor/Director	\$	30,164	
Secretary(ies)		32,370	
Other Salaries and Wages		975	
Social Security		4,656	
Pensions		4,377	
Life Insurance		80	
Medical Insurance		5,170	
Unemployment Compensation		56	
Communication		397	
Dues and Memberships		65	
Rentals		515	
Travel		1,976	
Other Contracted Services		449	
Office Supplies		551	
Total Veterans' Services			81,801

Contributions to Other Agencies

Contributions	\$	26,950	
Total Contributions to Other Agencies			26,950

Employee Benefits

Pensions	\$	2	
Medical Insurance		28,713	
Total Employee Benefits			28,715

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant #1

Other Supplies and Materials	\$ 41,596	
Total COVID-19 Grant #1		\$ 41,596

COVID-19 Grant #2

Other Supplies and Materials	\$ 1,424	
Total COVID-19 Grant #2		1,424

Miscellaneous

Contracts with Other Public Agencies	\$ 10,980	
Contributions	30,380	
Operating Lease Payments	1,250	
Other Contracted Services	1,118	
Other Supplies and Materials	484	
Trustee's Commission	231,515	
Other Charges	337	
Total Miscellaneous		276,064

Highways

Litter and Trash Collection

Other Salaries and Wages	\$ 21,445	
Social Security	1,457	
Pensions	1,501	
Life Insurance	50	
Medical Insurance	4,923	
Unemployment Compensation	28	
Communication	18	
Contracts with Other Public Agencies	8,000	
Maintenance and Repair Services - Vehicles	429	
Gasoline	3,006	
Tires and Tubes	114	
Other Supplies and Materials	1,418	
Workers' Compensation Insurance	2,865	
Total Litter and Trash Collection		45,254

Total General Fund		\$ 15,967,398
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Solid Waste/Sanitation Fund

General Government

Other Boards and Committees

Workers' Compensation Insurance	\$ 4	
Total Other Boards and Committees		\$ 4

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 34,230	
Social Security	2,220	
Pensions	2,396	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Life Insurance	\$	50	
Medical Insurance		10,968	
Unemployment Compensation		28	
Communication		491	
Dues and Memberships		100	
Evaluation and Testing		370	
Maintenance and Repair Services - Vehicles		2,718	
Travel		270	
Gasoline		1,576	
Uniforms		108	
Trustee's Commission		14,665	
Workers' Compensation Insurance		1,490	
Total Sanitation Management			\$ 71,680

Waste Pickup

Truck Drivers	\$	122,890	
Overtime Pay		13,133	
Social Security		9,870	
Pensions		9,521	
Life Insurance		200	
Medical Insurance		10,407	
Unemployment Compensation		112	
Communication		129	
Maintenance and Repair Services - Vehicles		11,120	
Gasoline		47,324	
Lubricants		3,815	
Tires and Tubes		14,632	
Uniforms		477	
Vehicle Parts		4,740	
Other Supplies and Materials		3,494	
Workers' Compensation Insurance		18,060	
Other Charges		388	
Total Waste Pickup			270,312

Convenience Centers

Laborers	\$	187,008	
Part-time Personnel		36,093	
Overtime Pay		3,873	
Other Salaries and Wages		3,413	
Social Security		15,154	
Pensions		12,893	
Life Insurance		275	
Medical Insurance		38,474	
Unemployment Compensation		396	
Communication		4,954	
Operating Lease Payments		3,100	
Maintenance and Repair Services - Equipment		9,962	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Rentals	\$	12,053	
Other Contracted Services		6,964	
Crushed Stone		1,964	
Uniforms		893	
Utilities		9,764	
Other Supplies and Materials		2,423	
Workers' Compensation Insurance		15,265	
Other Equipment		24,850	
Other Construction		3,334	
Other Capital Outlay		41,945	
Total Convenience Centers			\$ 435,050

Recycling Center

Laborers	\$	62,863	
Part-time Personnel		11,822	
Social Security		4,934	
Pensions		4,113	
Life Insurance		146	
Medical Insurance		21,947	
Unemployment Compensation		145	
Communication		1,090	
Maintenance and Repair Services - Buildings		260	
Maintenance and Repair Services - Equipment		2,322	
Maintenance and Repair Services - Office Equipment		499	
Maintenance and Repair Services - Vehicles		796	
Travel		107	
Other Contracted Services		76	
Gasoline		5,106	
Office Supplies		127	
Propane Gas		472	
Tires and Tubes		1,672	
Uniforms		381	
Utilities		5,349	
Other Supplies and Materials		5,890	
Workers' Compensation Insurance		5,198	
Other Charges		75	
Solid Waste Equipment		1,280	
Other Capital Outlay		5,631	
Total Recycling Center			142,301

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	638,878	
Surcharge		38,254	
Total Landfill Operation and Maintenance			677,132

Other Waste Disposal

Disposal Fees	\$	37,484	
Total Other Waste Disposal			37,484

Total Solid Waste/Sanitation Fund \$ 1,633,963

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	68,336	
Other Fringe Benefits		13,721	
Communication		3,697	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		1,105	
Maintenance and Repair Services - Vehicles		1,709	
Other Contracted Services		2,963	
Animal Food and Supplies		100	
Electricity		854	
Office Supplies		316	
Trustee's Commission		335	
In Service/Staff Development		2,304	
Other Charges		26	
Data Processing Equipment		1,500	
Total Drug Enforcement			\$ 104,966

Total Drug Control Fund \$ 104,966

Constitutional Officers - Fees Fund

Administration of Justice

General Sessions Court

Constitutional Officers' Operating Expenses	\$	30	
Total General Sessions Court			\$ 30

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	28,230	
Total Chancery Court			28,230

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	173	
Total Sheriff's Department			173

Total Constitutional Officers - Fees Fund 28,433

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	96,475	
Secretary(ies)		63,482	
Communication		1,938	
Dues and Memberships		4,619	
Laundry Service		2,480	
Legal Notices, Recording, and Court Costs		144	
Maintenance Agreements		6,291	
Maintenance and Repair Services - Vehicles		198	
Printing, Stationery, and Forms		612	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Rentals	\$	1,693	
Travel		325	
Other Contracted Services		2,039	
Custodial Supplies		149	
Drugs and Medical Supplies		6	
Electricity		12,580	
Natural Gas		1,188	
Office Supplies		1,703	
Water and Sewer		850	
Total Administration			\$ 196,772

Highway and Bridge Maintenance

Foremen	\$	37,975	
Equipment Operators		109,534	
Truck Drivers		228,524	
Laborers		312,769	
Temporary Personnel		243,581	
Overtime Pay		29,694	
Laundry Service		17,961	
Rentals		12,969	
Other Contracted Services		1,754,571	
Asphalt - Hot Mix		38,581	
Asphalt - Liquid		198,450	
Concrete		52	
Crushed Stone		331,437	
Pipe - Metal		59,467	
Road Signs		11,149	
Salt		28,177	
Wood Products		44	
Other Supplies and Materials		3,410	
Other Charges		931	
Other Equipment		792	
Total Highway and Bridge Maintenance			3,420,068

Operation and Maintenance of Equipment

Foremen	\$	34,112	
Mechanic(s)		36,477	
Overtime Pay		184	
Laundry Service		4,233	
Maintenance and Repair Services - Buildings		36	
Maintenance and Repair Services - Equipment		16,165	
Maintenance and Repair Services - Vehicles		3,753	
Rentals		3,385	
Towing Services		295	
Diesel Fuel		64,999	
Equipment and Machinery Parts		76,543	
Garage Supplies		2,159	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Gasoline	\$	43,786	
Lubricants		10,823	
Small Tools		135	
Tires and Tubes		22,629	
Other Supplies and Materials		3,509	
Other Charges		193	
Other Equipment		2,850	
Total Operation and Maintenance of Equipment			\$ 326,266

Other Charges

Bank Charges	\$	180	
Evaluation and Testing		1,700	
Trustee's Commission		61,342	
Workers' Compensation Insurance		126,352	
Other Charges		1,208	
Total Other Charges			190,782

Employee Benefits

Social Security	\$	86,174	
Pensions		78,407	
Life Insurance		1,565	
Medical Insurance		149,390	
Unemployment Compensation		10,051	
Total Employee Benefits			325,587

Capital Outlay

Bridge Construction	\$	89,800	
Communication Equipment		3,051	
Highway Equipment		122,702	
Motor Vehicles		58,516	
State Aid Projects		487,868	
Total Capital Outlay			761,937

Total Highway/Public Works Fund \$ 5,221,412

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	689,477	
Total General Government			\$ 689,477

Interest on Debt

General Government

Interest on Bonds	\$	392,202	
Total General Government			392,202

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Fiscal Agent Charges	\$	700	
Trustee's Commission		13,851	
Other Debt Service		467	
Total General Government			\$ 15,018

Total General Debt Service Fund \$ 1,096,697

Special Debt Service Fund

Principal on Debt

Highways and Streets

Principal on Bonds	\$	348,037	
Total Highways and Streets			\$ 348,037

Interest on Debt

Highways and Streets

Interest on Bonds	\$	108,498	
Total Highways and Streets			108,498

Other Debt Service

Highways and Streets

Fiscal Agent Charges	\$	59	
Trustee's Commission		3,017	
Other Debt Service		88	
Total Highways and Streets			3,164

Total Special Debt Service Fund 459,699

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	707,486	
Principal on Other Loans		1,716,083	
Total Education			\$ 2,423,569

Interest on Debt

Education

Interest on Bonds	\$	958,049	
Interest on Other Loans		908,734	
Total Education			1,866,783

Other Debt Service

Education

Fiscal Agent Charges	\$	5,884	
Trustee's Commission		74,140	
Other Debt Service		44,064	
Total Education			124,088

Total Education Debt Service Fund 4,414,440

(Continued)

Exhibit J-7

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

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 77,518	
Building Improvements	113,521	
Total General Administration Projects		\$ 191,039

Public Safety Projects

Communication Equipment	\$ 4,790	
Motor Vehicles	304,289	
Total Public Safety Projects		309,079

Other General Government Projects

Trustee's Commission	\$ 11,136	
Total Other General Government Projects		11,136

Total General Capital Projects Fund \$ 511,254

Other Capital Projects Fund

Capital Projects

Other General Government Projects

Financial Advisory Services	\$ 1,200	
Other Contracted Services	44,816	
Other Construction	300,168	
Total Other General Government Projects		\$ 346,184

Total Other Capital Projects Fund 346,184

Total Governmental Funds - Primary Government \$ 29,784,446

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	18,850,767	
Career Ladder Program		57,485	
Career Ladder Extended Contracts		8,830	
Homebound Teachers		103,196	
Educational Assistants		887,915	
Other Salaries and Wages		8,316	
Certified Substitute Teachers		60,363	
Non-certified Substitute Teachers		153,648	
Social Security		1,150,726	
Pensions		1,886,601	
Life Insurance		67,405	
Medical Insurance		3,469,371	
Employer Medicare		271,692	
Other Contracted Services		46,045	
Instructional Supplies and Materials		214,509	
Textbooks - Bound		554,312	
Other Supplies and Materials		6,541	
Fee Waivers		114,720	
Regular Instruction Equipment		55,126	
Total Regular Instruction Program			\$ 27,967,568

Alternative Instruction Program

Teachers	\$	209,404	
Career Ladder Program		1,000	
Educational Assistants		25,032	
Non-certified Substitute Teachers		2,994	
Social Security		13,699	
Pensions		22,429	
Life Insurance		863	
Medical Insurance		45,024	
Employer Medicare		3,204	
Instructional Supplies and Materials		657	
Other Equipment		3,194	
Total Alternative Instruction Program			327,500

Special Education Program

Teachers	\$	2,306,509
Career Ladder Program		9,672
Career Ladder Extended Contracts		1,055
Homebound Teachers		99,402
Educational Assistants		522,757
Speech Pathologist		227,611
Certified Substitute Teachers		5,753
Non-certified Substitute Teachers		43,340
Social Security		183,639
Pensions		290,870

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	13,473	
Medical Insurance		601,453	
Employer Medicare		42,980	
Instructional Supplies and Materials		572	
Total Special Education Program			\$ 4,349,086

Career and Technical Education Program

Teachers	\$	1,095,384	
Career Ladder Program		1,000	
Certified Substitute Teachers		2,217	
Non-certified Substitute Teachers		12,262	
Social Security		63,442	
Pensions		102,481	
Life Insurance		3,576	
Medical Insurance		188,315	
Employer Medicare		15,042	
Instructional Supplies and Materials		10,989	
Other Supplies and Materials		7,293	
Vocational Instruction Equipment		24,601	
Total Career and Technical Education Program			1,526,602

Support Services

Attendance

Supervisor/Director	\$	78,854	
Secretary(ies)		27,244	
Other Salaries and Wages		66,684	
Social Security		9,962	
Pensions		15,137	
Life Insurance		569	
Medical Insurance		25,308	
Employer Medicare		2,330	
Travel		3,105	
Software		42,337	
Other Supplies and Materials		1,458	
In Service/Staff Development		2,315	
Attendance Equipment		1,218	
Total Attendance			276,521

Health Services

Supervisor/Director	\$	99,335	
Medical Personnel		442,665	
Other Salaries and Wages		52,244	
Social Security		32,546	
Pensions		55,491	
Life Insurance		2,586	
Medical Insurance		172,540	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Employer Medicare	\$	7,613	
Maintenance and Repair Services - Equipment		1,474	
Travel		3,514	
Other Contracted Services		26,000	
Drugs and Medical Supplies		21,562	
Other Supplies and Materials		17,759	
In Service/Staff Development		2,834	
Other Charges		15,169	
Special Education Equipment		1,132	
Health Equipment		12,796	
Total Health Services			\$ 967,260

Other Student Support

Career Ladder Program	\$	3,500	
Guidance Personnel		1,171,622	
Career Ladder Extended Contracts		951	
Secretary(ies)		42,964	
Other Salaries and Wages		457,466	
Social Security		96,049	
Pensions		153,148	
Life Insurance		5,066	
Medical Insurance		303,390	
Employer Medicare		22,463	
Contracts with Government Agencies		225,879	
Evaluation and Testing		101,064	
Travel		625	
Other Contracted Services		175,948	
Other Supplies and Materials		18,711	
Other Charges		14,424	
Other Equipment		4,110	
Total Other Student Support			2,797,380

Regular Instruction Program

Supervisor/Director	\$	364,153	
Career Ladder Program		5,700	
Career Ladder Extended Contracts		2,780	
Librarians		601,160	
Educational Assistants		36,140	
Other Salaries and Wages		246	
Social Security		58,888	
Pensions		104,617	
Life Insurance		2,795	
Medical Insurance		146,813	
Employer Medicare		13,776	
Travel		9,171	
Other Contracted Services		3,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	41,812	
Periodicals		2,736	
Software		13,728	
Other Supplies and Materials		5,439	
In Service/Staff Development		7,217	
Other Equipment		41,190	
Total Regular Instruction Program			\$ 1,461,361

Special Education Program

Supervisor/Director	\$	119,082	
Career Ladder Program		5,000	
Psychological Personnel		81,111	
Medical Personnel		93,833	
Assessment Personnel		47,466	
Secretary(ies)		34,692	
Other Salaries and Wages		73,626	
Social Security		26,445	
Pensions		46,367	
Life Insurance		1,221	
Medical Insurance		61,276	
Employer Medicare		6,185	
Maintenance and Repair Services - Equipment		826	
Travel		983	
Other Contracted Services		3,475	
Transportation Equipment		64,687	
Total Special Education Program			666,275

Career and Technical Education Program

Supervisor/Director	\$	31,474	
Social Security		1,899	
Pensions		3,248	
Life Insurance		65	
Medical Insurance		2,573	
Employer Medicare		444	
Travel		305	
In Service/Staff Development		1,215	
Total Career and Technical Education Program			41,223

Technology

Supervisor/Director	\$	33,913	
Other Salaries and Wages		204,020	
Social Security		13,861	
Pensions		15,348	
Life Insurance		778	
Medical Insurance		31,770	
Employer Medicare		3,242	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Communication	\$	4,678	
Consultants		8,400	
Maintenance and Repair Services - Equipment		16,500	
Internet Connectivity		142,013	
Travel		244	
Other Contracted Services		111,388	
Office Supplies		1,215	
Other Supplies and Materials		1,472	
In Service/Staff Development		799	
Other Charges		2,018	
Other Equipment		149,585	
Total Technology			\$ 741,244

Other Programs

On-behalf Payments to OPEB	\$	292,280	
Total Other Programs			292,280

Board of Education

Secretary to Board	\$	1,750	
Other Salaries and Wages		10,500	
Social Security		551	
Pensions		364	
Life Insurance		20,874	
Medical Insurance		379,117	
Unemployment Compensation		23,918	
Employer Medicare		176	
Audit Services		28,500	
Dues and Memberships		15,332	
Legal Services		29,292	
Other Contracted Services		7,500	
Other Supplies and Materials		250	
Liability Insurance		392,177	
Trustee's Commission		226,670	
Workers' Compensation Insurance		332,467	
In Service/Staff Development		15,296	
Other Charges		1,854	
Total Board of Education			1,486,588

Director of Schools

County Official/Administrative Officer	\$	105,000	
Career Ladder Program		1,000	
Secretary(ies)		69,876	
Other Salaries and Wages		16,921	
Social Security		11,207	
Pensions		13,737	
Life Insurance		429	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Medical Insurance	\$	29,827	
Employer Medicare		2,621	
Communication		166,786	
Postal Charges		4,000	
Travel		908	
Other Contracted Services		12,644	
Office Supplies		4,752	
Other Supplies and Materials		786	
In Service/Staff Development		9,265	
Other Charges		7,162	
Total Director of Schools			\$ 456,921

Office of the Principal

Principals	\$	1,277,907	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		7,320	
Assistant Principals		667,589	
Secretary(ies)		513,993	
Other Salaries and Wages		287,947	
Social Security		155,141	
Pensions		260,616	
Life Insurance		10,038	
Medical Insurance		527,846	
Employer Medicare		36,805	
Total Office of the Principal			3,753,202

Fiscal Services

Supervisor/Director	\$	66,955	
Accountants/Bookkeepers		132,334	
Secretary(ies)		27,832	
Social Security		12,889	
Pensions		15,898	
Life Insurance		864	
Medical Insurance		42,891	
Employer Medicare		3,014	
Travel		59	
Other Contracted Services		28,322	
Office Supplies		1,499	
In Service/Staff Development		509	
Administration Equipment		342	
Other Equipment		3,112	
Total Fiscal Services			336,520

Human Services/Personnel

Supervisor/Director	\$	39,676	
Secretary(ies)		27,244	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Social Security	\$	4,076	
Pensions		6,125	
Life Insurance		215	
Medical Insurance		2,839	
Employer Medicare		953	
Travel		561	
Other Contracted Services		22,619	
Office Supplies		672	
In Service/Staff Development		2,357	
Other Charges		8,460	
Total Human Services/Personnel			\$ 115,797

Operation of Plant

Custodial Personnel	\$	1,195,607	
Other Salaries and Wages		58,805	
Social Security		70,966	
Pensions		84,892	
Life Insurance		7,594	
Medical Insurance		247,318	
Employer Medicare		16,770	
Other Contracted Services		380,957	
Custodial Supplies		110,865	
Electricity		1,268,130	
Natural Gas		138,261	
Water and Sewer		178,533	
Other Supplies and Materials		1,680	
Other Charges		690	
Total Operation of Plant			3,761,068

Maintenance of Plant

Supervisor/Director	\$	58,198	
Secretary(ies)		26,654	
Maintenance Personnel		609,241	
Social Security		40,097	
Pensions		49,066	
Life Insurance		3,059	
Medical Insurance		117,580	
Employer Medicare		9,377	
Communication		8,182	
Maintenance and Repair Services - Equipment		2,145	
Other Contracted Services		154,146	
Other Supplies and Materials		61,284	
Administration Equipment		139,721	
Maintenance Equipment		169,988	
Total Maintenance of Plant			1,448,738

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Other Salaries and Wages	\$	21,810	
Social Security		1,164	
Pensions		1,621	
Employer Medicare		272	
Contracts with Parents		222	
Total Transportation			\$ 25,089

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	48,725	
Social Security		2,549	
Pensions		3,411	
Life Insurance		216	
Medical Insurance		18,299	
Employer Medicare		596	
Travel		635	
Other Supplies and Materials		2,259	
In Service/Staff Development		77	
Total Community Services			76,767

Early Childhood Education

Teachers	\$	172,277	
Clerical Personnel		10,741	
Educational Assistants		51,612	
Certified Substitute Teachers		286	
Non-certified Substitute Teachers		1,884	
Social Security		13,283	
Pensions		19,372	
Life Insurance		1,224	
Medical Insurance		55,755	
Employer Medicare		3,106	
Instructional Supplies and Materials		48,396	
Other Supplies and Materials		1,772	
In Service/Staff Development		7,601	
Regular Instruction Equipment		6,223	
Total Early Childhood Education			393,532

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	457,401	
Total Regular Capital Outlay			457,401

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	431,616	
Total Education			431,616

Total General Purpose School Fund \$ 54,157,539

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	23,690	
Educational Assistants		330,462	
Other Salaries and Wages		21,970	
Certified Substitute Teachers		214	
Non-certified Substitute Teachers		4,526	
Social Security		20,197	
Pensions		28,233	
Life Insurance		3,398	
Medical Insurance		139,940	
Employer Medicare		4,726	
Instructional Supplies and Materials		382,945	
Other Supplies and Materials		74,027	
Regular Instruction Equipment		240,627	
Total Regular Instruction Program			\$ 1,274,955

Special Education Program

Teachers	\$	348,433	
Educational Assistants		505,493	
Speech Pathologist		63,947	
Social Security		50,891	
Pensions		74,486	
Life Insurance		6,384	
Medical Insurance		192,489	
Employer Medicare		12,225	
Instructional Supplies and Materials		94,919	
Other Supplies and Materials		9,125	
Special Education Equipment		19,797	
Total Special Education Program			1,378,189

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	391	
Instructional Supplies and Materials		15,947	
Other Supplies and Materials		1,691	
Vocational Instruction Equipment		118,270	
Total Career and Technical Education Program			136,299

Support Services

Other Student Support

Other Salaries and Wages	\$	53,963	
Social Security		2,495	
Pensions		4,400	
Employer Medicare		741	
Other Supplies and Materials		32,015	
In Service/Staff Development		12,360	
Other Charges		1,731	
Other Equipment		3,757	
Total Other Student Support			111,462

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	76,872	
Secretary(ies)		27,755	
Clerical Personnel		250	
Other Salaries and Wages		246,034	
In-service Training		2,565	
Social Security		19,719	
Pensions		34,304	
Life Insurance		852	
Medical Insurance		30,150	
Employer Medicare		4,919	
Travel		5,349	
Other Contracted Services		2,725	
Library Books/Media		23,287	
Other Supplies and Materials		41,485	
In Service/Staff Development		234,287	
Other Equipment		13,634	
Total Regular Instruction Program			\$ 764,187

Special Education Program

Supervisor/Director	\$	31,742	
Medical Personnel		49,724	
Assessment Personnel		55,801	
Other Salaries and Wages		103,426	
Social Security		13,857	
Pensions		25,586	
Life Insurance		578	
Medical Insurance		35,304	
Employer Medicare		3,241	
Maintenance and Repair Services - Equipment		812	
Travel		17,447	
Other Contracted Services		8,502	
Other Supplies and Materials		17,726	
In Service/Staff Development		48,623	
Other Charges		1,355	
Other Equipment		4,662	
Total Special Education Program			418,386

Career and Technical Education Program

In Service/Staff Development	\$	3,140	
Total Career and Technical Education Program			3,140

Transportation

Contracts with Parents	\$	2,233	
Total Transportation			2,233

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	2,503	
Teachers		10,877	
Educational Assistants		3,335	
Part-time Personnel		2,130	
Social Security		1,055	
Pensions		1,714	
Employer Medicare		247	
Instructional Supplies and Materials		4,097	
Other Supplies and Materials		250	
In Service/Staff Development		1,147	
Total Community Services			<u>\$ 27,355</u>

Total School Federal Projects Fund \$ 4,116,206

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,406	
Accountants/Bookkeepers		27,894	
Clerical Personnel		52,395	
Cafeteria Personnel		1,217,939	
Other Salaries and Wages		30,420	
Social Security		73,804	
Pensions		94,442	
Life Insurance		13,775	
Medical Insurance		513,897	
Employer Medicare		17,294	
Retirement - Hybrid Stabilization		1,821	
Communication		1,800	
Maintenance and Repair Services - Equipment		34,842	
Travel		3,677	
Other Contracted Services		207,212	
Food Preparation Supplies		125,604	
Food Supplies		1,072,910	
Office Supplies		1,844	
Uniforms		4,679	
USDA - Commodities		277,968	
In Service/Staff Development		2,305	
Other Charges		35	
Food Service Equipment		113,009	
Total Food Service			<u>\$ 3,949,972</u>

Total Central Cafeteria Fund 3,949,972

(Continued)

Exhibit J-8

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

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 65,030	
Total Board of Education		\$ 65,030

Transportation

Supervisor/Director	\$ 55,680	
Mechanic(s)	273,928	
Bus Drivers	1,349,267	
Clerical Personnel	64,221	
Other Salaries and Wages	90,524	
Social Security	102,432	
Pensions	118,769	
Life Insurance	10,466	
Medical Insurance	286,166	
Employer Medicare	24,984	
Retirement - Hybrid Stabilization	12,338	
Communication	3,005	
Maintenance and Repair Services - Vehicles	66,668	
Medical and Dental Services	5,582	
Travel	96	
Other Contracted Services	15,687	
Gasoline	238,143	
Lubricants	7,228	
Tires and Tubes	75,941	
Vehicle Parts	171,769	
Other Supplies and Materials	6,357	
In Service/Staff Development	601	
Other Charges	28,476	
Transportation Equipment	820,028	
Total Transportation		<u>3,828,356</u>

Total School Transportation Fund \$ 3,893,386

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 1,800	
Trustee's Commission	23,487	
Building Improvements	336,931	
Total Education Capital Projects		<u>\$ 362,218</u>

Total Education Capital Projects Fund 362,218

Total Governmental Funds - Hawkins County School Department \$ 66,479,321

Exhibit J-9

Hawkins 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 - Rogersville Fund	City School ADA - Kingsport Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 592,296	\$ 445,656	\$ 1,037,952
Trustee's Collections - Prior Years	0	18,956	14,263	33,219
Trustee's Collections - Bankruptcy	0	160	126	286
Circuit/Clerk and Master Collections - Prior Year	0	17,154	12,919	30,073
Interest and Penalty	0	3,345	2,517	5,862
Pick-up Taxes	0	1,072	812	1,884
Local Option Sales Tax	4,737,383	480,272	361,995	5,579,650
Wheel Tax	0	18,321	13,803	32,124
Bank Excise Tax	0	1,813	1,365	3,178
Marriage Licenses	0	301	243	544
Other Local Revenues	0	14	11	25
Total Cash Receipts	<u>\$ 4,737,383</u>	<u>\$ 1,133,704</u>	<u>\$ 853,710</u>	<u>\$ 6,724,797</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 4,690,009	\$ 1,073,902	\$ 808,418	\$ 6,572,329
Trustee's Commissions	47,374	12,647	9,519	69,540
Total Cash Disbursements	<u>\$ 4,737,383</u>	<u>\$ 1,086,549</u>	<u>\$ 817,937</u>	<u>\$ 6,641,869</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 47,155	\$ 35,773	\$ 82,928
Cash Balance, July 1, 2019	0	45,397	34,436	79,833
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 92,552</u>	<u>\$ 70,209</u>	<u>\$ 162,761</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

Hawkins County Mayor and
Board of County Commissioners
Hawkins 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 Hawkins County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 26, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkins 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 and 2020-002(B).

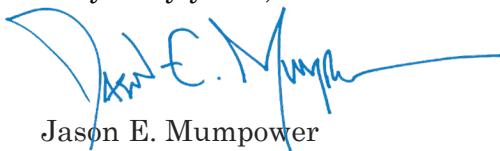
Hawkins County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 26, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Hawkins 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 Hawkins 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 Hawkins 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 Hawkins 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 Hawkins County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements. We issued our report thereon dated January 26, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 26, 2021

JEM/tg

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (7)			
School Breakfast Program	10.553	N/A	\$ 561,734 (5)
COVID 19 - School Breakfast Program	10.553	N/A	180,897 (5)
National School Lunch Program	10.555	N/A	1,597,009 (5)
COVID 19 - National School Lunch Program	10.555	N/A	287,791 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	20,203
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (7)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	277,968 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-64229-00	67,798 (6)
Total U.S. Department of Agriculture			<u>\$ 2,993,400</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-1516-08	\$ 344,984
Total U.S. Department of Housing and Urban Development			<u>\$ 344,984</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 1,318
Total U.S. Department of Justice			<u>\$ 1,318</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	AERO-0107102	\$ 24,106
Alcohol Open Container Requirements	20.607	(8)	36,656
Total U.S. Department of Transportation			<u>\$ 60,762</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,797,482
Special Education Cluster: (7)			
Special Education - Grants to States	84.027	N/A	1,806,639
Special Education - Preschool Grants	84.173	N/A	22,527
Career and Technical Education - Basic Grants to States	84.048	N/A	151,086
Education for Homeless Children and Youth	84.196	N/A	15,065
Twenty-First Century Community Learning Centers	84.287	N/A	27,355
Improving Teacher Quality State Grants	84.367	N/A	275,302
Student Support and Academic Enrichment Program	84.424	N/A	46,780
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	2,504
Total U.S. Department of Education			<u>\$ 4,144,740</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grant	90.404	(4)	\$ 8,661
Total U.S. Elections Assistance Commission			\$ 8,661
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Aging Cluster: (7)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 19,062
National Family Caregiver Support, Title III, Part E	93.052	(4)	2,722
Injury Prevention and Control Research and State Community Based Programs	93.136	GG-20-64229-00	4,038 (6)
Family Planning Services	93.217	GG-20-64229-00	6,921 (6)
National State Based Tobacco Control Programs	93.305	GG-20-64229-00	796 (6)
Medicaid Cluster: (7)			
Medical Assistance Program	93.778	GG-20-64229-00	32,951 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-64229-00	7,590 (6)
CCDF Cluster: (7)			
Child Care and Development Block Grant	93.575	N/A	4,060
Total U.S. Department of Health and Human Services			\$ 78,140
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 41,000
Total U.S. Department of Homeland Security			\$ 41,000
Total Expenditures of Federal Awards			\$ 7,673,005
<u>State Grants</u>			
		Contract Number	
Family Resource Center - State Department of Education	N/A	(4)	\$ 29,494
Early Childhood Education Project - State Department of Education	N/A	(4)	395,934
Drivers Education - State Department of Education	N/A	(4)	18,379
Coordinated School Health - State Department of Education	N/A	(4)	118,000
Connect TN - State Department of Education	N/A	(4)	9,959
Safe Schools Act - State Department of Education	N/A	(4)	177,767
Breakfast After Bell - State Department of Education	N/A	(4)	13,300
School Safety - State Department of Education	N/A	(4)	179,179
Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(4)	3,000
Supporting Postsecondary Attainment in Rural Counties (SPARC) - Tennessee Education Commission	N/A	(4)	36,000
Court Security Grant Program - Administrative Office of the Courts	N/A	(4)	9,735
Aging Program - State Office on Aging	N/A	(4)	12,195
Airport Maintenance Programs - State Department of Transportation	N/A	(4)	17,036
State Aid Program - State Department of Transportation	N/A	(4)	395,718
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(4)	50,000
Litter Program - State Department of Transportation	N/A	(4)	60,679
Health Department Programs - State Department of Health	N/A	GG-20-64229-00	233,493 (6)
Total State Grants			\$ 1,759,868

(Continued)

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

Notes:

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hawkins County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) CFDA Totals: CFDA No. 10.553, \$742,631; CFDA No. 10.555, \$2,162,768.
- (6) Total for federal GG-20-64229-00 is \$120,094. Total state and federal is \$353,587.
- (7) Child Nutrition Cluster total \$2,905,399; Special Education Cluster total \$1,829,166;
Aging Cluster total \$19,062; Medicaid Cluster total \$32,951; CCDF Cluster total \$4,060.
- (8) Z-19-THS-123 \$18,601; Z-20-THS-105 \$18,055.
- (9) For the year ended June 30, 2020, Hawkins County received donated PPE valued at \$43,906 (\$32,930 federal and \$10,976 state) from the Tennessee Department of Military and \$1,424 (federal) from the State Department of Elections. These donations were unaudited.

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

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Awards Findings

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

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

Federal Awards:

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2020-001

SUBSIDIARY ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2020

(Noncompliance Under *Government Auditing Standards*)

Subsidiary compensated absences accounting records were not closed and available for audit by August 31, 2020, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of their June 30 fiscal year. The compensated absences records were made available to auditors on January 5, 2021. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Management should close its subsidiary compensated absences accounting records and have those records available for audit by the following August 31.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

The Hawkins County Mayor's Office concurs with the reported finding. We have taken action to prevent this from occurring in subsequent years. However, we did want to mention this office has felt the strain of trying to operate during the global Covid-19 pandemic. Not only has our focus been required to shift to keep up with ever changing laws, but it has personally affected this office resulting in two separate shutdowns. We do feel this had significant affect on our ability to achieve all tasks within the normal time requirements.

OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

FINDING 2020-002

WARRANTS WERE ISSUED ON THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED CASH ON DEPOSIT WITH THE COUNTY TRUSTEE, AND THE TRUSTEE CERTIFIED WARRANTS ISSUED ON THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED AVAILABLE FUNDS

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

We noted the following deficiencies related to the School Federal Projects Fund:

- A. Warrants were issued on the School Federal Projects Fund that exceeded cash on deposit with the county trustee by \$1,809 at June 30, 2020. Sound business practices dictate that expenditures be held within available funds.
- B. The trustee certified warrants issued on the School Federal Projects Fund that exceeded the available cash balance on deposit by \$1,809. Section 8-11-104(5), *Tennessee Code Annotated*, prohibits the trustee from certifying a warrant if sufficient funds are not available.

These deficiencies exist because the school department issued warrants exceeding cash on deposit with the trustee, and the trustee kept certifying warrants that exceeded available cash. The cash overdraft was liquidated after June 30, 2020.

RECOMMENDATION

The school department should not issue warrants exceeding cash on deposit with the county trustee, and the trustee should not certify warrants that exceed available cash as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

In response to the finding, we have added additional procedures to monitor the cash balance with the Trustee's Office to prevent issuing warrants exceeding cash on deposit.

MANAGEMENT'S RESPONSE – TRUSTEE

In response to the finding, we have developed additional procedures to ensure that individual funds' cash balances are reviewed before any warrants are certified. This action will provide assurance that sufficient fund balances are available before approving each transfer request.

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.

Hawkins 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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OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

2020-001	Subsidiary Accounting Records were not Closed and Available for Audit by August 31, 2020	240
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OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

2020-002	Warrants were Issued on the School Federal Projects Fund that Exceeded Cash on Deposit with the County Trustee, and the Trustee Certified Warrants Issued on the School Federal Projects Fund that Exceeded Available Funds	241
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2020-002	Warrants were Issued on the School Federal Projects Fund that Exceeded Cash on Deposit with the County Trustee, and the Trustee Certified Warrants Issued on the School Federal Projects Fund that Exceeded Available Funds	242
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Hawkins County Government

Jim Lee
County Mayor

150 E. Washington St, Suite 2
Rogersville, TN 37857

Phone: 423-272-7359
Fax: 423-272-1867
jim.lee@hawkinscountyttn.gov

Corrective Action Plan

FINDING: SUBSIDIARY ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31,2020

Response and Corrective Action Plan Prepared by:
Jim Lee – Hawkins County Mayor

Person Responsible for Implementing the Corrective Action:
Eric Buchanan – Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:
7/1/2020 – 6/30/2021

Repeat Finding:
No

Planned Corrective Action:

Issue was addressed with all involved parties of the Accounting Department. Plans have been created to modify, assist, and delegate the responsibilities of ensuring this report will be completed in a timely manner in compliance with audit requirements.

Signature: 

Signature: 



Hawkins County Schools

200 North Depot Street
Rogersville, TN 37857
(423) 272-7629 Fax (423) 272-2207

Matt Hixson, Director of Schools

School Board Members

Chris Christian, Chairman
Debbie Shedden, Vice-Chairman
McClure Boyd
Jackie Charles
Kathy Cradic
Tecky Hicks
Judy Trent

Corrective Action Plan

FINDING: THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$1,809 ON JUNE 30, 2020 (Internal Control – Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Matt Hixson, Director of Schools

Person Responsible for Implementing the Corrective Action:
Melissa Farmer, Director of Finance
Sherry Crawford, Accounts Payable Clerk

Anticipated Completion Date of Corrective Action:
July 15, 2020

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
We have created a spreadsheet to monitor the cash balance and we will verify cash on deposit with the Trustee's Office as needed.

Signature: 



Hawkins County Trustee

Room 203
110 East Main Street
Rogersville, Tennessee 37857

Telephone: (423) 272-7022
Fax: (423) 272-8267

Corrective Action Plan

Finding: THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH
OVERDRAFT OF \$1809 ON JUNE 30, 2020

Response and Corrective Action Plan Prepared By:

James L. Shanks, Hawkins County Trustee

Person Responsible for Implementing the Corrective Action:

James L. Shanks, Hawkins County Trustee

Anticipated Completion Date of Corrective Action:

January 14, 2021

Repeat Finding:

No

Reason Corrective Action Was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Additional procedures have been developed to ensure that individual fund cash balances are reviewed before any warrants are certified. This action will provide assurance that sufficient fund balances are available before approving each transfer request.

Signature:

A handwritten signature in blue ink, appearing to read "James L. Shanks". The signature is written over a horizontal line.

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 Hawkins County.

HAWKINS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

Hawkins County operates under provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make purchases for all departments of Hawkins County, including the discretely presented Hawkins County School Department.

Hawkins County does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting and budgeting is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Hawkins County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting and budgeting covering all county departments.