

ANNUAL FINANCIAL REPORT

SCOTT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

SCOTT COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Scott 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

- ◆ Discrepancies in the operations of the Scott County Recycling Center are disclosed in an investigative report.

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

- ◆ Deficiencies were noted in technology purchases made by the school department.
-

INTRODUCTORY SECTION

Scott County Officials

June 30, 2020

Officials

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

Board of County Commissioners

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

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

Financial Management Committee

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

Kenny Chadwell
Sheila Buttram
Harold Chambers

Board of Education

Esther Abbott, Chairman
Diane Smith
Kim Kidd
Derek Sexton

Linda Sharp
Tommy Silcox
Llew Stanley

Audit Committee

Melvin Stephens, Chairman
Jerry Slaven
Dave Cross

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 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 Scott County, Tennessee, as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, 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 Scott County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), miscellaneous schedules and 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.

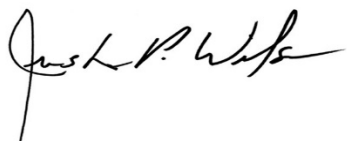
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the major debt service funds, combining and individual fund financial statements of the Scott County School Department (a discretely presented component unit), schedule of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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020, on our consideration of Scott County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scott County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scott County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 10, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>ASSETS</u>		
Cash	\$ 1,600	\$ 1,730
Equity in Pooled Cash and Investments	7,134,446	9,446,066
Inventories	39,273	0
Accounts Receivable	667,481	98
Allowance for Uncollectibles	(489,966)	0
Due from Other Governments	1,117,661	1,047,863
Property Taxes Receivable	5,870,114	2,214,784
Allowance for Uncollectible Property Taxes	(314,216)	(118,604)
Net Pension Asset - Agent Plan	2,217,210	1,192,309
Net Pension Asset - Teacher Retirement Plan	0	99,046
Net Pension Asset- Teacher Legacy Pension Plan	0	3,180,040
Restricted Assets	0	78,487
Capital Assets:		
Assets Not Depreciated:		
Land	1,964,885	910,561
Construction in Progress	32,796	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,666,399	15,932,048
Infrastructure	3,002,869	208,081
Other Capital Assets	1,764,622	1,946,840
Total Assets	<u>\$ 34,675,174</u>	<u>\$ 36,139,349</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 158,935
Pension Changes in Assumptions	175,392	526,285
Pension Contributions after Measurement Date	465,267	1,401,083
Pension Changes in Proportion	0	61,058
OPEB Changes in Experience	57,446	846,022
OPEB Changes in Assumptions	13,287	70,133
OPEB Contributions After Measurement Date	3,382	111,579
Total Deferred Outflows of Resources	<u>\$ 714,774</u>	<u>\$ 3,175,095</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 124,283	\$ 282,184
Accrued Payroll	109,681	2,791,197
Accrued Interest Payable	25,972	0
Payroll Deductions Payable	0	68,509
Due to State of Tennessee	4,596	0
Other Current Liabilities	0	401,198
Noncurrent Liabilities:		
Due Within One Year - Debt	1,571,355	0
Due Within One Year - Other	301,124	193,012
Due in More Than One Year - Debt	22,740,289	0
Due in More Than One Year - Other	1,915,265	2,866,867
Total Liabilities	<u>\$ 26,792,565</u>	<u>\$ 6,602,967</u>

(Continued)

Exhibit A

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

	Primary Government Total Governmental Activities	Component Unit Scott County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 5,327,038	\$ 2,009,719
Pension Changes in Experience	634,505	2,300,928
Pension Changes in Investment Earnings	255,327	1,050,090
Pension Changes in Proportion	0	23,976
OPEB Changes in Experience	185,549	530,401
OPEB Changes in Assumptions	19,039	363,844
OPEB Changes in Proportion	0	359,156
Total Deferred Inflows of Resources	<u>\$ 6,421,458</u>	<u>\$ 6,638,114</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,753,334	\$ 18,997,530
Restricted for:		
General Government	367	0
Administration of Justice	31,477	0
Public Safety	102,989	0
Public Health and Welfare	702,904	0
Social, Cultural, and Recreation	53	0
Other Operations	6,753	0
Highway/Public Works	886,732	0
Debt Service	145,336	0
Capital Projects	365,737	0
Pensions	2,217,210	4,549,882
Other Purposes	16,449	0
Education	0	1,010,784
Unrestricted	<u>(12,053,416)</u>	<u>1,515,167</u>
Total Net Position	<u>\$ 2,175,925</u>	<u>\$ 26,073,363</u>

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

Exhibit B

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

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues		Capital Grants and Contributions	Primary Government	Component Unit
		Charges for Services	Operating Grants and Contributions		Total Governmental Activities	Scott County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,014,292	\$ 671,007	\$ 83,572	\$ 56,770	\$ (2,202,943)	\$ 0
Finance	947,523	578,591	0	0	(368,932)	0
Administration of Justice	1,065,615	359,269	310,742	0	(395,604)	0
Public Safety	4,321,607	1,171,415	364,829	0	(2,785,363)	0
Public Health and Welfare	2,224,790	1,985,538	507,508	0	268,256	0
Social, Cultural, and Recreational Services	129,827	0	0	0	(129,827)	0
Agriculture and Natural Resources	42,491	0	0	0	(42,491)	0
Highways	2,640,237	90,575	2,475,648	446,170	372,156	0
Interest on Long-term Debt	631,707	0	0	0	(631,707)	0
Total Governmental Activities	<u>\$ 15,018,089</u>	<u>\$ 4,856,395</u>	<u>\$ 3,742,299</u>	<u>\$ 502,940</u>	<u>\$ (5,916,455)</u>	<u>\$ 0</u>
Component Unit:						
Scott County School Department	\$ 26,580,185	\$ 173,533	\$ 4,047,840	\$ 0	\$ 0	\$ (22,358,812)
Total Component Unit	<u>\$ 26,580,185</u>	<u>\$ 173,533</u>	<u>\$ 4,047,840</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,358,812)</u>

(Continued)

Exhibit B

Scott 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 Unit
					Government	Scott
					Total Governmental Activities	County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,893,054	\$ 2,035,397
Property Taxes Levied for General Debt Services					663,305	0
Property Taxes Levied for Rural Debt Service					806,982	0
Property Taxes Levied for Capital					56,597	0
Local Option Sales Taxes					409,229	1,550,422
Wheel Tax					584,676	0
Litigation Taxes					93,869	0
Business Taxes					180,933	0
Other Taxes					177,920	455
Grants and Contributions Not Restricted to Specific Programs					1,461,473	19,575,952
Unrestricted Investment Income					199,728	0
Gain on Investments					0	2,443
Miscellaneous					126,838	8,189
Total General Revenues					<u>\$ 8,654,604</u>	<u>\$ 23,172,858</u>
Change in Net Position					<u>\$ 2,738,149</u>	<u>\$ 814,046</u>
Net Position, July 1, 2019					<u>(562,224)</u>	<u>25,259,317</u>
Net Position, June 30, 2020					<u>\$ 2,175,925</u>	<u>\$ 26,073,363</u>

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

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,424,055	587,957	690,753	1,076,236	1,212,161
Inventories	39,273	0	0	0	0
Accounts Receivable	65,533	596,926	0	4,986	0
Allowance for Uncollectibles	0	(489,966)	0	0	0
Due from Other Governments	487,531	0	601,325	16,666	6,295
Due from Other Funds	1,536	0	0	0	0
Property Taxes Receivable	4,258,332	0	0	722,707	834,995
Allowance for Uncollectible Property Taxes	(228,036)	0	0	(38,701)	(44,583)
Total Assets	<u>\$ 7,048,324</u>	<u>\$ 694,917</u>	<u>\$ 1,292,078</u>	<u>\$ 1,781,894</u>	<u>\$ 2,008,868</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 96,130	\$ 15,241	\$ 12,176	\$ 0	\$ 0
Accrued Payroll	1,002	51,613	52,761	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	0	4,596	0	0	0
Total Liabilities	<u>\$ 97,132</u>	<u>\$ 71,450</u>	<u>\$ 64,937</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,864,058	\$ 0	\$ 0	\$ 655,792	\$ 758,116
Deferred Delinquent Property Taxes	153,054	0	0	25,994	29,373
Other Deferred/Unavailable Revenue	65,565	5,289	206,592	8,333	0
Total Deferred Inflows of Resources	<u>\$ 4,082,677</u>	<u>\$ 5,289</u>	<u>\$ 206,592</u>	<u>\$ 690,119</u>	<u>\$ 787,489</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 39,273	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	367	0	0	0	0
Restricted for Administration of Justice	31,477	0	0	0	0
Restricted for Public Safety	20,142	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	53	0	0	0	0
Restricted for Other Operations	6,753	0	0	0	0
Restricted for Highways/Public Works	0	0	680,140	0	0
Restricted for Debt Service	0	0	0	121,378	827,433
Restricted for Capital Projects	0	0	0	0	0
Restricted for Other Purposes	16,449	0	0	0	0
Committed:					
Committed for General Government	26,647	0	0	0	0
Committed for Public Health and Welfare	0	618,178	0	0	0
Committed for Other Operations	4,433	0	0	0	0
Committed for Highways/Public Works	0	0	340,409	0	0
Committed for Debt Service	0	0	0	970,397	393,946
Assigned:					
Assigned for Public Safety	17,333	0	0	0	0
Unassigned	2,705,588	0	0	0	0
Total Fund Balances	<u>\$ 2,868,515</u>	<u>\$ 618,178</u>	<u>\$ 1,020,549</u>	<u>\$ 1,091,775</u>	<u>\$ 1,221,379</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,048,324</u>	<u>\$ 694,917</u>	<u>\$ 1,292,078</u>	<u>\$ 1,781,894</u>	<u>\$ 2,008,868</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,500	\$ 1,600	
Equity in Pooled Cash and Investments	1,143,284	7,134,446	
Inventories	0	39,273	
Accounts Receivable	36	667,481	
Allowance for Uncollectibles	0	(489,966)	
Due from Other Governments	5,844	1,117,661	
Due from Other Funds	0	1,536	
Property Taxes Receivable	54,080	5,870,114	
Allowance for Uncollectible Property Taxes	(2,896)	(314,216)	
Total Assets	<u>\$ 1,201,848</u>	<u>\$ 14,027,929</u>	
<u>LIABILITIES</u>			
Accounts Payable	\$ 736	\$ 124,283	
Accrued Payroll	4,305	109,681	
Due to Other Funds	1,536	1,536	
Due to State of Tennessee	0	4,596	
Total Liabilities	<u>\$ 6,577</u>	<u>\$ 240,096</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 49,072	\$ 5,327,038	
Deferred Delinquent Property Taxes	1,926	210,347	
Other Deferred/Unavailable Revenue	0	285,779	
Total Deferred Inflows of Resources	<u>\$ 50,998</u>	<u>\$ 5,823,164</u>	

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$	0	\$ 39,273
Restricted:			
Restricted for General Government		0	367
Restricted for Administration of Justice		0	31,477
Restricted for Public Safety		82,847	102,989
Restricted for Public Health and Welfare		697,615	697,615
Restricted for Social, Cultural, and Recreational Services		0	53
Restricted for Other Operations		0	6,753
Restricted for Highways/Public Works		0	680,140
Restricted for Debt Service		0	948,811
Restricted for Capital Projects		363,811	363,811
Restricted for Other Purposes		0	16,449
Committed:			
Committed for General Government		0	26,647
Committed for Public Health and Welfare		0	618,178
Committed for Other Operations		0	4,433
Committed for Highways/Public Works		0	340,409
Committed for Debt Service		0	1,364,343
Assigned:			
Assigned for Public Safety		0	17,333
Unassigned		0	2,705,588
Total Fund Balances	\$	1,144,273	\$ 7,964,669
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,201,848	\$ 14,027,929

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

Exhibit C-2

Scott 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)		\$ 7,964,669
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,964,885	
Add: construction in progress	32,796	
Add: buildings and improvements net of accumulated depreciation	11,666,399	
Add: infrastructure net of accumulated depreciation	3,002,869	
Add: other capital assets net of accumulated depreciation	<u>1,764,622</u>	18,431,571
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (471,095)	
Less: other loans payable	(16,780,339)	
Less: bonds payable	(6,980,000)	
Less: compensated absences payable	(251,587)	
Less: landfill postclosure care costs	(1,697,508)	
Less: other postemployment benefits liability (OPEB)	(267,294)	
Less: accrued interest payable	(25,972)	
Less: unamortized premium on debt	<u>(80,210)</u>	(26,554,005)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 640,659	
Less: deferred inflows of resources related to pensions	(889,832)	
Add: deferred outflows of resources related to OPEB	74,115	
Less: deferred inflows of resources related to OPEB	<u>(204,588)</u>	(379,646)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds.		2,217,210
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>496,126</u>
Net position (deficit) of governmental activities (Exhibit A)		<u>\$ 2,175,925</u>

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

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Revenues</u>					
Local Taxes	\$ 4,902,902	\$ 0	\$ 235	\$ 1,348,048	\$ 801,777
Licenses and Permits	36,798	0	0	660	0
Fines, Forfeitures, and Penalties	80,221	0	0	0	0
Charges for Current Services	329,681	1,611,922	0	0	0
Other Local Revenues	614,857	14,830	109,268	164,073	0
Fees Received From County Officials	854,391	0	0	0	0
State of Tennessee	2,377,171	0	2,692,757	0	0
Federal Government	423,346	258,449	243,604	0	0
Other Governments and Citizens Groups	124,431	0	0	0	380,129
Total Revenues	\$ 9,743,798	\$ 1,885,201	\$ 3,045,864	\$ 1,512,781	\$ 1,181,906
<u>Expenditures</u>					
Current:					
General Government	\$ 1,390,839	\$ 0	\$ 0	\$ 0	\$ 0
Finance	974,706	0	0	0	0
Administration of Justice	1,075,246	0	0	0	0
Public Safety	4,251,763	0	0	0	0
Public Health and Welfare	322,419	1,700,610	0	0	0
Social, Cultural, and Recreational Services	131,192	0	0	0	0
Agriculture and Natural Resources	45,480	0	0	0	0
Other Operations	1,260,107	0	0	0	0
Highways	235	0	2,673,064	0	0
Debt Service:					
Principal on Debt	0	0	161,402	936,000	1,191,000
Interest on Debt	0	0	21,597	296,517	171,968
Other Debt Service	0	0	0	139,317	21,912

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 9,451,987	\$ 1,700,610	\$ 2,856,063	\$ 1,371,834	\$ 1,384,880
Excess (Deficiency) of Revenues Over Expenditures	\$ 291,811	\$ 184,591	\$ 189,801	\$ 140,947	\$ (202,974)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 15,800	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 15,800	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 307,611	\$ 184,591	\$ 189,801	\$ 140,947	\$ (202,974)
Fund Balance, July 1, 2019	2,560,904	433,587	830,748	950,828	1,424,353
Fund Balance, June 30, 2020	\$ 2,868,515	\$ 618,178	\$ 1,020,549	\$ 1,091,775	\$ 1,221,379

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 63,642	\$	7,116,604
Licenses and Permits	0		37,458
Fines, Forfeitures, and Penalties	13,539		93,760
Charges for Current Services	298,979		2,240,582
Other Local Revenues	26,238		929,266
Fees Received From County Officials	0		854,391
State of Tennessee	46,762		5,116,690
Federal Government	0		925,399
Other Governments and Citizens Groups	0		504,560
Total Revenues	<hr/> \$ 449,160	<hr/> \$	<hr/> 17,818,710
<u>Expenditures</u>			
Current:			
General Government	\$ 103,989	\$	1,494,828
Finance	9,051		983,757
Administration of Justice	25,833		1,101,079
Public Safety	15,436		4,267,199
Public Health and Welfare	215,032		2,238,061
Social, Cultural, and Recreational Services	727		131,919
Agriculture and Natural Resources	0		45,480
Other Operations	20,400		1,280,507
Highways	15,346		2,688,645
Debt Service:			
Principal on Debt	0		2,288,402
Interest on Debt	0		490,082
Other Debt Service	0		161,229

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 228	\$ 228	
Total Expenditures	\$ 406,042	\$ 17,171,416	
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,118	\$ 647,294	
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 15,800	
Total Other Financing Sources (Uses)	\$ 0	\$ 15,800	
Net Change in Fund Balances	\$ 43,118	\$ 663,094	
Fund Balance, July 1, 2019	1,101,155	7,301,575	
Fund Balance, June 30, 2020	\$ 1,144,273	\$ 7,964,669	

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

Exhibit C-4

Scott County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 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)		\$	663,094
(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	\$	403,245	
Less: current-year depreciation expense		(958,115)	(554,870)
(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 capital assets disposed	\$	(17,642)	(17,642)
(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	\$	496,126	
Less: deferred delinquent property taxes and other deferred June 30, 2019		(556,756)	(60,630)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: change in unamortized premium on debt issuances	\$	17,030	
Add: principal payments on notes		161,402	
Add: principal payments on other loans		1,547,000	
Add: principal payments on bonds		580,000	2,305,432
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	2,574	
Change in compensated absences payable		(2,350)	
Change in net pension liability/asset		718,450	
Change in deferred outflows related to pensions		(76,491)	
Change in deferred inflows related to pensions		(287,590)	
Change in net OPEB liability		(61,412)	
Change in deferred outflows related to OPEB		69,678	
Change in deferred inflows related to OPEB		(28,167)	
Change in landfill postclosure care costs		68,073	402,765
Change in net position of governmental activities (Exhibit B)		\$	<u>2,738,149</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,902,902	\$ 4,768,166	\$ 4,787,376	\$ 115,526
Licenses and Permits	36,798	36,500	36,500	298
Fines, Forfeitures, and Penalties	80,221	166,400	166,400	(86,179)
Charges for Current Services	329,681	362,400	388,400	(58,719)
Other Local Revenues	614,857	414,650	438,237	176,620
Fees Received From County Officials	854,391	848,500	885,500	(31,109)
State of Tennessee	2,377,171	2,458,568	2,329,928	47,243
Federal Government	423,346	80,000	493,915	(70,569)
Other Governments and Citizens Groups	124,431	0	164,370	(39,939)
Total Revenues	\$ 9,743,798	\$ 9,135,184	\$ 9,690,626	\$ 53,172
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 145,933	\$ 174,330	\$ 175,179	\$ 29,246
County Mayor/Executive	190,002	197,232	197,232	7,230
County Attorney	70,519	71,254	71,465	946
Election Commission	229,911	261,424	261,424	31,513
Register of Deeds	176,239	186,713	186,713	10,474
County Buildings	578,235	468,278	611,757	33,522
<u>Finance</u>				
Accounting and Budgeting	306,707	317,097	318,263	11,556
Property Assessor's Office	231,527	243,773	243,773	12,246
County Trustee's Office	179,706	178,130	188,413	8,707
County Clerk's Office	256,766	251,997	262,135	5,369
<u>Administration of Justice</u>				
Circuit Court	335,394	369,728	373,865	38,471
General Sessions Court	497,066	528,478	538,448	41,382
Chancery Court	161,510	162,851	162,851	1,341
District Attorney General	69,276	72,976	74,994	5,718
Office of Public Defender	12,000	12,000	12,000	0
<u>Public Safety</u>				
Sheriff's Department	1,817,749	1,798,643	2,001,934	184,185
Administration of the Sexual Offender Registry	950	0	1,900	950
Jail	2,078,477	1,730,417	2,125,417	46,940
Juvenile Services	257,709	274,407	276,977	19,268
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	62,869	54,093	70,643	7,774
Rescue Squad	10,000	10,000	10,000	0
County Coroner/Medical Examiner	22,009	21,659	27,209	5,200
<u>Public Health and Welfare</u>				
Local Health Center	66,025	68,980	89,462	23,437
Other Local Health Services	255,078	328,800	328,800	73,722
General Welfare Assistance	1,182	2,250	2,250	1,068
Other Local Welfare Services	134	244	244	110
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	78,396	79,560	84,810	6,414
Libraries	52,796	53,425	53,485	689

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	\$ 45,480	\$ 53,206	\$ 53,206	\$ 7,726
<u>Other Operations</u>				
Tourism	72,933	81,108	81,108	8,175
Airport	365,993	304,256	393,124	27,131
Veterans' Services	49,985	49,553	50,476	491
Contributions to Other Agencies	99,705	82,000	101,210	1,505
COVID-19 Grant #1	2,481	0	2,481	0
COVID-19 Grant #3	13,286	0	13,286	0
Miscellaneous	655,724	626,354	681,348	25,624
<u>Highways</u>				
Highway and Bridge Maintenance	235	235	235	0
Total Expenditures	\$ 9,451,987	\$ 9,117,451	\$ 10,130,117	\$ 678,130
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 291,811	\$ 17,733	\$ (439,491)	\$ 731,302
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 15,800	\$ 0	\$ 10,132	\$ 5,668
Total Other Financing Sources	\$ 15,800	\$ 0	\$ 10,132	\$ 5,668
Net Change in Fund Balance				
Fund Balance, July 1, 2019	\$ 307,611	\$ 17,733	\$ (429,359)	\$ 736,970
	2,560,904	2,913,038	2,913,038	(352,134)
Fund Balance, June 30, 2020				
	\$ 2,868,515	\$ 2,930,771	\$ 2,483,679	\$ 384,836

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,611,922	\$ 1,732,000	\$ 1,656,214	\$ (44,292)
Other Local Revenues	14,830	10,000	10,000	4,830
State of Tennessee	0	200,000	200,000	(200,000)
Federal Government	258,449	0	195,838	62,611
Total Revenues	<u>\$ 1,885,201</u>	<u>\$ 1,942,000</u>	<u>\$ 2,062,052</u>	<u>\$ (176,851)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,700,610	\$ 1,831,657	\$ 1,979,583	\$ 278,973
Total Expenditures	<u>\$ 1,700,610</u>	<u>\$ 1,831,657</u>	<u>\$ 1,979,583</u>	<u>\$ 278,973</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 184,591</u>	<u>\$ 110,343</u>	<u>\$ 82,469</u>	<u>\$ 102,122</u>
Net Change in Fund Balance	\$ 184,591	\$ 110,343	\$ 82,469	\$ 102,122
Fund Balance, July 1, 2019	<u>433,587</u>	<u>185,479</u>	<u>185,479</u>	<u>248,108</u>
Fund Balance, June 30, 2020	<u><u>\$ 618,178</u></u>	<u><u>\$ 295,822</u></u>	<u><u>\$ 267,948</u></u>	<u><u>\$ 350,230</u></u>

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

Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 235	\$ 235	\$ 235	\$ 0
Other Local Revenues	109,268	6,000	104,186	5,082
State of Tennessee	2,692,757	2,031,710	2,106,962	585,795
Federal Government	243,604	0	243,604	0
Total Revenues	<u>\$ 3,045,864</u>	<u>\$ 2,037,945</u>	<u>\$ 2,454,987</u>	<u>\$ 590,877</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 148,969	\$ 148,054	\$ 152,056	\$ 3,087
Highway and Bridge Maintenance	1,601,722	993,330	1,654,662	52,940
Operation and Maintenance of Equipment	498,554	367,599	525,880	27,326
Other Charges	115,339	56,800	125,984	10,645
Employee Benefits	118,168	120,500	117,154	(1,014)
Capital Outlay	190,312	0	190,312	0
<u>Principal on Debt</u>				
Highways and Streets	161,402	161,403	161,966	564
<u>Interest on Debt</u>				
General Government	0	21,598	76	76
Highways and Streets	21,597	0	21,597	0
Total Expenditures	<u>\$ 2,856,063</u>	<u>\$ 1,869,284</u>	<u>\$ 2,949,687</u>	<u>\$ 93,624</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 189,801</u>	<u>\$ 168,661</u>	<u>\$ (494,700)</u>	<u>\$ 684,501</u>
Net Change in Fund Balance	\$ 189,801	\$ 168,661	\$ (494,700)	\$ 684,501
Fund Balance, July 1, 2019	<u>830,748</u>	<u>886,732</u>	<u>886,732</u>	<u>(55,984)</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,020,549</u></u>	<u><u>\$ 1,055,393</u></u>	<u><u>\$ 392,032</u></u>	<u><u>\$ 628,517</u></u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 849,295
Equity in Pooled Cash and Investments	156,954
Due from Other Governments	456,801
Property Taxes Receivable	1,562,317
Allowance for Uncollectible Taxes	<u>(84,014)</u>
Total Assets	<u><u>\$ 2,941,353</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 4,248
Due to Other Taxing Units	2,061,150
Due to Litigants, Heirs, and Others	849,295
Due to Joint Ventures	<u>26,660</u>
Total Liabilities	<u><u>\$ 2,941,353</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Scott County:

A. Reporting Entity

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

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

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

The Scott County School Department operates the public school system in the county, and the voters of Scott County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Scott County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Scott County, and the county commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Scott County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Scott County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Scott County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program

revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Scott County issues all debt for the discretely presented Scott County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility

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

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

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

Scott County reports the following major governmental funds:

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

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

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

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

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

Additionally, Scott County reports the following fund types:

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

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

The discretely presented Scott County School Department reports the following major governmental fund:

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

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

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

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 Scott County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is assigned to various funds based on budgetary allocations. Scott County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. 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 State of America.

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

2. Receivables and Payables

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

All ambulance and property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.9 percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

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

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

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

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

3. Inventories

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

Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Scott County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Scott County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Scott County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

Primary Government

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the county. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the primary 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

The discretely presented school department's policy allows employees to accumulate sick pay benefits but not vacation benefits nor compensatory time. The Scott County Board of Education has adopted policies allowing certified employees to receive \$80 for each unused sick day that they had accumulated at the time of retirement. All sick pay is accrued when incurred in the government-wide financial statements for the school department. A liability for sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee retirements.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position, Governmental Activities, reports \$4,476,007 of restricted net position, of which \$121,378 is restricted by enabling legislation.

As of June 30, 2020, Scott County had \$15,573,401 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the discretely presented school department's General Purpose School Fund represents amounts appropriated for use in the 2020-21 year budget.

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Scott County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Scott County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Scott County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Scott County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Scott County School Department

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

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

Primary Government

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

Discretely Presented Scott County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2020, Scott County reported the following significant encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Nonmajor Fund:	
General Capital Projects	\$ 68,000

B. Investigations

An investigation report dated April 13, 2020, by the Comptroller’s Division of Investigations disclosed deficiencies at the Scott County Recycling Center. The investigation found that management did not maintain adequate records and did not account for all receipts during the period reviewed. Internal control deficiencies were also identified. This report is available on the Comptroller of the Treasury’ website: <https://comptroller.tn.gov/content/dam/cot/ia/advanced-search/2020/county/ScottCountyRecyclingReport.pdf>

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

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Employee Benefits major appropriations category (the legal level of control) of the Highway/Public Works Fund by \$1,014. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the Highway/Public Works Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Scott County and the Scott County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund’s portion of

this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, 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 Scott County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Scott County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. 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 Scott County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 24,331
Developed Market International Equity	N/A	N/A	10,988
Emerging Market International Equity	N/A	N/A	3,140
U.S. Fixed Income	N/A	N/A	15,697
Real Estate	N/A	N/A	7,849
Short-term Securities	N/A	N/A	785
NAV - Private Equity and Strategic Lending	N/A	N/A	15,697
Total			<u>\$ 78,487</u>

Investment by Fair Value Level		Fair Value Measurements Using				
		Fair Value 6-30-20	Quoted			
			Prices in			
			Active	Significant		
			Markets for	Other	Significant	
		Identical	Observable	Unobservable		
		Assets	Inputs	Inputs		
		(Level 1)	(Level 2)	(Level 3)	NAV	
U.S. Equity	\$ 24,331	\$ 24,331	\$ 0	\$ 0	0	
Developed Market						
International Equity	10,988	10,988	0	0	0	
Emerging Market						
International Equity	3,140	3,140	0	0	0	
U.S. Fixed Income	15,697	0	15,697	0	0	
Real Estate	7,849	0	0	7,849	0	
Short-term Securities	785	0	785	0	0	
Private Equity and Strategic Lending	15,697	0	0	0	15,697	
Total	\$ 78,487	\$ 38,459	\$ 16,482	\$ 7,849	15,697	

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Scott County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Scott County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Scott County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that

are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Scott County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Capital Assets

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

Primary Government - Governmental Activities

	Balance			Balance		
	7-1-19	Increases	Decreases		6-30-20	
Capital Assets Not Depreciated:						
Land	\$ 1,964,885	\$ 0	\$ 0	\$	1,964,885	
Construction in Progress	32,796	0	0		32,796	
Total Capital Assets Not Depreciated	\$ 1,997,681	\$ 0	\$ 0	\$	1,997,681	
Capital Assets Depreciated:						
Buildings and Improvements	\$ 19,975,840	\$ 68,567	\$ 0	\$	20,044,407	
Infrastructure	4,177,811	0	0		4,177,811	
Other Capital Assets	6,540,138	334,678	(258,604)		6,616,212	
Total Capital Assets Depreciated	\$ 30,693,789	\$ 403,245	\$ (258,604)	\$	30,838,430	
Less Accumulated Depreciation For:						
Buildings and Improvements	\$ 7,897,642	\$ 480,366	\$ 0	\$	8,378,008	
Infrastructure	1,070,497	104,445	0		1,174,942	
Other Capital Assets	4,719,248	373,304	(240,962)		4,851,590	
Total Accumulated Depreciation	\$ 13,687,387	\$ 958,115	\$ (240,962)	\$	14,404,540	
Total Capital Assets Depreciated, Net	\$ 17,006,402	\$ (554,870)	\$ (17,642)	\$	16,433,890	
Governmental Activities						
Capital Assets, Net	\$ 19,004,083	\$ (554,870)	\$ (17,642)	\$	18,431,571	

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

Governmental Activities:

General Government	\$ 465,915
Finance	3,773
Administration of Justice	3,091
Public Safety	189,679
Public Health and Welfare	120,098
Highways	<u>175,559</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 958,115</u></u>

Discretely Presented Scott County School Department -

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 910,561	\$ 0	\$ 910,561
Total Capital Assets Not Depreciated	<u>\$ 910,561</u>	<u>\$ 0</u>	<u>\$ 910,561</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 30,168,073	\$ 745,342	\$ 30,913,415
Infrastructure	257,625	0	257,625
Other Capital Assets	6,468,996	610,712	7,079,708
Total Capital Assets Depreciated	<u>\$ 36,894,694</u>	<u>\$ 1,356,054</u>	<u>\$ 38,250,748</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 14,214,262	\$ 767,105	\$ 14,981,367
Infrastructure	32,369	17,175	49,544
Other Capital Assets	4,829,696	303,172	5,132,868
Total Accumulated Depreciation	<u>\$ 19,076,327</u>	<u>\$ 1,087,452</u>	<u>\$ 20,163,779</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,818,367</u>	<u>\$ 268,602</u>	<u>\$ 18,086,969</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 18,728,928</u></u>	<u><u>\$ 268,602</u></u>	<u><u>\$ 18,997,530</u></u>

There were no decreases in capital assets to report for the year.

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

Governmental Activities:

Instruction	\$ 18,189
Support Services	931,639
Operation of Non-instructional Services	<u>137,624</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,087,452</u></u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 1,536

This balance 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:

Discretely Presented Scott County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General
	Purpose
	School
	Fund
Nonmajor governmental funds	\$ 33,000

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

The school department transferred \$33,000 from the School Federal Projects Fund (a nonmajor governmental fund) to the General Purpose School Fund to provide funds for indirect cost for grant programs.

D. Operating Leases

Scott County has leased operations of its nursing home to Preferred Health Services. The initial lease agreement expired August 31, 2013; however, the lease has been extended and will now expire August 31, 2034. Terms of the agreement call for Preferred Health Services to assume most of the current assets and liabilities of the nursing home and to pay Scott County a monthly fee. Payments under this agreement were \$118,254 for the year ended June 30, 2020. Future minimum lease payments under the agreement are as follows.

Year Ending June 30	Amount
2021	\$ 122,703
2022	125,771
2023	128,915
2024	132,138
2025	135,441
2026-2030	729,719
2031-2034	<u>652,229</u>
Total	<u><u>\$ 2,026,916</u></u>

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Scott County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds 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 bonds included in long-term debt as of June 30, 2020, will be retired from the Debt Service Funds.

Direct Borrowing and Direct Placements – Scott County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to five years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes outstanding at June 30, 2020, will be retired from the Highway/Public Works Fund. All other loans included in long-term debt as of June 30, 2020, will be retired from the Debt Service Funds.

General obligation bonds, capital outlay notes, 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	3 to 4.5	%	6-1-28	\$	1,250,000	\$ 710,000
General Obligation Bonds - Refunding	2 to 3.4		6-1-35		9,610,000	6,270,000
Direct Borrowing and Direct Placement:						
Capital Outlay Notes	3.59 to 3.75		2-15-24		830,000	471,095
Other Loans	Variable		5-25-35		23,594,938	16,780,339

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

The following table summarizes loan agreements outstanding at June 30, 2020:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-20	Interest Type	Interest Rates as of 6-30-20	Other Fees on Variable Rate Debt
<u>Montgomery County Public</u>					
<u>Building Authority</u>					
Justice Center	\$ 9,654,938 (1)	\$ 6,621,938	Variable	0.16%	0.68%
<u>City of Clarksville Public</u>					
<u>Building Authority</u>					
School Renovations and Improvements	13,940,000	<u>10,158,401</u>	Variable	0.18%	0.68%
Total		<u>\$ 16,780,339</u>			

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

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 605,000	\$ 205,726	\$ 810,726
2022	580,000	191,201	771,201
2023	615,000	176,314	791,314
2024	850,000	159,820	1,009,820
2025	885,000	136,871	1,021,871
2026-2030	3,270,000	280,201	3,550,201
2031-2035	<u>175,000</u>	<u>18,530</u>	<u>193,530</u>
Total	<u>\$ 6,980,000</u>	<u>\$ 1,168,663</u>	<u>\$ 8,148,663</u>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 167,355	\$ 15,645	\$ 183,000
2022	164,411	9,473	173,884
2023	68,382	5,225	73,607
2024	70,947	2,661	73,608
Total	\$ 471,095	\$ 33,004	\$ 504,099

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 799,000	\$ 28,880	\$ 114,300	\$ 942,180
2022	839,000	27,507	108,858	975,365
2023	881,000	26,064	103,142	1,010,206
2024	925,000	24,550	97,141	1,046,691
2025	970,000	22,959	90,840	1,083,799
2026-2030	5,632,000	88,039	348,168	6,068,207
2031-2035	6,734,339	34,067	134,157	6,902,563
Total	\$ 16,780,339	\$ 252,066	\$ 996,606	\$ 18,029,011

There is \$2,313,154 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$70, based on the 2010 federal census for residents living inside the Oneida Special School District and \$363 for residents living outside the Oneida Special School District. Debt per capita, including notes, bonds, other loans, and unamortized debt premiums, totaled \$847 for residents living inside the Oneida Special School District and \$1,144 for residents living outside the Oneida Special School District, based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 7,560,000	\$ 632,497	\$ 18,327,339
Additions	0	0	0
Reductions	(580,000)	(161,402)	(1,547,000)
Balance, June 30, 2020	<u>\$ 6,980,000</u>	<u>\$ 471,095</u>	<u>\$ 16,780,339</u>
Balance Due Within One Year	<u>\$ 605,000</u>	<u>\$ 167,355</u>	<u>\$ 799,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 24,231,434
Less: Balance Due Within One Year - Debt	(1,571,355)
Add: Unamortized Premium on Debt	<u>80,210</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 22,740,289</u>

During the year, the discretely presented Scott County School Department contributed \$380,129 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2019	\$ 249,237	\$ 1,765,581	\$ 205,882
Additions	254,532	0	119,149
Reductions	(252,182)	(68,073)	(57,737)
Balance, June 30, 2020	<u>\$ 251,587</u>	<u>\$ 1,697,508</u>	<u>\$ 267,294</u>
Balance Due Within One Year	<u>\$ 201,270</u>	<u>\$ 99,854</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 2,216,389
Less: Balance Due Within One Year - Other	<u>(301,124)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,915,265</u></u>

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

Discretely Presented Scott County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 0	\$ 3,025,317
Additions	278,943	1,221,475
Reductions	<u>(37,678)</u>	<u>(1,428,178)</u>
Balance, June 30, 2020	<u><u>\$ 241,265</u></u>	<u><u>\$ 2,818,614</u></u>
Balance Due Within One Year	<u><u>\$ 193,012</u></u>	<u><u>\$ 0</u></u>

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 3,059,879
Less: Balance Due Within One Year - Other	<u>(193,012)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 2,866,867</u></u>

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

G. Pledges of Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling \$30 for each motor-driven vehicle. The county pledged the tax collections to repay \$13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of Robbins Elementary, Burchfield Elementary, and Oneida schools. Upon payment and retirement of this debt, the tax will terminate. Future principal, estimated interest, and estimated fee requirements for the loans totaled \$10,929,528, payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were \$670,204 and \$584,676, respectively. Restricted fund balance in the General Debt Service Fund (\$121,378) represents the cumulative amount that these pledged revenues have exceeded the debt service requirements for the bonds since the inception of the wheel tax.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$53,127 and \$39,977, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

Scott County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local

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

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

B. Contingent Liabilities

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

C. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Scott County closed its sanitary landfill in 2007. The \$1,697,508 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual cost may be different due to inflation, changes in technology, or changes in regulations.

D. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union counties; and various cities within these counties. The purpose of the DTF is to provide

multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operation of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Scott County made no contributions to the DTF for the year ended June 30, 2020, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

E. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2020.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.03 percent, the non-certified employees of the discretely presented school department comprise 34.97 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	239
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	449
Active Employees	395
Total	<u><u>1,083</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Scott County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an

actuarial valuation. For the year ended June 30, 2020, the employer contribution for Scott County was \$713,348 based on a rate of 6.84 percent of covered payroll. The rate set by the Board of Trustees as determined by an actuarial valuation was 5.09 percent. By law, employer contributions are required to be paid. The TCRS may intercept Scott County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 Scott County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 29,643,824	\$ 31,949,964	\$ (2,306,140)
Changes for the Year:			
Service Cost	\$ 877,670	\$ 0	\$ 877,670
Interest	2,162,521	0	2,162,521
Differences Between Expected and Actual Experience	(592,987)	0	(592,987)
Changes in Assumptions	0	0	0
Contributions-Employer	0	701,289	(701,289)
Contributions-Employees	0	512,637	(512,637)
Net Investment Income	0	2,371,243	(2,371,243)
Benefit Payments, Including Refunds of Employee Contributions	(1,387,229)	(1,387,229)	0
Administrative Expense	0	(34,586)	34,586
Other Changes	0	0	0
Net Changes	\$ 1,059,975	\$ 2,163,354	\$ (1,103,379)
Balance, June 30, 2019	\$ 30,703,799	\$ 34,113,318	\$ (3,409,519)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.03%	\$ 19,966,680	\$ 22,183,891	\$ (2,217,210)
School Department	34.97%	10,737,119	11,929,427	(1,192,309)
Total		\$ 30,703,799	\$ 34,113,318	\$ (3,409,519)

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

(6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 509,160	\$ (3,409,519)	\$ (6,650,112)

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

Pension Expense. For the year ended June 30, 2020, Scott County recognized pension expense of \$174,437.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Scott County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 975,711
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	392,630
Changes in Assumptions	269,709	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	713,348	N/A
Total	<u>\$ 983,057</u>	<u>\$ 1,368,341</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	\$ 640,659	\$ 889,832
School Department	342,398	478,509
Total	<u>\$ 983,057</u>	<u>\$ 1,368,341</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	\$ (269,598)
2022	(425,148)
2023	(272,801)
2024	(131,078)
2025	0
Thereafter	0

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

Discretely Presented Scott County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Scott County and non-certified employees of the discretely presented Scott County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.03 percent and the non-certified employees of the discretely presented school department comprise 34.97 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$44,400, which is 2.03 percent of covered payroll. In addition, employer contributions of \$41,853, 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 (\$99,046) 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 .175463 percent. The proportion as of June 30, 2018, was .145457 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$30,018.

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	\$ 4,107	\$ 17,291
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,188
Changes in Assumptions	3,441	0
Changes in Proportion of Net Pension Liability (Asset)	677	13,254
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	44,400	N/A
Total	\$ 52,625	\$ 34,733

The school department's employer contributions of \$44,400, 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	\$ (3,165)
2022	(3,805)
2023	(2,631)
2024	(2,032)
2025	(1,861)
Thereafter	(13,013)

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	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$	31,382 \$	(99,046) \$	(195,457)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Scott County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$1,108,602, 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 (\$3,180,040) 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 .309288 percent. The proportion measured at June 30, 2018, was .300718 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$454,869.

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	\$ 154,828	\$ 1,942,431
Changes in Assumptions	428,527	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	908,599
Changes in Proportion of Net Pension Liability (Asset)	60,381	10,722
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	1,108,602	N/A
Total	<u>\$ 1,752,338</u>	<u>\$ 2,861,752</u>

The school department's employer contributions of \$1,108,602 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease (increase) in net pension liability (asset) in the year ending June 30, 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	\$ (618,375)
2022	(892,126)
2023	(404,511)
2024	(303,004)
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 actual experience including an adjustment for some anticipated improvement.

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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) \$	6,502,263	\$ (3,180,040)	\$ (10,882,043)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$109,269 and teachers contributed \$60,134 to this deferred compensation pension plan.

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

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

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

provides supplemental medical insurance for retirees with Medicare. However, the Scott County School Department does not provide premium support for teachers in the TNM plan.

The county and the school department’s total OPEB liability for each plan was measured as of June 30, 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, 2108 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 at 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 percent. TNM: 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 reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect

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

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

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Scott County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. Scott County has elected that as of June 30, 2019, active employees will no longer be allowed to participate in this plan. Current retirees as of that date will continue to be eligible for participation.

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

Employees Covered by Benefit Terms

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

	Scott County	Amb Service	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	0	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0	0
Active Employees	88	13	8	109
Total	88	13	8	109

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2020, the county paid \$1,537 (Scott County - \$1,140, Ambulance Service - \$267, Highway Dept - \$130) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Scott County	Amb Service	Hwy Dept	Total OPEB Liability
Balance July 1, 2018	\$ 70,789	\$ 13,711	\$ 10,504	\$ 95,004
Changes for the Year:				
Service Cost	\$ 20,293	\$ 3,645	\$ 2,854	\$ 26,792
Interest	3,284	628	483	4,395
Difference between Expected and Actual Experience	46,160	18,001	1,596	65,757
Changes in Assumption and Other Inputs	9,481	1,921	443	11,845
Benefit Payments	(707)	(23)	(39)	(769)
Net Changes	\$ 78,511	\$ 24,172	\$ 5,337	\$ 108,020
Balance June 30, 2019	\$ 149,300	\$ 37,883	\$ 15,841	\$ 203,024

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 \$24,232 (Scott County - \$19,309, Ambulance Service - \$3,528, Highway Dept - \$1,395). At June 30, 2020, the county reported deferred

outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows

	Scott County	Amb Service	Hwy Dept	Total Deferred Outflows
Difference Between Expected and Actual Experience	\$ 40,242	\$ 15,861	\$ 1,343	\$ 57,446
Changes of Assumptions/Inputs	9,428	1,693	989	12,110
Benefits Paid After the Measurement Date of June 30, 2019	1,140	267	130	1,537
Total	<u>\$ 50,810</u>	<u>\$ 17,821</u>	<u>\$ 2,462</u>	<u>\$ 71,093</u>

Deferred Inflows

	Scott County	Amb Service	Hwy Dept	Total Deferred Inflows
Difference Between Expected and Actual Experience	\$ 85,131	\$ 22,536	\$ 11,969	\$ 119,636
Changes of Assumptions/Inputs	6,692	2,011	649	9,352
Total	<u>\$ 91,823</u>	<u>\$ 24,547</u>	<u>\$ 12,618</u>	<u>\$ 128,988</u>

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

Year Ending June 30	County	Amb	Hwy	Total Amount
2021	\$ (4,268)	\$ (745)	\$ (1,942)	\$ (6,955)
2022	(4,268)	(745)	(1,942)	(6,955)
2023	(4,268)	(745)	(1,942)	(6,955)
2024	(4,268)	(745)	(1,942)	(6,955)
2025	(4,268)	(745)	(1,942)	(6,955)
Thereafter	(20,813)	(3,268)	(576)	(24,657)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was

calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 162,359	\$ 149,300	\$ 137,335
Amb	42,040	37,883	34,171
Hwy	16,680	15,841	15,039
Total OPEB Liability	<u>\$ 221,079</u>	<u>\$ 203,024</u>	<u>\$ 186,545</u>

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

	1% Decrease 5.03 to 3.5%	Current Trend Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
County	\$ 130,919	\$ 149,300	\$ 171,379
Amb	32,454	37,883	44,620
Hwy	14,534	15,841	17,355
Total OPEB Liability	<u>\$ 177,907</u>	<u>\$ 203,024</u>	<u>\$ 233,354</u>

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

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

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Scott County and the discretely presented school department provided a direct subsidy of \$25 to \$50 per month for eligible retirees based on 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	15
Inactive Employees Entitled to But Not Yet Receiving Benefits	11
Active Employees	134
Total	<u><u>160</u></u>

Employees of the primary government comprise 28 percent of the plan and employees of the discretely presented school department comprise 72 percent of the plan.

In accordance with TCA 8-27-209, the state insurance committees established by TCA 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the county paid \$6,588 (primary government - \$1,845 and school department - \$4,743) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Primary Government 28%	School Department 72%	Total OPEB Liability
Balance July 1, 2018	\$ 110,878	\$ 285,116	\$ 395,994
Changes for the Year:			
Service Cost	\$ 4,875	\$ 12,536	\$ 17,411
Interest	4,161	10,700	14,861
Difference between Expected and Actuarial Experience	(55,341)	(142,304)	(197,645)
Changes in Assumption and Other Inputs	1,324	3,405	4,729
Benefit Payments	(1,628)	(4,185)	(5,813)
Net Changes	\$ (46,609)	\$ (119,848)	\$ (166,457)
Balance June 30, 2019	\$ 64,269	\$ 165,268	\$ 229,537

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized negative OPEB expense of \$3,393 (primary government - \$950 and school department - \$2,443). At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 65,913
Changes of Assumptions/Inputs	1,177	9,687
Benefits Paid After the Measurement Date of June 30, 2019	1,845	0
Total	\$ 3,022	\$ 75,600

Discretely Presented School Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 169,491
Changes of Assumptions/Inputs	3,027	24,910
Benefits Paid After the Measurement Date of June 30, 2019	4,743	0
Total	<u>\$ 7,770</u>	<u>\$ 194,401</u>

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

Year Ending June 30	Primary Government 28%	School Department 72%	Total Amount
2021	\$ (9,986)	\$ (25,679)	\$ (35,665)
2022	(9,986)	(25,679)	(35,665)
2023	(9,986)	(25,679)	(35,665)
2024	(9,986)	(25,679)	(35,665)
2025	(9,986)	(25,679)	(35,665)
Thereafter	(24,492)	(62,980)	(87,472)

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

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

		1% Decrease 2.51%		Current Discount Rate 3.51%		1% Increase 4.51%	
Primary Government	28%	\$	74,142	\$	64,270	\$	56,196
School Department	72%		190,650		165,267		144,504
Total OPEB Liability		\$	264,792	\$	229,537	\$	200,700

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

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

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

Benefits Provided. The Scott County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees including teachers, support staff, and disabled participants. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Scott County provided a direct subsidy of \$283 per month toward the cost of the insurance plan selected by eligible retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 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:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	15
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	327
Total	<u>342</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 \$106,836 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Scott County School Department 66.9142%	State of TN 33.0858%	Total OPEB Liability
Balance July 1, 2018	\$ 2,740,202	\$ 1,289,222	\$ 4,029,424
Changes for the Year:			
Service Cost	\$ 142,966	\$ 70,689	\$ 213,655
Interest	100,682	49,783	150,465
Changes in Benefit Terms	(915,056)	(452,451)	(1,367,507)
Difference between Expected and Actuarial Experience	946,500	467,998	1,414,498
Changes in Assumption and Other Inputs	(201,074)	(99,422)	(300,496)
Benefit Payments	(116,926)	(57,814)	(174,740)
Change in Proportionate Share	(43,946)	43,946	0
Net Changes	\$ (86,854)	\$ 22,729	\$ (64,125)
Balance June 30, 2019	\$ 2,653,348	\$ 1,311,951	\$ 3,965,299

The Scott County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Scott County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expense for school department employees was negative. Consequently, the school department has recorded the negative collective OPEB expense (\$968,508) and recorded negative operating grants and contributions revenues (\$278,137) for the nonemployer share of the collective OPEB expense.

During the year, the Scott County School Department's proportionate share of the collective OPEB liability was 66.9142% and the State of Tennessee's share was 33.0858%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. As stated above, for the year ended June 30, 2020, the school department recognized negative OPEB expense of \$968,508, which includes the state share of negative expenses of \$278,137. 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	\$ 846,022	\$ 360,910
Changes of Assumptions/Inputs	67,106	338,934
Changes in Proportions	0	359,156
Benefits Paid After the Measurement Date of June 30, 2019	106,836	0
Total	<u>\$ 1,019,964</u>	<u>\$ 1,059,000</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	\$ (18,962)
2022	(18,962)
2023	(18,962)
2024	(18,962)
2025	(18,962)
Thereafter	(51,061)

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

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

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,867,573	\$ 2,653,348	\$ 2,450,896
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,351,844	\$ 2,653,348	\$ 3,010,371
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H. Office of Central Accounting, Budgeting, and Purchasing

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

I. Purchasing Law

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Scott County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 707,578	\$ 761,122	\$ 798,442	\$ 796,601	\$ 860,123	\$ 877,670
Interest	1,788,261	1,833,841	1,930,160	2,006,895	2,075,246	2,162,521
Changes in Benefit Terms	0	0				
Differences Between Actual and Expected Experience	(858,120)	(170,820)	(488,496)	(412,439)	(397,742)	(592,987)
Changes in Assumptions	0	0	0	674,274	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)	(1,387,229)
Net Change in Total Pension Liability	\$ 606,025	\$ 1,288,774	\$ 1,021,069	\$ 1,854,097	\$ 1,222,111	\$ 1,059,975
Total Pension Liability, Beginning	23,651,748	24,257,773	25,546,547	26,567,616	28,421,713	29,643,824
Total Pension Liability, Ending (a)	\$ 24,257,773	\$ 25,546,547	\$ 26,567,616	\$ 28,421,713	\$ 29,643,824	\$ 30,703,799
Plan Fiduciary Net Position						
Contributions - Employer	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599	\$ 701,289
Contributions - Employee	437,771	458,184	473,281	491,666	488,744	512,637
Net Investment Income	3,621,707	783,535	692,957	3,026,444	2,456,199	2,371,243
Benefit Payments, Including Refunds of Employee Contributions	(1,031,694)	(1,135,369)	(1,219,037)	(1,211,234)	(1,315,516)	(1,387,229)
Administrative Expense	(14,181)	(19,101)	(28,324)	(32,874)	(35,604)	(34,586)
Net Change in Plan Fiduciary Net Position	\$ 3,613,518	\$ 714,955	\$ 559,405	\$ 2,938,653	\$ 2,262,422	\$ 2,163,354
Plan Fiduciary Net Position, Beginning	21,861,011	25,474,529	26,189,484	26,748,889	29,687,542	31,949,964
Plan Fiduciary Net Position, Ending (b)	\$ 25,474,529	\$ 26,189,484	\$ 26,748,889	\$ 29,687,542	\$ 31,949,964	\$ 34,113,318
Net Pension Liability (Asset), Ending (a - b)	\$ (1,216,756)	\$ (642,937)	\$ (181,273)	\$ (1,265,829)	\$ (2,306,140)	\$ (3,409,519)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.02%	102.52%	100.68%	104.45%	107.78%	111.10%
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854	\$ 10,252,776
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.85%)	(7.02%)	(1.94%)	(13.05%)	(23.59%)	(33.25%)

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 599,915	\$ 627,706	\$ 640,528	\$ 664,651	\$ 668,599	\$ 701,289	\$ 713,348
Less Contributions in Relation to the Actuarially Determined Contribution	(599,915)	(627,706)	(640,528)	(664,651)	(668,599)	(701,289)	(713,348)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,783,504	\$ 9,163,587	\$ 9,352,653	\$ 9,702,928	\$ 9,774,854	\$ 10,252,776	\$ 10,429,808
Contributions as a Percentage of Covered Payroll	6.83%	6.85%	6.85%	6.85%	6.84%	6.84%	6.84%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 10,385	\$ 26,542	\$ 38,549	\$ 50,845	\$ 36,021	\$ 44,400
Less Contributions in Relation to the Contractually Required Contribution	(10,385)	(26,542)	(38,549)	(50,845)	(36,021)	(44,400)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 259,629	\$ 663,548	\$ 963,709	\$ 1,271,106	\$ 1,856,751	\$ 2,188,356
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 971,075	\$ 978,048	\$ 974,896	\$ 965,129	\$ 956,139	\$ 1,084,794	\$ 1,108,602
Less Contributions in Relation to the Contractually Required Contribution	(971,075)	(978,048)	(974,896)	(965,129)	(956,139)	(1,084,794)	(1,108,602)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145	\$ 10,370,866	\$ 10,430,310
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit E-5

Scott County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Scott 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	0.122379%	0.150805%	0.146833%	0.145457%	0.175463%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,028) \$	(15,699) \$	(38,740) \$	(65,969) \$	(99,046)
Covered Payroll	\$ 259,629 \$	663,548 \$	963,709 \$	1,271,106 \$	1,856,751
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 (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.278613%	0.289010%	0.298749%	0.302019%	0.300718%	0.309288%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (45,273)	\$ 118,387	\$ 1,867,018	\$ (98,816)	\$ (1,058,201)	\$ (3,180,040)
Covered Payroll	\$ 10,935,526	\$ 10,819,137	\$ 10,784,278	\$ 10,676,229	\$ 10,530,145	\$ 10,370,866
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.

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

Scott County Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 18,534	\$ 17,452	\$ 20,293
Interest	4,638	6,073	3,284
Differences Between Actual and Expected Experience	0	(106,415)	46,160
Changes in Assumptions or Other Inputs	(9,407)	1,453	9,481
Benefit Payments	0	(1,825)	(707)
Net Change in Total OPEB Liability	\$ 13,765	\$ (83,262)	\$ 78,511
Total OPEB Liability, Beginning	140,286	154,051	70,789
Total OPEB Liability, Ending	<u>\$ 154,051</u>	<u>\$ 70,789</u>	<u>\$ 149,300</u>

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

Ambulance Service Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 4,074	\$ 3,795	\$ 3,645
Interest	1,124	1,451	628
Differences Between Actual and Expected Experience	0	(28,241)	18,001
Changes in Assumptions or Other Inputs	(2,572)	(199)	1,921
Benefit Payments	0	(135)	(23)
Net Change in Total OPEB Liability	\$ 2,626	\$ (23,329)	\$ 24,172
Total OPEB Liability, Beginning	34,414	37,040	13,711
Total OPEB Liability, Ending	<u>\$ 37,040</u>	<u>\$ 13,711</u>	<u>\$ 37,883</u>

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

(Continued)

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 2,594	\$ 2,452	\$ 2,854
Interest	677	899	483
Differences Between Actual and Expected Experience	0	(16,485)	1,596
Changes in Assumptions or Other Inputs	(1,018)	848	443
Benefit Payments	0	(37)	(39)
Net Change in Total OPEB Liability	\$ 2,253	\$ (12,323)	\$ 5,337
Total OPEB Liability, Beginning	20,574	22,827	10,504
Total OPEB Liability, Ending	<u>\$ 22,827</u>	<u>\$ 10,504</u>	<u>\$ 15,841</u>

Covered Employee Payroll	\$ 726,472	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.14%	N/A	N/A

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

Note 2: Changes in assumptions.

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

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

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

For the 2019 plan year - from 5.4% to 6.75%.

For the 2020 plan year - from 6.75% to 6.03%.

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

Therefore, covered employee payroll is not applicable after the 2017 measurement date.

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

Exhibit E-8

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

Scott County Plan (Includes noncertified employees of the discretely presented school department)

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 22,393	\$ 19,132	\$ 17,411
Interest	14,089	16,480	14,861
Differences Between Actual and Expected Experience	0	(76,784)	(197,645)
Changes in Assumptions or Other Inputs	(47,594)	(3,685)	4,729
Benefit Payments	(4,500)	(5,900)	(5,813)
Net Change in Total OPEB Liability	\$ (15,612)	\$ (50,757)	\$ (166,457)
Total OPEB Liability, Beginning	462,363	446,751	395,994
Total OPEB Liability, Ending	<u>\$ 446,751</u>	<u>\$ 395,994</u>	<u>\$ 229,537</u>
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
Scott County Proportion of Total OPEB Liability	\$ 125,091	\$ 110,878	\$ 64,270
Scott County School Department Proportion of Total OPEB Liability	\$ 321,660	\$ 285,116	\$ 165,267

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%

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 453,311	\$ 419,647	\$ 213,655
Interest	205,071	253,202	150,465
Changes in Benefit Terms	0	(2,682,544)	(1,367,507)
Differences Between Actual and Expected Experience	0	(666,270)	1,414,498
Changes in Assumptions or Other Inputs	(333,097)	123,883	(300,496)
Benefit Payments	(181,827)	(222,517)	(174,740)
Net Change in Total OPEB Liability	\$ 143,458	\$ (2,774,599)	\$ (64,125)
Total OPEB Liability, Beginning	6,660,565	6,804,023	4,029,424
 Total OPEB Liability, Ending	 \$ 6,804,023	 \$ 4,029,424	 \$ 3,965,299
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 1,792,384	 \$ 1,289,222	 \$ 1,311,950
Employer Proportionate Share of the Total OPEB Liability	\$ 5,011,639	\$ 2,740,202	\$ 2,653,349
 Covered Employee Payroll	 \$ 15,396,919	 \$ 15,540,075	 \$ 16,234,921
Net OPEB Liability as a Percentage of Covered Employee Payroll	32.55%	17.63%	16.34%

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

Note 2: Changes in assumptions.

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

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

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

For the 2019 plan year - from 5.4% to 6.75%.

For the 2020 plan year - from 6.75% to 6.03%.

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

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

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

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,500	\$ 1,500	\$ 0
Equity in Pooled Cash and Investments	696,742	82,917	0	779,659	278,226
Accounts Receivable	0	0	36	36	0
Due from Other Governments	5,844	0	0	5,844	0
Property Taxes Receivable	0	0	0	0	54,080
Allowance for Uncollectible Property Taxes	0	0	0	0	(2,896)
Total Assets	<u>\$ 702,586</u>	<u>\$ 82,917</u>	<u>\$ 1,536</u>	<u>\$ 787,039</u>	<u>\$ 329,410</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 666	\$ 70	\$ 0	\$ 736	\$ 0
Accrued Payroll	4,305	0	0	4,305	0
Due to Other Funds	0	0	1,536	1,536	0
Total Liabilities	<u>\$ 4,971</u>	<u>\$ 70</u>	<u>\$ 1,536</u>	<u>\$ 6,577</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,072
Deferred Delinquent Property Taxes	0	0	0	0	1,926
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,998</u>

(Continued)

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 82,847	\$ 0	\$ 82,847	\$ 0
Restricted for Public Health and Welfare	697,615	0	0	697,615	0
Restricted for Capital Projects	0	0	0	0	278,412
Total Fund Balances	<u>\$ 697,615</u>	<u>\$ 82,847</u>	<u>\$ 0</u>	<u>\$ 780,462</u>	<u>\$ 278,412</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 702,586</u>	<u>\$ 82,917</u>	<u>\$ 1,536</u>	<u>\$ 787,039</u>	<u>\$ 329,410</u>

(Continued)

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

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

LIABILITIES
Accounts Payable
Accrued Payroll
Due to Other Funds
Total Liabilities

DEFERRED INFLOWS OF RESOURCES
Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Total Deferred Inflows of Resources

Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
Education Capital Projects	Total	Funds
\$ 0	\$ 0	\$ 1,500
85,399	363,625	1,143,284
0	0	36
0	0	5,844
0	54,080	54,080
0	(2,896)	(2,896)
<hr/>		
\$ 85,399	\$ 414,809	\$ 1,201,848
<hr/>		
\$ 0	\$ 0	\$ 736
0	0	4,305
0	0	1,536
<hr/>		
\$ 0	\$ 0	\$ 6,577
<hr/>		
\$ 0	\$ 49,072	\$ 49,072
0	1,926	1,926
<hr/>		
\$ 0	\$ 50,998	\$ 50,998
<hr/>		

(Continued)

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

<u>FUND BALANCES</u>	
Restricted:	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Capital Projects	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

<u>Capital Projects Funds (Cont.)</u>		
Education Capital Projects	Total	Total Nonmajor Governmental Funds
<hr/>		
\$ 0	\$ 0	\$ 82,847
0	0	697,615
85,399	363,811	363,811
<hr/>		
\$ 85,399	\$ 363,811	\$ 1,144,273
<hr/>		
\$ 85,399	\$ 414,809	\$ 1,201,848
<hr/> <hr/>		

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,654
Fines, Forfeitures, and Penalties	0	13,539	0	13,539	0
Charges for Current Services	275,094	0	23,885	298,979	0
Other Local Revenues	6,522	0	0	6,522	19,716
State of Tennessee	46,762	0	0	46,762	0
Total Revenues	\$ 328,378	\$ 13,539	\$ 23,885	\$ 365,802	\$ 69,370
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,989
Finance	0	0	5	5	9,046
Administration of Justice	0	0	23,880	23,880	1,953
Public Safety	0	15,436	0	15,436	0
Public Health and Welfare	215,032	0	0	215,032	0
Social, Cultural, and Recreational Services	0	0	0	0	727
Other Operations	0	0	0	0	20,400
Highways	14,355	0	0	14,355	991
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 229,387	\$ 15,436	\$ 23,885	\$ 268,708	\$ 137,106
Excess (Deficiency) of Revenues Over Expenditures	\$ 98,991	\$ (1,897)	\$ 0	\$ 97,094	\$ (67,736)

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	\$ 98,991	\$ (1,897)	\$ 0	\$ 97,094	\$ (67,736)
Fund Balance, July 1, 2019	598,624	84,744	0	683,368	346,148
Fund Balance, June 30, 2020	<u>\$ 697,615</u>	<u>\$ 82,847</u>	<u>\$ 0</u>	<u>\$ 780,462</u>	<u>\$ 278,412</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 13,988	\$ 63,642	\$ 63,642
Fines, Forfeitures, and Penalties	0	0	13,539
Charges for Current Services	0	0	298,979
Other Local Revenues	0	19,716	26,238
State of Tennessee	0	0	46,762
Total Revenues	<u>\$ 13,988</u>	<u>\$ 83,358</u>	<u>\$ 449,160</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 103,989	\$ 103,989
Finance	0	9,046	9,051
Administration of Justice	0	1,953	25,833
Public Safety	0	0	15,436
Public Health and Welfare	0	0	215,032
Social, Cultural, and Recreational Services	0	727	727
Other Operations	0	20,400	20,400
Highways	0	991	15,346
Capital Projects	228	228	228
Total Expenditures	<u>\$ 228</u>	<u>\$ 137,334</u>	<u>\$ 406,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,760</u>	<u>\$ (53,976)</u>	<u>\$ 43,118</u>

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
Net Change in Fund Balances	\$ 13,760	\$ (53,976)	\$ 43,118
Fund Balance, July 1, 2019	71,639	417,787	1,101,155
Fund Balance, June 30, 2020	<u>\$ 85,399</u>	<u>\$ 363,811</u>	<u>\$ 1,144,273</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 275,094	\$ 192,000	\$ 206,535	\$ 68,559
Other Local Revenues	6,522	10,500	10,500	(3,978)
State of Tennessee	46,762	69,200	69,200	(22,438)
Total Revenues	<u>\$ 328,378</u>	<u>\$ 271,700</u>	<u>\$ 286,235</u>	<u>\$ 42,143</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 202,142	\$ 194,389	\$ 237,880	\$ 35,738
Postclosure Care Costs	12,890	15,500	15,500	2,610
<u>Highways</u>				
Litter and Trash Collection	14,355	15,000	15,000	645
Total Expenditures	<u>\$ 229,387</u>	<u>\$ 224,889</u>	<u>\$ 268,380</u>	<u>\$ 38,993</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 98,991</u>	<u>\$ 46,811</u>	<u>\$ 17,855</u>	<u>\$ 81,136</u>
Net Change in Fund Balance	\$ 98,991	\$ 46,811	\$ 17,855	\$ 81,136
Fund Balance, July 1, 2019	<u>598,624</u>	<u>474,242</u>	<u>474,242</u>	<u>124,382</u>
Fund Balance, June 30, 2020	<u><u>\$ 697,615</u></u>	<u><u>\$ 521,053</u></u>	<u><u>\$ 492,097</u></u>	<u><u>\$ 205,518</u></u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 13,539	\$ 30,000	\$ 30,000	\$ (16,461)
Total Revenues	\$ 13,539	\$ 30,000	\$ 30,000	\$ (16,461)
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 15,436	\$ 30,000	\$ 30,000	\$ 14,564
Total Expenditures	\$ 15,436	\$ 30,000	\$ 30,000	\$ 14,564
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,897)	\$ 0	\$ 0	\$ (1,897)
Net Change in Fund Balance	\$ (1,897)	\$ 0	\$ 0	\$ (1,897)
Fund Balance, July 1, 2019	84,744	112,023	112,023	(27,279)
Fund Balance, June 30, 2020	\$ 82,847	\$ 112,023	\$ 112,023	\$ (29,176)

Exhibit F-5

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 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	\$ 49,654	\$ 0	\$ 0	\$ 49,654	\$ 44,742	\$ 46,042	\$ 3,612
Other Local Revenues	19,716	0	0	19,716	0	5,365	14,351
State of Tennessee	0	0	0	0	0	152	(152)
Total Revenues	\$ 69,370	\$ 0	\$ 0	\$ 69,370	\$ 44,742	\$ 51,559	\$ 17,811
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 103,989	\$ (99,189)	\$ 0	\$ 4,800	\$ 19,800	\$ 19,800	\$ 15,000
<u>Finance</u>							
Accounting and Budgeting	9,046	0	0	9,046	15,000	15,000	5,954
<u>Administration of Justice</u>							
Circuit Court	1,953	0	0	1,953	1,960	1,960	7
Chancery Court	0	0	0	0	3,000	3,000	3,000
<u>Public Safety</u>							
Sheriff's Department	0	0	68,000	68,000	68,000	68,000	0
<u>Social, Cultural, and Recreational Services</u>							
Libraries	727	0	0	727	575	727	0
<u>Other Operations</u>							
Airport	20,400	0	0	20,400	14,000	20,400	0
<u>Highways</u>							
Capital Outlay	991	0	0	991	0	1,300	309
Total Expenditures	\$ 137,106	\$ (99,189)	\$ 68,000	\$ 105,917	\$ 122,335	\$ 130,187	\$ 24,270
Excess (Deficiency) of Revenues Over Expenditures	\$ (67,736)	\$ 99,189	\$ (68,000)	\$ (36,547)	\$ (77,593)	\$ (78,628)	\$ 42,081
Net Change in Fund Balance	\$ (67,736)	\$ 99,189	\$ (68,000)	\$ (36,547)	\$ (77,593)	\$ (78,628)	\$ 42,081
Fund Balance, July 1, 2019	346,148	(99,189)	0	246,959	200,730	200,730	46,229
Fund Balance, June 30, 2020	\$ 278,412	\$ 0	\$ (68,000)	\$ 210,412	\$ 123,137	\$ 122,102	\$ 88,310

Exhibit F-6

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Capital Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 13,988	\$ 0	\$ 250	\$ 13,738
Total Revenues	\$ 13,988	\$ 0	\$ 250	\$ 13,738
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 228	\$ 0	\$ 250	\$ 22
Total Expenditures	\$ 228	\$ 0	\$ 250	\$ 22
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,760	\$ 0	\$ 0	\$ 13,760
Net Change in Fund Balance	\$ 13,760	\$ 0	\$ 0	\$ 13,760
Fund Balance, July 1, 2019	71,639	0	0	71,639
Fund Balance, June 30, 2020	\$ 85,399	\$ 0	\$ 0	\$ 85,399

Major Governmental Funds

Debt Service Funds

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

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

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

Exhibit G-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,348,048	\$ 1,387,936	\$ 1,387,936	\$ (39,888)
Licenses and Permits	660	800	800	(140)
Other Local Revenues	164,073	151,372	151,372	12,701
Total Revenues	<u>\$ 1,512,781</u>	<u>\$ 1,540,108</u>	<u>\$ 1,540,108</u>	<u>\$ (27,327)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 936,000	\$ 936,000	\$ 936,000	\$ 0
<u>Interest on Debt</u>				
General Government	296,517	401,614	401,614	105,097
<u>Other Debt Service</u>				
General Government	139,317	199,580	199,580	60,263
Total Expenditures	<u>\$ 1,371,834</u>	<u>\$ 1,537,194</u>	<u>\$ 1,537,194</u>	<u>\$ 165,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 140,947</u>	<u>\$ 2,914</u>	<u>\$ 2,914</u>	<u>\$ 138,033</u>
Net Change in Fund Balance	\$ 140,947	\$ 2,914	\$ 2,914	\$ 138,033
Fund Balance, July 1, 2019	<u>950,828</u>	<u>820,026</u>	<u>820,026</u>	<u>130,802</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,091,775</u></u>	<u><u>\$ 822,940</u></u>	<u><u>\$ 822,940</u></u>	<u><u>\$ 268,835</u></u>

Exhibit G-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 801,777	\$ 792,800	\$ 792,800	\$ 8,977
Other Governments and Citizens Groups	380,129	380,129	380,129	0
Total Revenues	<u>\$ 1,181,906</u>	<u>\$ 1,172,929</u>	<u>\$ 1,172,929</u>	<u>\$ 8,977</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,191,000	\$ 593,000	\$ 1,191,000	\$ 0
<u>Interest on Debt</u>				
Education	171,968	194,549	194,549	22,581
<u>Other Debt Service</u>				
Education	21,912	38,200	38,200	16,288
Total Expenditures	<u>\$ 1,384,880</u>	<u>\$ 825,749</u>	<u>\$ 1,423,749</u>	<u>\$ 38,869</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (202,974)</u>	<u>\$ 347,180</u>	<u>\$ (250,820)</u>	<u>\$ 47,846</u>
Net Change in Fund Balance	\$ (202,974)	\$ 347,180	\$ (250,820)	\$ 47,846
Fund Balance, July 1, 2019	<u>1,424,353</u>	<u>1,313,178</u>	<u>1,313,178</u>	<u>111,175</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,221,379</u></u>	<u><u>\$ 1,660,358</u></u>	<u><u>\$ 1,062,358</u></u>	<u><u>\$ 159,021</u></u>

Fiduciary Funds

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

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

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

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

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

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

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

	Agency Funds						
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu - tional Officers - Agency	Judicial District Drug		Total
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 849,295	\$ 0	\$	849,295
Equity in Pooled Cash and Investments	0	45,387	80,659	0	30,908		156,954
Due from Other Governments	332,500	0	124,301	0	0		456,801
Property Taxes Receivable	0	577,694	984,623	0	0		1,562,317
Allowance for Uncollectible Property Taxes	0	(31,286)	(52,728)	0	0		(84,014)
Total Assets	\$ 332,500	\$ 591,795	\$ 1,136,855	\$ 849,295	\$ 30,908	\$	2,941,353
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,248	\$	4,248
Due to Other Taxing Units	332,500	591,795	1,136,855	0	0		2,061,150
Due to Litigants, Heirs, and Others	0	0	0	849,295	0		849,295
Due to Joint Ventures	0	0	0	0	26,660		26,660
Total Liabilities	\$ 332,500	\$ 591,795	\$ 1,136,855	\$ 849,295	\$ 30,908	\$	2,941,353

Exhibit H-2

Scott 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	\$ 1,788,853	\$ 1,788,853	\$ 0
Due from Other Governments	302,083	332,500	302,083	332,500
Total Assets	<u>\$ 302,083</u>	<u>\$ 2,121,353</u>	<u>\$ 2,090,936</u>	<u>\$ 332,500</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 302,083	\$ 2,121,353	\$ 2,090,936	\$ 332,500
Total Liabilities	<u>\$ 302,083</u>	<u>\$ 2,121,353</u>	<u>\$ 2,090,936</u>	<u>\$ 332,500</u>
<u>Special School District</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,018	\$ 487,570	\$ 453,201	\$ 45,387
Property Taxes Receivable	574,414	577,694	574,414	577,694
Allowance for Uncollectible Taxes	(33,213)	(31,286)	(33,213)	(31,286)
Total Assets	<u>\$ 552,219</u>	<u>\$ 1,033,978</u>	<u>\$ 994,402</u>	<u>\$ 591,795</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 552,219	\$ 1,033,978	\$ 994,402	\$ 591,795
Total Liabilities	<u>\$ 552,219</u>	<u>\$ 1,033,978</u>	<u>\$ 994,402</u>	<u>\$ 591,795</u>
<u>City School ADA - Oneida Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 58,726	\$ 1,577,040	\$ 1,555,107	\$ 80,659
Due from Other Governments	111,406	124,301	111,406	124,301
Property Taxes Receivable	971,540	984,623	971,540	984,623
Allowance for Uncollectible Taxes	(56,265)	(52,728)	(56,265)	(52,728)
Total Assets	<u>\$ 1,085,407</u>	<u>\$ 2,633,236</u>	<u>\$ 2,581,788</u>	<u>\$ 1,136,855</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,085,407	\$ 2,633,236	\$ 2,581,788	\$ 1,136,855
Total Liabilities	<u>\$ 1,085,407</u>	<u>\$ 2,633,236</u>	<u>\$ 2,581,788</u>	<u>\$ 1,136,855</u>

(Continued)

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,204,776	\$ 5,201,398	\$ 5,556,879	\$ 849,295
Accounts Receivable	4,318	0	4,318	0
Total Assets	<u>\$ 1,209,094</u>	<u>\$ 5,201,398</u>	<u>\$ 5,561,197</u>	<u>\$ 849,295</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,209,094</u>	<u>\$ 5,201,398</u>	<u>\$ 5,561,197</u>	<u>\$ 849,295</u>
Total Liabilities	<u>\$ 1,209,094</u>	<u>\$ 5,201,398</u>	<u>\$ 5,561,197</u>	<u>\$ 849,295</u>
<u>Judicial District Drug</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 88,421	\$ 238,466	\$ 295,979	\$ 30,908
Due from Other Governments	33,457	0	33,457	0
Total Assets	<u>\$ 121,878</u>	<u>\$ 238,466</u>	<u>\$ 329,436</u>	<u>\$ 30,908</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,073	\$ 4,248	\$ 1,073	\$ 4,248
Due to Joint Venture	120,805	26,660	120,805	26,660
Total Liabilities	<u>\$ 121,878</u>	<u>\$ 30,908</u>	<u>\$ 121,878</u>	<u>\$ 30,908</u>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,204,776	\$ 5,201,398	\$ 5,556,879	\$ 849,295
Equity in Pooled Cash and Investments	158,165	4,091,929	4,093,140	156,954
Account Receivables	4,318	0	4,318	0
Due from Other Governments	446,946	456,801	446,946	456,801
Property Taxes Receivable	1,545,954	1,562,317	1,545,954	1,562,317
Allowance for Uncollectible Taxes	(89,478)	(84,014)	(89,478)	(84,014)
Total Assets	<u>\$ 3,270,681</u>	<u>\$ 11,228,431</u>	<u>\$ 11,557,759</u>	<u>\$ 2,941,353</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,073	\$ 4,248	\$ 1,073	\$ 4,248
Due to Other Taxing Units	1,939,709	5,788,567	5,667,126	2,061,150
Due to Litigants, Heirs, and Others	1,209,094	5,201,398	5,561,197	849,295
Due to Joint Venture	120,805	26,660	120,805	26,660
Total Liabilities	<u>\$ 3,270,681</u>	<u>\$ 11,020,873</u>	<u>\$ 11,350,201</u>	<u>\$ 2,941,353</u>

Scott County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 14,799,187	\$ 19,165	\$ 422,846	0	\$ (14,357,176)
Support Services	8,762,999	12,761	722,801	0	(8,027,437)
Operation of Non-instructional Services	3,017,999	141,607	2,902,193	0	25,801
Total Governmental Activities	<u>\$ 26,580,185</u>	<u>\$ 173,533</u>	<u>\$ 4,047,840</u>	<u>0</u>	<u>\$ (22,358,812)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,035,397
Local Option Sales Taxes					1,550,422
Other Local Taxes					455
Grants and Contributions Not Restricted to Specific Programs					19,575,952
Gain on Investments					2,443
Miscellaneous					8,189
Total General Revenues					<u>\$ 23,172,858</u>
Change in Net Position					\$ 814,046
Net Position, July 1, 2019					<u>25,259,317</u>
Net Position, June 30, 2020					<u>\$ 26,073,363</u>

Exhibit I-2

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

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,730	\$ 1,730
Equity in Pooled Cash and Investments	8,034,125	1,411,941	9,446,066
Accounts Receivable	0	98	98
Due from Other Governments	776,418	271,445	1,047,863
Property Taxes Receivable	2,214,784	0	2,214,784
Allowance for Uncollectible Property Taxes	(118,604)	0	(118,604)
Restricted Assets	78,487	0	78,487
Total Assets	\$ 10,985,210	\$ 1,685,214	\$ 12,670,424
<u>LIABILITIES</u>			
Accounts Payable	\$ 175,265	\$ 106,919	\$ 282,184
Accrued Payroll	2,435,848	355,349	2,791,197
Payroll Deductions Payable	68,442	67	68,509
Other Current Liabilities	363,824	37,374	401,198
Total Liabilities	\$ 3,043,379	\$ 499,709	\$ 3,543,088
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,009,719	\$ 0	\$ 2,009,719
Deferred Delinquent Property Taxes	79,554	0	79,554
Other Deferred/Unavailable Revenue	125,916	0	125,916
Total Deferred Inflows of Resources	\$ 2,215,189	\$ 0	\$ 2,215,189
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 1,010,784	\$ 1,010,784
Restricted for Hybrid Retirement Stabilization Funds	78,487	0	78,487
Committed:			
Committed for Education	0	174,721	174,721
Assigned:			
Assigned for Education	279,999	0	279,999
Unassigned	5,368,156	0	5,368,156
Total Fund Balances	\$ 5,726,642	\$ 1,185,505	\$ 6,912,147
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,985,210	\$ 1,685,214	\$ 12,670,424

Exhibit I-3

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Scott County School Department
June 30, 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)		\$ 6,912,147
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 910,561	
Add: building and improvements net of accumulated depreciation	15,932,048	
Add: infrastructure net of accumulated depreciation	208,081	
Add: other capital assets net of accumulated depreciation	<u>1,946,840</u>	18,997,530
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability (OPEB)	\$ (2,818,614)	
Less: compensated absences payable	<u>(241,265)</u>	(3,059,879)
(3) Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,147,361	
Less: deferred inflows of resources related to pensions	(3,374,994)	
Add: deferred outflows of resources related to OPEB	1,027,734	
Less: deferred inflows of resources related to OPEB	<u>(1,253,401)</u>	(1,453,300)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets of the agent plan	\$ 1,192,309	
Add: net pension assets of the teacher retirement plan	99,046	
Add: net pension assets of the teacher legacy pension plan	<u>3,180,040</u>	4,471,395
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>205,470</u>
Net position of governmental activities (Exhibit A)		<u>\$ 26,073,363</u>

Exhibit I-4

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 3,580,056	\$ 0	\$ 3,580,056
Licenses and Permits	455	0	455
Charges for Current Services	35,103	119,265	154,368
Other Local Revenues	28,837	4,816	33,653
State of Tennessee	19,798,935	17,951	19,816,886
Federal Government	0	4,147,394	4,147,394
Other Governments and Citizens Groups	21,250	0	21,250
Total Revenues	\$ 23,464,636	\$ 4,289,426	\$ 27,754,062
<u>Expenditures</u>			
Current:			
Instruction	\$ 14,545,115	\$ 1,868,639	\$ 16,413,754
Support Services	7,251,573	320,669	7,572,242
Operation of Non-Instructional Services	992,754	2,056,155	3,048,909
Capital Outlay	1,222,921	0	1,222,921
Debt Service:			
Other Debt Service	380,129	0	380,129
Total Expenditures	\$ 24,392,492	\$ 4,245,463	\$ 28,637,955
Excess (Deficiency) of Revenues Over Expenditures	\$ (927,856)	\$ 43,963	\$ (883,893)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 5,647	\$ 0	\$ 5,647
Transfers In	33,000	0	33,000
Transfers Out	0	(33,000)	(33,000)
Total Other Financing Sources (Uses)	\$ 38,647	\$ (33,000)	\$ 5,647
Net Change in Fund Balances	\$ (889,209)	\$ 10,963	\$ (878,246)
Fund Balance, July 1, 2019	6,615,851	1,174,542	7,790,393
Fund Balance, June 30, 2020	\$ 5,726,642	\$ 1,185,505	\$ 6,912,147

Scott County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Scott County School Department
For the Year Ended June 30, 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)		\$ (878,246)
(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	\$ 1,356,054	
Less: current-year depreciation expense	<u>(1,087,452)</u>	268,602
(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	\$ 205,470	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(199,707)</u>	5,763
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences	\$ (241,265)	
Change in net pension asset/liability	2,539,845	
Change in deferred outflows related to pensions	(308,166)	
Change in deferred inflows related to pensions	(1,376,880)	
Change in OPEB liability	206,703	
Change in deferred outflows related to OPEB	825,713	
Change in deferred inflows related to OPEB	<u>(228,023)</u>	<u>1,417,927</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 814,046</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,730	\$ 1,730
Equity in Pooled Cash and Investments	189,773	1,222,168	1,411,941
Accounts Receivable	0	98	98
Due from Other Governments	271,445	0	271,445
Total Assets	<u>\$ 461,218</u>	<u>\$ 1,223,996</u>	<u>\$ 1,685,214</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,755	\$ 102,164	\$ 106,919
Accrued Payroll	250,708	104,641	355,349
Payroll Deductions Payable	67	0	67
Other Current Liabilities	30,791	6,583	37,374
Total Liabilities	<u>\$ 286,321</u>	<u>\$ 213,388</u>	<u>\$ 499,709</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 176	\$ 1,010,608	\$ 1,010,784
Committed:			
Committed for Education	174,721	0	174,721
Total Fund Balances	<u>\$ 174,897</u>	<u>\$ 1,010,608</u>	<u>\$ 1,185,505</u>
Total Liabilities and Fund Balances	<u>\$ 461,218</u>	<u>\$ 1,223,996</u>	<u>\$ 1,685,214</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 119,265	\$ 119,265
Other Local Revenues	0	4,816	4,816
State of Tennessee	0	17,951	17,951
Federal Government	2,222,385	1,925,009	4,147,394
Total Revenues	<u>\$ 2,222,385</u>	<u>\$ 2,067,041</u>	<u>\$ 4,289,426</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,868,639	\$ 0	\$ 1,868,639
Support Services	320,669	0	320,669
Operation of Non-Instructional Services	0	2,056,155	2,056,155
Total Expenditures	<u>\$ 2,189,308</u>	<u>\$ 2,056,155</u>	<u>\$ 4,245,463</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,077</u>	<u>\$ 10,886</u>	<u>\$ 43,963</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (33,000)	\$ 0	\$ (33,000)
Total Other Financing Sources (Uses)	<u>\$ (33,000)</u>	<u>\$ 0</u>	<u>\$ (33,000)</u>
Net Change in Fund Balances	\$ 77	\$ 10,886	\$ 10,963
Fund Balance, July 1, 2019	<u>174,820</u>	<u>999,722</u>	<u>1,174,542</u>
Fund Balance, June 30, 2020	<u><u>\$ 174,897</u></u>	<u><u>\$ 1,010,608</u></u>	<u><u>\$ 1,185,505</u></u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,580,056	\$ 3,329,780	\$ 3,329,780	\$ 250,276
Licenses and Permits	455	500	500	(45)
Charges for Current Services	35,103	57,000	57,000	(21,897)
Other Local Revenues	28,837	0	0	28,837
State of Tennessee	19,798,935	19,507,115	20,182,888	(383,953)
Federal Government	0	5,500	5,500	(5,500)
Other Governments and Citizens Groups	21,250	0	0	21,250
Total Revenues	\$ 23,464,636	\$ 22,899,895	\$ 23,575,668	\$ (111,032)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 12,367,657	\$ 12,589,057	\$ 12,580,947	\$ 213,290
Alternative Instruction Program	92,337	95,680	93,125	788
Special Education Program	1,441,138	1,465,665	1,554,625	113,487
Career and Technical Education Program	643,983	661,692	666,792	22,809
<u>Support Services</u>				
Attendance	83,714	102,656	88,256	4,542
Health Services	361,539	241,260	380,404	18,865
Other Student Support	454,017	360,072	501,390	47,373
Regular Instruction Program	848,789	701,480	963,566	114,777
Special Education Program	214,724	217,508	236,668	21,944
Career and Technical Education Program	73,206	86,298	79,958	6,752
Technology	367,423	393,834	430,109	62,686
Other Programs	93,104	0	93,104	0
Board of Education	464,040	464,130	472,845	8,805
Director of Schools	235,922	254,896	248,496	12,574
Office of the Principal	957,701	987,683	1,040,423	82,722
Operation of Plant	1,588,635	1,603,694	1,901,424	312,789
Maintenance of Plant	409,402	288,709	440,893	31,491
Transportation	1,099,357	1,216,462	1,261,532	162,175
<u>Operation of Non-Instructional Services</u>				
Community Services	63,896	56,844	94,766	30,870
Early Childhood Education	928,858	948,511	948,511	19,653
<u>Capital Outlay</u>				
Regular Capital Outlay	1,222,921	125,000	1,350,152	127,231
<u>Principal on Debt</u>				
Education	0	166,128	0	0
<u>Interest on Debt</u>				
Education	0	21,128	0	0
<u>Other Debt Service</u>				
Education	380,129	185,773	380,139	10
Total Expenditures	\$ 24,392,492	\$ 23,234,160	\$ 25,808,125	\$ 1,415,633
Excess (Deficiency) of Revenues Over Expenditures	\$ (927,856)	\$ (334,265)	\$ (2,232,457)	\$ 1,304,601

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,647	\$ 0	\$ 0	\$ 5,647
Transfers In	33,000	15,000	15,000	18,000
Total Other Financing Sources	<u>\$ 38,647</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 23,647</u>
Net Change in Fund Balance	\$ (889,209)	\$ (319,265)	\$ (2,217,457)	\$ 1,328,248
Fund Balance, July 1, 2019	<u>6,615,851</u>	<u>6,074,024</u>	<u>6,074,024</u>	<u>541,827</u>
Fund Balance, June 30, 2020	<u><u>\$ 5,726,642</u></u>	<u><u>\$ 5,754,759</u></u>	<u><u>\$ 3,856,567</u></u>	<u><u>\$ 1,870,075</u></u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,222,385	\$ 2,137,933	\$ 2,830,674	\$ (608,289)
Total Revenues	<u>\$ 2,222,385</u>	<u>\$ 2,137,933</u>	<u>\$ 2,830,674</u>	<u>\$ (608,289)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,271,832	\$ 1,124,993	\$ 1,568,776	\$ 296,944
Special Education Program	525,226	533,254	646,376	121,150
Career and Technical Education Program	71,581	47,580	73,582	2,001
<u>Support Services</u>				
Other Student Support	7,345	47,593	37,398	30,053
Regular Instruction Program	171,685	229,258	301,550	129,865
Special Education Program	98,984	96,185	126,445	27,461
Career and Technical Education Program	3,977	4,500	3,977	0
Transportation	38,678	39,570	39,570	892
Total Expenditures	<u>\$ 2,189,308</u>	<u>\$ 2,122,933</u>	<u>\$ 2,797,674</u>	<u>\$ 608,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,077</u>	<u>\$ 15,000</u>	<u>\$ 33,000</u>	<u>\$ 77</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (33,000)	\$ (15,000)	\$ (33,000)	\$ 0
Total Other Financing Sources	<u>\$ (33,000)</u>	<u>\$ (15,000)</u>	<u>\$ (33,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 77	\$ 0	\$ 0	\$ 77
Fund Balance, July 1, 2019	<u>174,820</u>	<u>174,820</u>	<u>174,820</u>	<u>0</u>
Fund Balance, June 30, 2020	<u><u>\$ 174,897</u></u>	<u><u>\$ 174,820</u></u>	<u><u>\$ 174,820</u></u>	<u><u>\$ 77</u></u>

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 119,265	\$ 178,000	\$ 178,000	\$ (58,735)
Other Local Revenues	4,816	21,000	21,000	(16,184)
State of Tennessee	17,951	17,700	17,700	251
Federal Government	1,925,009	1,897,550	2,023,566	(98,557)
Total Revenues	<u>\$ 2,067,041</u>	<u>\$ 2,114,250</u>	<u>\$ 2,240,266</u>	<u>\$ (173,225)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	<u>\$ 2,056,155</u>	<u>\$ 2,114,250</u>	<u>\$ 2,340,190</u>	<u>\$ 284,035</u>
Total Expenditures	<u>\$ 2,056,155</u>	<u>\$ 2,114,250</u>	<u>\$ 2,340,190</u>	<u>\$ 284,035</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,886</u>	<u>\$ 0</u>	<u>\$ (99,924)</u>	<u>\$ 110,810</u>
Net Change in Fund Balance	<u>\$ 10,886</u>	<u>\$ 0</u>	<u>\$ (99,924)</u>	<u>\$ 110,810</u>
Fund Balance, July 1, 2019	<u>999,722</u>	<u>871,019</u>	<u>871,019</u>	<u>128,703</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,010,608</u></u>	<u><u>\$ 871,019</u></u>	<u><u>\$ 771,095</u></u>	<u><u>\$ 239,513</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Scott County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Other Loans

For the Year Ended June 30, 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>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Capital Outlay	\$ 500,000	3.59	%	5-8-17	2-8-22	\$ 302,497	\$ 100,170	\$ 202,327
Heavy Equipment	330,000	3.75		2-15-19	2-15-24	330,000	61,232	268,768
Total Notes Payable						\$ 632,497	\$ 161,402	\$ 471,095
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreement</u>								
<u>Payable through General Debt Service Fund</u>								
Justice Center and Highway Projects	9,654,938	(1)	Varies	2-27-07	5-25-34	\$ 6,929,938	\$ 308,000	\$ 6,621,938
School Renovations and Improvements	13,940,000		Varies	12-15-09	5-25-35	10,611,401	453,000	10,158,401
Total Payable through General Debt Service Fund						\$ 17,541,339	\$ 761,000	\$ 16,780,339
<u>Payable through Rural Debt Service Fund</u>								
Various Schools Projects	3,000,000	(2)	Varies	10-2-03	5-25-23	\$ 786,000	\$ 786,000	\$ 0
Total Payable through Rural Debt Service Fund						\$ 786,000	\$ 786,000	\$ 0
Total Other Loans Payable						\$ 18,327,339	\$ 1,547,000	\$ 16,780,339

(Continued)

Exhibit J-1

Scott County, Tennessee

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Bonds, Series 2008	\$ 1,250,000	3 to 4.5 %	2-14-08	6-1-28	\$ 785,000	\$ 75,000	\$ 710,000
Refunding Bonds, Series 2014A	1,490,000	2 to 3.4	6-30-14	6-1-35	955,000	100,000	855,000
Total Payable through General Debt Service Fund					<u>\$ 1,740,000</u>	<u>\$ 175,000</u>	<u>\$ 1,565,000</u>
<u>Payable through Rural Debt Service Fund</u>							
Rural School Refunding Bonds, Series 2014B	8,120,000	2 to 3.25	6-30-14	6-1-29	\$ 5,820,000	\$ 405,000	\$ 5,415,000
Total Payable through Rural Debt Service Fund					<u>\$ 5,820,000</u>	<u>\$ 405,000</u>	<u>\$ 5,415,000</u>
Total Bonds Payable					<u>\$ 7,560,000</u>	<u>\$ 580,000</u>	<u>\$ 6,980,000</u>

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

(2) The county elected to make additional principal payments to retire this loan during the year.

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 167,355	\$ 15,645	\$ 183,000
2022	164,411	9,473	173,884
2023	68,382	5,225	73,607
2024	70,947	2,661	73,608
Total	\$ 471,095	\$ 33,004	\$ 504,099

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2021	\$ 799,000	\$ 28,880	\$ 114,300	\$ 942,180
2022	839,000	27,507	108,858	975,365
2023	881,000	26,064	103,142	1,010,206
2024	925,000	24,550	97,141	1,046,691
2025	970,000	22,959	90,840	1,083,799
2026	1,019,000	21,292	84,232	1,124,524
2027	1,071,000	19,540	77,290	1,167,830
2028	1,123,000	17,699	69,995	1,210,694
2029	1,180,000	15,768	62,345	1,258,113
2030	1,239,000	13,740	54,306	1,307,046
2031	1,301,000	11,610	45,866	1,358,476
2032	1,366,000	9,373	37,004	1,412,377
2033	1,434,000	7,025	27,698	1,468,723
2034	1,506,000	4,559	17,930	1,528,489
2035	1,127,339	1,500	5,659	1,134,498
Total	\$ 16,780,339	\$ 252,066	\$ 996,606	\$ 18,029,011

(Continued)

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 605,000	\$ 205,726	\$ 810,726
2022	580,000	191,201	771,201
2023	615,000	176,314	791,314
2024	850,000	159,820	1,009,820
2025	885,000	136,871	1,021,871
2026	920,000	110,583	1,030,583
2027	970,000	82,226	1,052,226
2028	700,000	51,439	751,439
2029	625,000	28,133	653,133
2030	55,000	7,820	62,820
2031	30,000	5,950	35,950
2032	35,000	4,930	39,930
2033	35,000	3,740	38,740
2034	35,000	2,550	37,550
2035	40,000	1,360	41,360
Total	\$ 6,980,000	\$ 1,168,663	\$ 8,148,663

Exhibit J-3

Scott County, Tennessee
Schedule of Transfers
Discretely Presented Scott County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED SCOTT</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 33,000</u>
Total Transfers Discretely Presented Scott County School Department			<u><u>\$ 33,000</u></u>

Exhibit J-4

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

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 85,435	\$ 100,000	RLI Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	81,368	100,000	"
Director of Schools	State Board of Education and County Board of Education	95,153 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	73,971	983,916	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	50,300	"
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	73,971 (2)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	82,168 (3)	100,000	"
Director of Finance	County Commission	75,052 (4)	100,000	"
Employee Blanket Bonds:				
Primary Government			400,000	Tennessee Risk Management Trust
School Department			400,000	"

- (1) Includes a chief executive officer training supplement of \$1,000.
(2) Does not include special commissioner fees of \$23,880.
(3) Includes law enforcement training supplement of \$800.
(4) Includes \$1,083 for Certified County Finance Officer supplement.

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,596,509	\$ 0	\$ 0	\$ 0	\$ 0	0
Discount on Property Taxes	(36,518)	0	0	0	0	0
Trustee's Collections - Prior Year	203,184	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	90,232	0	0	0	0	0
Interest and Penalty	40,256	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	90	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	198,256	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	310,498	0	0	0	0	0
Hotel/Motel Tax	79,671	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	18,424	0	0	0	0	0
Litigation Tax - Special Purpose	74,233	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	1,212	0	0	0	0	0
Business Tax	180,698	0	0	0	0	235
Mineral Severance Tax	615	0	0	0	0	0
Other County Local Option Taxes	1,697	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	47,519	0	0	0	0	0
Wholesale Beer Tax	96,326	0	0	0	0	0
Total Local Taxes	\$ 4,902,902	\$ 0	\$ 0	\$ 0	\$ 0	235
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	36,418	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 36,798	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,283	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,997	0	0	0	0	0
Drug Control Fines	0	0	0	7,176	0	0
Data Entry Fee - Circuit Court	759	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	332	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	51,649	0	0	0	0	0
Officers Costs	6,298	0	0	0	0	0
Game and Fish Fines	259	0	0	0	0	0
Drug Control Fines	0	0	0	6,363	0	0
Drug Court Fees	3,919	0	0	0	0	0
Jail Fees	1,640	0	0	0	0	0
Data Entry Fee - General Sessions Court	3,090	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	879	0	0	0	0	0
Data Entry Fee - Chancery Court	2,116	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 80,221	\$ 0	\$ 0	\$ 13,539	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 9,426	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	24,000	265,668	0	0	0	0
Patient Charges	0	0	1,611,922	0	0	0
Other General Service Charges	4,557	0	0	0	0	0
<u>Fees</u>						
Airport Fees	271,200	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	5	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	23,880	0
Data Processing Fee - Register	6,694	0	0	0	0	0
Probation Fees	15,416	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,850	0	0	0	0	0
Data Processing Fee - County Clerk	1,544	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	420	0	0	0	0	0
Total Charges for Current Services	\$ 329,681	\$ 275,094	\$ 1,611,922	\$ 0	\$ 23,885	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 199,728	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	215,764	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	2,936
Commissary Sales	27,588	0	0	0	0	0
Sale of Maps	75	0	0	0	0	0
Sale of Recycled Materials	0	6,522	0	0	0	0
Miscellaneous Refunds	64,999	0	14,830	0	0	18,693

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,639
Sale of Property	68,379	0	0	0	0	0
Contributions and Gifts	24,179	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	13,864	0	0	0	0	0
Total Other Local Revenues	<u>\$ 614,857</u>	<u>\$ 6,522</u>	<u>\$ 14,830</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 109,268</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 239,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	39,578	0	0	0	0	0
General Sessions Court Clerk	85,135	0	0	0	0	0
Clerk and Master	55,370	0	0	0	0	0
Register	84,912	0	0	0	0	0
Sheriff	13,014	0	0	0	0	0
Trustee	337,237	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 854,391</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	21,600	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	202,566
Litter Program	0	36,038	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 14,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,175	0	0	0	0	0
Alcoholic Beverage Tax	73,309	0	0	0	0	0
State Revenue Sharing - T.V.A.	636,572	0	0	0	0	0
State Revenue Sharing - Telecommunications	79,626	0	0	0	0	0
Contracted Prisoner Boarding	1,109,882	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,442,312
Petroleum Special Tax	0	0	0	0	0	16,038
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	206,938	10,724	0	0	0	0
Other State Revenues	191,926	0	0	0	0	31,841
Total State of Tennessee	\$ 2,377,171	\$ 46,762	\$ 0	\$ 0	\$ 0	\$ 2,692,757
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 23,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Medicaid	0	0	195,838	0	0	0
COVID-19 Grant #1	2,481	0	0	0	0	0
COVID-19 Grant #3	9,964	0	0	0	0	0
Other Federal through State	387,401	0	0	0	0	0
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	0	0	62,611	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	243,604
Total Federal Government	\$ 423,346	\$ 0	\$ 258,449	\$ 0	\$ 0	\$ 243,604

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 124,431	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 124,431	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 9,743,798	 \$ 328,378	 \$ 1,885,201	 \$ 13,539	 \$ 23,885	 \$ 3,045,864

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 610,349	\$ 749,548	\$ 45,699	\$ 0	\$ 5,002,105
Discount on Property Taxes	(6,197)	(7,829)	(463)	0	(51,007)
Trustee's Collections - Prior Year	36,898	38,767	2,647	8,635	290,131
Circuit Clerk/Clerk and Master Collections - Prior Years	15,314	14,099	1,257	4,004	124,906
Interest and Penalty	7,008	7,192	514	1,349	56,319
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	90
Payments in-Lieu-of Taxes - Other	0	0	0	0	198,256
<u>County Local Option Taxes</u>					
Local Option Sales Tax	100,000	0	0	0	410,498
Hotel/Motel Tax	0	0	0	0	79,671
Wheel Tax	584,676	0	0	0	584,676
Litigation Tax - General	0	0	0	0	18,424
Litigation Tax - Special Purpose	0	0	0	0	74,233
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	1,212
Business Tax	0	0	0	0	180,933
Mineral Severance Tax	0	0	0	0	615
Other County Local Option Taxes	0	0	0	0	1,697
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	47,519
Wholesale Beer Tax	0	0	0	0	96,326
Total Local Taxes	\$ 1,348,048	\$ 801,777	\$ 49,654	\$ 13,988	\$ 7,116,604
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 660	\$ 0	\$ 0	\$ 0	\$ 660
Cable TV Franchise	0	0	0	0	36,418

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	380
Total Licenses and Permits	\$ 660	\$ 0	\$ 0	\$ 0	37,458
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	6,283
Officers Costs	0	0	0	0	2,997
Drug Control Fines	0	0	0	0	7,176
Data Entry Fee - Circuit Court	0	0	0	0	759
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0	0	332
<u>General Sessions Court</u>					
Fines	0	0	0	0	51,649
Officers Costs	0	0	0	0	6,298
Game and Fish Fines	0	0	0	0	259
Drug Control Fines	0	0	0	0	6,363
Drug Court Fees	0	0	0	0	3,919
Jail Fees	0	0	0	0	1,640
Data Entry Fee - General Sessions Court	0	0	0	0	3,090
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	879
Data Entry Fee - Chancery Court	0	0	0	0	2,116
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	93,760

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	9,426
Surcharge - Host Agency	0	0	0	0	289,668
Patient Charges	0	0	0	0	1,611,922
Other General Service Charges	0	0	0	0	4,557
<u>Fees</u>					
Airport Fees	0	0	0	0	271,200
Constitutional Officers' Fees and Commissions	0	0	0	0	5
Special Commissioner Fees/Special Master Fees	0	0	0	0	23,880
Data Processing Fee - Register	0	0	0	0	6,694
Probation Fees	0	0	0	0	15,416
Sexual Offender Registration Fee - Sheriff	0	0	0	0	5,850
Data Processing Fee - County Clerk	0	0	0	0	1,544
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	420
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,240,582
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	199,728
Lease/Rentals	164,073	0	0	0	379,837
Sale of Materials and Supplies	0	0	0	0	2,936
Commissary Sales	0	0	0	0	27,588
Sale of Maps	0	0	0	0	75
Sale of Recycled Materials	0	0	0	0	6,522
Miscellaneous Refunds	0	0	19,716	0	118,238

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,920
Sale of Property	0	0	0	0	68,379
Contributions and Gifts	0	0	0	0	24,179
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	13,864
Total Other Local Revenues	\$ 164,073	\$ 0	\$ 19,716	\$ 0	\$ 929,266
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 239,145
Circuit Court Clerk	0	0	0	0	39,578
General Sessions Court Clerk	0	0	0	0	85,135
Clerk and Master	0	0	0	0	55,370
Register	0	0	0	0	84,912
Sheriff	0	0	0	0	13,014
Trustee	0	0	0	0	337,237
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 854,391
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	21,600
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	202,566
Litter Program	0	0	0	0	36,038

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,979
Beer Tax	0	0	0	0	18,175
Alcoholic Beverage Tax	0	0	0	0	73,309
State Revenue Sharing - T.V.A.	0	0	0	0	636,572
State Revenue Sharing - Telecommunications	0	0	0	0	79,626
Contracted Prisoner Boarding	0	0	0	0	1,109,882
Gasoline and Motor Fuel Tax	0	0	0	0	2,442,312
Petroleum Special Tax	0	0	0	0	16,038
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	217,662
Other State Revenues	0	0	0	0	223,767
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,116,690
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,500
Medicaid	0	0	0	0	195,838
COVID-19 Grant #1	0	0	0	0	2,481
COVID-19 Grant #3	0	0	0	0	9,964
Other Federal through State	0	0	0	0	387,401
<u>Direct Federal Revenue</u>					
COVID-19 Grant #6	0	0	0	0	62,611
Other Direct Federal Revenue	0	0	0	0	243,604
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 925,399

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<hr/>					
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 380,129	\$ 0	\$ 0	\$ 504,560
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 380,129</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 504,560</u>
Total	<u>\$ 1,512,781</u>	<u>\$ 1,181,906</u>	<u>\$ 69,370</u>	<u>\$ 13,988</u>	<u>\$ 17,818,710</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,882,347	\$ 0	\$ 0	\$ 1,882,347
Discount on Property Taxes	(19,052)	0	0	(19,052)
Trustee's Collections - Prior Year	93,786	0	0	93,786
Circuit Clerk/Clerk and Master Collections - Prior Years	51,607	0	0	51,607
Interest and Penalty	20,946	0	0	20,946
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,550,220	0	0	1,550,220
Mixed Drink Tax	202	0	0	202
Total Local Taxes	<u>\$ 3,580,056</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,580,056</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 455	\$ 0	\$ 0	\$ 455
Total Licenses and Permits	<u>\$ 455</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 455</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 62,084	\$ 62,084
Lunch Payments - Adults	0	0	21,067	21,067
Income from Breakfast	0	0	18,447	18,447
Special Milk Sales	0	0	4,906	4,906
Other Charges for Services	35,103	0	12,761	47,864
Total Charges for Current Services	<u>\$ 35,103</u>	<u>\$ 0</u>	<u>\$ 119,265</u>	<u>\$ 154,368</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 2,443	\$ 0	\$ 889	\$ 3,332
Miscellaneous Refunds	125	0	1,387	1,512
<u>Nonrecurring Items</u>				
Gain on Disposal of Property	0	0	40	40
Contributions and Gifts	26,168	0	2,500	28,668
<u>Other Local Revenues</u>				
Other Local Revenues	101	0	0	101
Total Other Local Revenues	<u>\$ 28,837</u>	<u>\$ 0</u>	<u>\$ 4,816</u>	<u>\$ 33,653</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 93,104	\$ 0	\$ 0	\$ 93,104
<u>State Education Funds</u>				
Basic Education Program	17,745,673	0	0	17,745,673
Early Childhood Education	929,021	0	0	929,021
School Food Service	0	0	17,951	17,951
Driver Education	19,165	0	0	19,165
Other State Education Funds	341,095	0	0	341,095
Coordinated School Health	99,908	0	0	99,908
Career Ladder Program	62,531	0	0	62,531
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	104,000	0	0	104,000
Other State Grants	240,595	0	0	240,595
Safe Schools	163,843	0	0	163,843
Total State of Tennessee	<u>\$ 19,798,935</u>	<u>\$ 0</u>	<u>\$ 17,951</u>	<u>\$ 19,816,886</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 927,921	\$ 927,921
USDA - Commodities	0	0	123,550	123,550
Breakfast	0	0	388,250	388,250
USDA - Other	0	0	458,050	458,050
USDA Food Service Equipment Grant	0	0	27,238	27,238
Vocational Education - Basic Grants to States	0	78,929	0	78,929
Title I Grants to Local Education Agencies	0	1,366,858	0	1,366,858
Special Education - Grants to States	0	645,349	0	645,349
Special Education Preschool Grants	0	17,504	0	17,504
Rural Education	0	32,678	0	32,678
Eisenhower Professional Development State Grants	0	67,700	0	67,700
Other Federal through State	0	13,367	0	13,367
Total Federal Government	\$ 0	\$ 2,222,385	\$ 1,925,009	\$ 4,147,394
<u>Other Governments and Citizens Groups</u>				
<u>Citizens Groups</u>				
Donations	\$ 21,250	\$ 0	\$ 0	\$ 21,250
Total Other Governments and Citizens Groups	\$ 21,250	\$ 0	\$ 0	\$ 21,250
Total	\$ 23,464,636	\$ 2,222,385	\$ 2,067,041	\$ 27,754,062

Exhibit J-7

Scott 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	\$	88,497	
Social Security		5,487	
Pensions		3,036	
Employer Medicare		1,283	
Audit Services		8,447	
Dues and Memberships		7,814	
Other Contracted Services		26,088	
Other Supplies and Materials		716	
Premiums on Corporate Surety Bonds		1,376	
Other Charges		3,189	
Total County Commission			\$ 145,933

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Secretary(ies)		33,655	
Clerical Personnel		27,310	
Part-time Personnel		11,666	
Social Security		9,480	
Pensions		10,014	
Employer Medicare		2,217	
Communication		6,812	
Legal Notices, Recording, and Court Costs		300	
Travel		1,161	
Office Supplies		1,803	
Other Charges		149	
Total County Mayor/Executive			190,002

County Attorney

County Official/Administrative Officer	\$	50,000	
Other Salaries and Wages		10,000	
Social Security		3,720	
Pensions		3,420	
Employer Medicare		870	
Communication		2,324	
Other Supplies and Materials		185	
Total County Attorney			70,519

Election Commission

County Official/Administrative Officer	\$	66,574	
Deputy(ies)		33,061	
Other Salaries and Wages		2,242	
Election Commission		18,000	
Election Workers		26,155	
Social Security		8,241	
Pensions		6,815	
Employer Medicare		1,927	
Communication		2,523	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Services	\$	24,535	
Dues and Memberships		450	
Legal Notices, Recording, and Court Costs		1,952	
Postal Charges		1,726	
Printing, Stationery, and Forms		280	
Travel		2,752	
Office Supplies		16,621	
Data Processing Equipment		813	
Office Equipment		15,244	
Total Election Commission			\$ 229,911

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		32,460	
Part-time Personnel		6,285	
Other Salaries and Wages		21,338	
Social Security		8,202	
Pensions		8,758	
Employer Medicare		1,918	
Communication		3,209	
Dues and Memberships		660	
Printing, Stationery, and Forms		2,523	
Other Contracted Services		2,970	
Office Supplies		5,265	
Other Supplies and Materials		69	
Building Improvements		200	
Data Processing Equipment		6,421	
Furniture and Fixtures		1,990	
Total Register of Deeds			176,239

County Buildings

Mechanic(s)	\$	32,463	
Custodial Personnel		26,856	
Other Salaries and Wages		28,256	
Social Security		4,828	
Pensions		5,990	
Employer Medicare		1,129	
Maintenance and Repair Services - Buildings		35,098	
Maintenance and Repair Services - Equipment		11,100	
Maintenance and Repair Services - Office Equipment		220	
Maintenance and Repair Services - Vehicles		1,628	
Other Contracted Services		8,710	
Custodial Supplies		9,625	
Electricity		116,939	
Gasoline		8,005	
Natural Gas		43,260	
Office Supplies		220	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Road Signs	\$	5,360	
Water and Sewer		107,769	
Other Supplies and Materials		11,767	
Loss on Disposal of Property		16,270	
Other Charges		6,750	
Building Improvements		39,499	
Maintenance Equipment		56,493	
Total County Buildings			\$ 578,235

Finance

Accounting and Budgeting

Supervisor/Director	\$	73,969	
Data Processing Personnel		165,826	
Educational Incentive - Official/Admin Officer		1,083	
Social Security		13,937	
Pensions		16,402	
Employer Medicare		3,260	
Communication		2,559	
Data Processing Services		18,256	
Travel		104	
Office Supplies		11,311	
Total Accounting and Budgeting			306,707

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		56,534	
Deputy(ies)		33,660	
Part-time Personnel		10,523	
Board and Committee Members Fees		3,400	
Social Security		10,097	
Pensions		11,229	
Employer Medicare		2,361	
Communication		2,093	
Data Processing Services		11,914	
Travel		597	
Other Contracted Services		11,912	
Office Supplies		1,998	
Other Supplies and Materials		126	
Office Equipment		1,112	
Total Property Assessor's Office			231,527

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		26,486	
Other Salaries and Wages		27,899	
Social Security		7,432	
Pensions		8,780	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Employer Medicare	\$	1,738	
Communication		1,803	
Contracts with Other Public Agencies		7,868	
Data Processing Services		10,237	
Dues and Memberships		1,060	
Travel		321	
Office Supplies		1,829	
Data Processing Equipment		10,282	
Total County Trustee's Office			\$ 179,706

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		54,594	
Deputy(ies)		32,460	
Temporary Personnel		9,819	
Other Salaries and Wages		27,213	
Social Security		11,631	
Pensions		12,876	
Employer Medicare		2,720	
Communication		3,528	
Dues and Memberships		660	
Printing, Stationery, and Forms		1,519	
Other Contracted Services		9,640	
Office Supplies		8,010	
Data Processing Equipment		8,125	
Total County Clerk's Office			256,766

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,971	
Assistant(s)		107,789	
Deputy(ies)		32,460	
Part-time Personnel		10,830	
Other Salaries and Wages		27,851	
Jury and Witness Expense		7,356	
Social Security		14,941	
Pensions		17,298	
Medical Insurance		5,094	
Employer Medicare		3,494	
Communication		3,874	
Data Processing Services		10,647	
Dues and Memberships		620	
Printing, Stationery, and Forms		300	
Other Contracted Services		1,741	
Office Supplies		10,537	
Other Charges		1,724	
Building Improvements		730	
Office Equipment		4,137	
Total Circuit Court			335,394

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	116,762	
Assistant(s)		59,669	
Salary Supplements		10,271	
Secretary(ies)		23,354	
Clerical Personnel		28,546	
Part-time Personnel		11,210	
Other Salaries and Wages		128,500	
Board and Committee Members Fees		6,000	
Social Security		23,368	
Pensions		25,110	
Medical Insurance		8,100	
Employer Medicare		5,465	
Communication		3,674	
Data Processing Services		6,292	
Travel		1,821	
Other Contracted Services		4,800	
Office Supplies		19,418	
Other Supplies and Materials		14,706	
Total General Sessions Court			\$ 497,066

Chancery Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		32,461	
Other Salaries and Wages		25,319	
Social Security		7,949	
Pensions		9,012	
Employer Medicare		1,859	
Communication		2,051	
Data Processing Services		5,304	
Dues and Memberships		560	
Office Supplies		1,949	
Administration Equipment		1,075	
Total Chancery Court			161,510

District Attorney General

Other Salaries and Wages	\$	32,102	
Social Security		1,912	
Pensions		2,230	
Medical Insurance		4,050	
Employer Medicare		447	
Travel		1,812	
Other Contracted Services		8,367	
Office Supplies		1,832	
Other Supplies and Materials		16,524	
Total District Attorney General			69,276

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Office of Public Defender

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

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368	
Deputy(ies)		1,090,557	
Salary Supplements		21,600	
Secretary(ies)		48,041	
Social Security		72,941	
Pensions		84,924	
Medical Insurance		9,390	
Employer Medicare		17,059	
Communication		38,693	
Dues and Memberships		1,500	
Maintenance and Repair Services - Buildings		20	
Maintenance and Repair Services - Equipment		532	
Maintenance and Repair Services - Vehicles		48,117	
Towing Services		2,585	
Travel		3,918	
Tuition		11,858	
Other Contracted Services		3,500	
Gasoline		76,688	
Law Enforcement Supplies		5,720	
Office Supplies		8,047	
Tires and Tubes		12,690	
Uniforms		2,814	
Other Supplies and Materials		8,472	
Liability Insurance		53,788	
Workers' Compensation Insurance		72,561	
Other Charges		5,935	
Furniture and Fixtures		1,341	
Motor Vehicles		6,625	
Other Equipment		26,465	
Total Sheriff's Department			1,817,749

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	150	
Other Charges		800	
Total Administration of the Sexual Offender Registry			950

Jail

Deputy(ies)	\$	682,524	
Dispatchers/Radio Operators		293,491	
Social Security		57,702	
Pensions		66,759	
Employer Medicare		13,495	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Maintenance and Repair Services - Buildings	\$	44	
Maintenance and Repair Services - Equipment		3,163	
Medical and Dental Services		655,000	
Travel		2,708	
Other Contracted Services		3,825	
Food Supplies		232,889	
Law Enforcement Supplies		4,606	
Office Supplies		2,649	
Uniforms		1,096	
Other Supplies and Materials		55,630	
Office Equipment		2,896	
Total Jail			\$ 2,078,477

Juvenile Services

Supervisor/Director	\$	32,320	
Deputy(ies)		117,760	
Youth Service Officer(s)		8,092	
Part-time Personnel		35,755	
Social Security		11,615	
Pensions		10,432	
Employer Medicare		2,716	
Communication		5,087	
Maintenance and Repair Services - Buildings		3,077	
Travel		189	
Other Contracted Services		180	
Food Supplies		12,418	
Natural Gas		749	
Office Supplies		1,469	
Water and Sewer		495	
Other Supplies and Materials		8,584	
Workers' Compensation Insurance		6,321	
Other Charges		450	
Total Juvenile Services			257,709

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	28,246	
Social Security		1,642	
Pensions		1,932	
Employer Medicare		384	
Communication		1,149	
Dues and Memberships		290	
Travel		1,253	
Other Contracted Services		600	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Electricity	\$	10,478	
Natural Gas		1,717	
Office Supplies		79	
Water and Sewer		649	
Other Charges		14,450	
Total Civil Defense			\$ 62,869

Rescue Squad

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

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,000	
Social Security		372	
Employer Medicare		87	
Other Charges		15,550	
Total County Coroner/Medical Examiner			22,009

Public Health and Welfare

Local Health Center

Social Security	\$	1,185	
Pensions		727	
Employer Medicare		277	
Contributions		43,354	
Other Charges		20,482	
Total Local Health Center			66,025

Other Local Health Services

Medical Personnel	\$	196,544	
Social Security		11,179	
Pensions		13,444	
Medical Insurance		20,174	
Employer Medicare		2,614	
Travel		2,990	
Other Supplies and Materials		234	
Workers' Compensation Insurance		7,899	
Total Other Local Health Services			255,078

General Welfare Assistance

Contributions	\$	1,182	
Total General Welfare Assistance			1,182

Other Local Welfare Services

Pauper Burials	\$	134	
Total Other Local Welfare Services			134

(Continued)

Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Deputy(ies)	\$	31,574	
Part-time Personnel		17,309	
Social Security		3,001	
Pensions		2,160	
Employer Medicare		702	
Communication		2,153	
Contributions		7,000	
Maintenance and Repair Services - Vehicles		1,256	
Travel		4,954	
Utilities		8,134	
Other Supplies and Materials		153	
Total Senior Citizens Assistance			\$ 78,396

Libraries

Part-time Personnel	\$	27,806	
Social Security		1,712	
Pensions		610	
Employer Medicare		400	
Communication		3,819	
Postal Charges		75	
Library Books/Media		10,561	
Office Supplies		1,623	
Periodicals		652	
Utilities		4,968	
Workers' Compensation Insurance		59	
Other Charges		511	
Total Libraries			52,796

Agriculture and Natural ResourcesAgricultural Extension Service

Assistant(s)	\$	15,140	
Supervisor/Director		8,712	
Secretary(ies)		7,653	
Social Security		1,664	
Pensions		3,957	
Medical Insurance		4,827	
Employer Medicare		502	
Communication		2,031	
Travel		702	
Other Charges		292	
Total Agricultural Extension Service			45,480

Other OperationsTourism

Supervisor/Director	\$	32,463	
Clerical Personnel		24,693	
Social Security		3,434	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Tourism (Cont.)

Pensions	\$	3,910	
Employer Medicare		803	
Contributions		7,630	
Total Tourism			\$ 72,933

Airport

Supervisor/Director	\$	31,448	
Temporary Personnel		26,350	
Part-time Personnel		2,197	
Social Security		3,280	
Pensions		3,953	
Medical Insurance		10,034	
Employer Medicare		767	
Communication		3,250	
Maintenance and Repair Services - Buildings		416	
Maintenance and Repair Services - Equipment		5,112	
Maintenance and Repair Services - Vehicles		2,689	
Travel		799	
Other Contracted Services		2,630	
Diesel Fuel		136,726	
Electricity		15,997	
Gasoline		53,645	
Office Supplies		89	
Water and Sewer		1,313	
Other Supplies and Materials		4,992	
Liability Insurance		3,955	
Workers' Compensation Insurance		4,474	
Other Charges		51,877	
Total Airport			365,993

Veterans' Services

Supervisor/Director	\$	40,964	
Social Security		2,540	
Pensions		2,802	
Employer Medicare		594	
Contracts with Other Public Agencies		449	
Travel		1,650	
Other Supplies and Materials		986	
Total Veterans' Services			49,985

Contributions to Other Agencies

Contributions	\$	99,705	
Total Contributions to Other Agencies			99,705

COVID-19 Grant #1

Unemployment Compensation	\$	2,481	
Total COVID-19 Grant #1			2,481

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant #3

Other Supplies and Materials	\$	13,286	
Total COVID-19 Grant #3			\$ 13,286

Miscellaneous

Life Insurance	\$	3,915	
Medical Insurance		386,351	
Unemployment Compensation		9,838	
Other Fringe Benefits		2,850	
Postal Charges		18,589	
Other Supplies and Materials		22,000	
Liability Insurance		106,472	
Trustee's Commission		101,755	
Workers' Compensation Insurance		3,954	
Total Miscellaneous			655,724

HighwaysHighway and Bridge Maintenance

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

Total General Fund			\$ 9,451,987
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Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

Laborers	\$	76,909	
Social Security		4,579	
Pensions		5,193	
Life Insurance		74	
Medical Insurance		6,802	
Employer Medicare		1,071	
Communication		3,003	
Contributions		24,000	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		1,450	
Maintenance and Repair Services - Equipment		2,554	
Maintenance and Repair Services - Vehicles		2,527	
Towing Services		80	
Travel		141	
Other Contracted Services		21,799	
Diesel Fuel		4,193	
Electricity		2,597	
Equipment and Machinery Parts		946	
Gasoline		1,333	
Natural Gas		527	
Tires and Tubes		935	
Uniforms		4,006	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Water and Sewer	\$	588	
Other Supplies and Materials		12,689	
Trustee's Commission		2,816	
Vehicle and Equipment Insurance		1,803	
Workers' Compensation Insurance		4,268	
Other Charges		15,159	
Total Recycling Center			\$ 202,142

Postclosure Care Costs

Other Contracted Services	\$	12,890	
Total Postclosure Care Costs			12,890

Highways

Litter and Trash Collection

Other Supplies and Materials	\$	14,355	
Total Litter and Trash Collection			14,355

Total Solid Waste/Sanitation Fund \$ 229,387

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	52,352	
Medical Personnel		690,605	
Part-time Personnel		5,799	
Overtime Pay		256,217	
Bonus Payments		2,500	
Other Salaries and Wages		26,405	
Social Security		60,396	
Pensions		67,962	
Life Insurance		530	
Medical Insurance		68,416	
Unemployment Compensation		661	
Employer Medicare		14,639	
Communication		9,403	
Contracts with Other Public Agencies		106,969	
Dues and Memberships		705	
Licenses		2,750	
Maintenance and Repair Services - Buildings		875	
Maintenance and Repair Services - Equipment		2,205	
Maintenance and Repair Services - Vehicles		19,768	
Postal Charges		43	
Towing Services		1,628	
Travel		592	
Tuition		11,450	
Disposal Fees		1,459	
Custodial Supplies		713	

(Continued)

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Diesel Fuel	\$	27,517	
Drugs and Medical Supplies		53,398	
Electricity		3,914	
Equipment and Machinery Parts		4,715	
Gasoline		22,019	
Natural Gas		2,358	
Office Supplies		2,494	
Propane Gas		10,298	
Tires and Tubes		4,337	
Uniforms		4,979	
Water and Sewer		1,671	
Other Supplies and Materials		3,816	
Refunds		2,873	
Trustee's Commission		16,744	
Vehicle and Equipment Insurance		22,610	
Workers' Compensation Insurance		65,564	
Other Charges		46,261	
Total Ambulance/Emergency Medical Services			\$ 1,700,610

Total Ambulance Service Fund \$ 1,700,610

Drug Control Fund

Public Safety

Other Public Safety

Communication	\$	1,197	
Confidential Drug Enforcement Payments		1,000	
Maintenance and Repair Services - Vehicles		330	
Veterinary Services		439	
Animal Food and Supplies		1,130	
Other Supplies and Materials		8,701	
Trustee's Commission		121	
Other Charges		2,518	
Total Other Public Safety			\$ 15,436

Total Drug Control Fund 15,436

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	5	
Total County Trustee's Office			\$ 5

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	23,880	
Total Chancery Court			23,880

Total Constitutional Officers - Fees Fund 23,885

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,368	
Clerical Personnel		32,483	
Overtime Pay		1,770	
Social Security		6,917	
Pensions		7,965	
Unemployment Compensation		254	
Employer Medicare		1,607	
Dues and Memberships		3,338	
Postal Charges		64	
Travel		769	
Office Supplies		2,163	
Uniforms		10,271	
Total Administration			\$ 148,969

Highway and Bridge Maintenance

Mechanic(s)	\$	29,723	
Equipment Operators		165,375	
Truck Drivers		167,532	
Laborers		64,536	
Overtime Pay		44,429	
Social Security		28,399	
Pensions		31,303	
Unemployment Compensation		2,968	
Employer Medicare		6,642	
Rentals		4,354	
Asphalt - Cold Mix		100,000	
Asphalt - Hot Mix		455,333	
Concrete		3,070	
Crushed Stone		326,579	
Other Road Materials		15,693	
Pipe - Metal		64,593	
Road Signs		6,018	
Wood Products		175	
Bridge Construction		85,000	
Total Highway and Bridge Maintenance			1,601,722

Operation and Maintenance of Equipment

Foremen	\$	140,211	
Mechanic(s)		45,329	
Overtime Pay		11,422	
Social Security		11,536	
Pensions		13,210	
Unemployment Compensation		839	
Employer Medicare		2,698	
Maintenance and Repair Services - Equipment		2,373	
Maintenance and Repair Services - Vehicles		5,301	
Towing Services		2,325	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Other Contracted Services	\$	1,313	
Diesel Fuel		64,071	
Equipment and Machinery Parts		103,300	
Garage Supplies		94	
Gasoline		18,318	
Lubricants		7,211	
Propane Gas		3,584	
Tires and Tubes		18,539	
Other Supplies and Materials		46,880	
Total Operation and Maintenance of Equipment			\$ 498,554

Other Charges

Communication	\$	4,010	
Electricity		5,083	
Natural Gas		3,450	
Water and Sewer		539	
Trustee's Commission		25,134	
Vehicle and Equipment Insurance		22,284	
Other Charges		54,839	
Total Other Charges			115,339

Employee Benefits

Employee and Dependent Insurance	\$	53,982	
Life Insurance		486	
Workers' Compensation Insurance		63,700	
Total Employee Benefits			118,168

Capital Outlay

Highway Equipment	\$	136,312	
Motor Vehicles		54,000	
Total Capital Outlay			190,312

Principal on Debt

Highways and Streets

Principal on Notes	\$	161,402	
Total Highways and Streets			161,402

Interest on Debt

Highways and Streets

Interest on Notes	\$	21,597	
Total Highways and Streets			21,597

Total Highway/Public Works Fund \$ 2,856,063

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 175,000	
Principal on Other Loans	761,000	
Total General Government		\$ 936,000

Interest on Debt

General Government

Interest on Bonds	\$ 63,170	
Interest on Other Loans	233,347	
Total General Government		296,517

Other Debt Service

General Government

Trustee's Commission	\$ 20,640	
Other Debt Service	118,677	
Total General Government		139,317

Total General Debt Service Fund \$ 1,371,834

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 405,000	
Principal on Other Loans	786,000	
Total Education		\$ 1,191,000

Interest on Debt

Education

Interest on Bonds	\$ 156,031	
Interest on Other Loans	15,937	
Total Education		171,968

Other Debt Service

Education

Trustee's Commission	\$ 16,032	
Other Debt Service	5,880	
Total Education		21,912

Total Rural Debt Service Fund 1,384,880

General Capital Projects Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 4,800	
Communication Equipment	99,189	
Total County Buildings		\$ 103,989

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Finance

Accounting and Budgeting

Data Processing Equipment	\$ 9,046		
Total Accounting and Budgeting		\$	9,046

Administration of Justice

Circuit Court

Furniture and Fixtures	\$ 1,953		
Total Circuit Court			1,953

Social, Cultural, and Recreational Services

Libraries

Data Processing Equipment	\$ 727		
Total Libraries			727

Other Operations

Airport

Maintenance and Repair Services - Buildings	\$ 6,400		
Maintenance Equipment	14,000		
Total Airport			20,400

Highways

Capital Outlay

Trustee's Commission	\$ 991		
Total Capital Outlay			991

Total General Capital Projects Fund		\$	137,106
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Trustee's Commission	\$ 228		
Total Education Capital Projects		\$	228

Total Education Capital Projects Fund			228
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Total Governmental Funds - Primary Government		\$	17,171,416
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Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,525,734	
Career Ladder Program		33,003	
Career Ladder Extended Contracts		8,000	
Homebound Teachers		47,805	
Educational Assistants		479,261	
Other Salaries and Wages		489,939	
Certified Substitute Teachers		77,733	
Social Security		509,526	
Pensions		849,602	
Life Insurance		9,175	
Medical Insurance		1,509,054	
Unemployment Compensation		4,607	
Employer Medicare		119,066	
Other Fringe Benefits		4,975	
Other Contracted Services		2,126	
Instructional Supplies and Materials		193,815	
Textbooks - Bound		174,081	
Software		98,904	
Other Supplies and Materials		55,000	
Other Charges		10,991	
Regular Instruction Equipment		165,260	
Total Regular Instruction Program			\$ 12,367,657

Alternative Instruction Program

Teachers	\$	49,380	
Educational Assistants		14,730	
Social Security		3,408	
Pensions		6,270	
Medical Insurance		17,714	
Unemployment Compensation		38	
Employer Medicare		797	
Total Alternative Instruction Program			92,337

Special Education Program

Teachers	\$	849,511	
Career Ladder Program		3,000	
Homebound Teachers		46,577	
Educational Assistants		158,978	
Certified Substitute Teachers		18,490	
Social Security		63,279	
Pensions		94,583	
Medical Insurance		133,529	
Unemployment Compensation		668	
Employer Medicare		14,799	
Contracts with Private Agencies		7,968	
Other Contracted Services		21,282	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	15,403	
Other Supplies and Materials		13,071	
Total Special Education Program			\$ 1,441,138

Career and Technical Education Program

Teachers	\$	441,169	
Career Ladder Program		1,000	
Educational Assistants		43,409	
Social Security		28,413	
Pensions		47,447	
Medical Insurance		74,669	
Unemployment Compensation		256	
Employer Medicare		6,645	
Other Supplies and Materials		975	
Total Career and Technical Education Program			643,983

Support Services

Attendance

Supervisor/Director	\$	65,127	
Career Ladder Program		917	
Social Security		4,097	
Pensions		7,034	
Medical Insurance		4,521	
Unemployment Compensation		19	
Employer Medicare		958	
Travel		871	
Other Charges		170	
Total Attendance			83,714

Health Services

Supervisor/Director	\$	58,680	
Medical Personnel		51,163	
Other Salaries and Wages		132,774	
Social Security		14,045	
Pensions		18,324	
Medical Insurance		42,866	
Unemployment Compensation		206	
Employer Medicare		3,285	
Travel		8,564	
Other Supplies and Materials		31,632	
Total Health Services			361,539

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		213,377	
Secretary(ies)		22,708	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

School Resource Officer	\$	101,275	
Social Security		19,968	
Pensions		32,361	
Medical Insurance		41,676	
Unemployment Compensation		105	
Employer Medicare		4,672	
Other Fringe Benefits		3,316	
Evaluation and Testing		12,500	
Travel		59	
Total Other Student Support			\$ 454,017

Regular Instruction Program

Supervisor/Director	\$	68,826	
Career Ladder Program		9,000	
Librarians		382,135	
Secretary(ies)		14,779	
Social Security		27,763	
Pensions		47,766	
Medical Insurance		56,136	
Unemployment Compensation		177	
Employer Medicare		6,494	
Travel		8,479	
Library Books/Media		23,837	
Software		3,870	
In Service/Staff Development		19,159	
Other Charges		74,002	
Other Equipment		106,366	
Total Regular Instruction Program			848,789

Special Education Program

Supervisor/Director	\$	68,876	
Career Ladder Program		1,000	
Psychological Personnel		51,137	
Secretary(ies)		29,638	
Social Security		8,877	
Pensions		14,924	
Medical Insurance		17,180	
Unemployment Compensation		85	
Employer Medicare		2,076	
Travel		10,454	
Other Contracted Services		10,477	
Total Special Education Program			214,724

Career and Technical Education Program

Supervisor/Director	\$	52,116	
Social Security		3,036	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Pensions	\$	5,570	
Medical Insurance		11,753	
Unemployment Compensation		21	
Employer Medicare		710	
Total Career and Technical Education Program			\$ 73,206

Technology

Supervisor/Director	\$	53,252	
Other Salaries and Wages		165,981	
Social Security		12,984	
Pensions		15,015	
Medical Insurance		33,595	
Unemployment Compensation		129	
Employer Medicare		3,037	
Internet Connectivity		43,300	
Software		19,101	
Other Equipment		21,029	
Total Technology			367,423

Other Programs

On-behalf Payments to OPEB	\$	93,104	
Total Other Programs			93,104

Board of Education

Secretary to Board	\$	30,955	
Board and Committee Members Fees		39,900	
Social Security		4,393	
Pensions		3,287	
Medical Insurance		5,605	
Unemployment Compensation		141	
Employer Medicare		1,027	
Audit Services		8,000	
Dues and Memberships		13,393	
Legal Services		1,754	
Travel		17,294	
Other Contracted Services		40,147	
Other Supplies and Materials		2,548	
Trustee's Commission		99,566	
Workers' Compensation Insurance		164,374	
Other Charges		31,656	
Total Board of Education			464,040

Director of Schools

County Official/Administrative Officer	\$	94,153	
Assistant(s)		5,714	
Career Ladder Program		1,000	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Secretary(ies)	\$	30,955	
Social Security		7,504	
Pensions		11,678	
Medical Insurance		25,105	
Unemployment Compensation		44	
Employer Medicare		1,755	
Communication		43,613	
Postal Charges		1,137	
Travel		2,626	
Office Supplies		3,997	
Other Charges		6,641	
Total Director of Schools			\$ 235,922

Office of the Principal

Principals	\$	483,426	
Career Ladder Program		4,000	
Assistant Principals		123,642	
Secretary(ies)		149,339	
Social Security		44,531	
Pensions		75,097	
Medical Insurance		48,955	
Unemployment Compensation		334	
Employer Medicare		10,398	
Communication		17,979	
Total Office of the Principal			957,701

Operation of Plant

Supervisor/Director	\$	27,255	
Custodial Personnel		358,764	
Social Security		23,691	
Pensions		26,492	
Medical Insurance		31,975	
Unemployment Compensation		469	
Employer Medicare		5,541	
Disposal Fees		25,711	
Other Contracted Services		30,156	
Electricity		593,251	
Natural Gas		79,094	
Water and Sewer		78,127	
Other Supplies and Materials		118,343	
Building and Contents Insurance		164,872	
Other Charges		24,894	
Total Operation of Plant			1,588,635

Maintenance of Plant

Maintenance Personnel	\$	162,675	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	10,069	
Pensions		11,193	
Medical Insurance		31,023	
Unemployment Compensation		139	
Employer Medicare		2,355	
Other Supplies and Materials		95,969	
Other Charges		91,005	
Administration Equipment		4,974	
Total Maintenance of Plant			\$ 409,402

Transportation

Supervisor/Director	\$	29,708	
Mechanic(s)		49,102	
Bus Drivers		595,740	
Social Security		42,455	
Pensions		39,992	
Medical Insurance		5,329	
Unemployment Compensation		815	
Employer Medicare		9,890	
Contracts with Vehicle Owners		762	
Maintenance and Repair Services - Vehicles		43,087	
Diesel Fuel		110,434	
Gasoline		10,128	
Tires and Tubes		12,033	
Vehicle Parts		70,167	
Other Supplies and Materials		15,011	
Other Charges		58,204	
Transportation Equipment		6,500	
Total Transportation			1,099,357

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	36,279	
Social Security		2,230	
Pensions		3,867	
Medical Insurance		6,782	
Unemployment Compensation		10	
Employer Medicare		522	
Travel		2,819	
Other Supplies and Materials		815	
In Service/Staff Development		7,800	
Other Charges		2,772	
Total Community Services			63,896

Early Childhood Education

Supervisor/Director	\$	36,279	
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(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Teachers	\$	437,287	
Educational Assistants		148,852	
Other Salaries and Wages		20,392	
Certified Substitute Teachers		8,480	
Social Security		38,233	
Pensions		61,076	
Medical Insurance		80,297	
Unemployment Compensation		471	
Employer Medicare		8,942	
Travel		4,417	
Instructional Supplies and Materials		74,709	
In Service/Staff Development		9,423	
Total Early Childhood Education			\$ 928,858

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	793,914	
Motor Vehicles		429,007	
Total Regular Capital Outlay			1,222,921

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	380,129	
Total Education			380,129

Total General Purpose School Fund \$ 24,392,492

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	673,611	
Educational Assistants		186,142	
Non-certified Substitute Teachers		6,386	
Social Security		50,773	
Pensions		80,088	
Medical Insurance		119,617	
Unemployment Compensation		552	
Employer Medicare		11,874	
Instructional Supplies and Materials		84,875	
Other Supplies and Materials		13,414	
Regular Instruction Equipment		44,500	
Total Regular Instruction Program			\$ 1,271,832

Special Education Program

Teachers	\$	118,970	
Educational Assistants		231,879	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	8,805	
Social Security		21,136	
Pensions		29,183	
Medical Insurance		50,941	
Unemployment Compensation		358	
Employer Medicare		4,959	
Contracts with Private Agencies		58,995	
Total Special Education Program			\$ 525,226

Career and Technical Education Program

Instructional Supplies and Materials	\$	15,039	
Other Supplies and Materials		3,350	
Vocational Instruction Equipment		53,192	
Total Career and Technical Education Program			71,581

Support Services

Other Student Support

Other Salaries and Wages	\$	550	
Social Security		33	
Pensions		58	
Employer Medicare		8	
Travel		352	
In Service/Staff Development		3,019	
Other Charges		3,325	
Total Other Student Support			7,345

Regular Instruction Program

Supervisor/Director	\$	66,669	
Secretary(ies)		14,779	
Other Salaries and Wages		3,700	
Non-certified Substitute Teachers		1,254	
Social Security		5,357	
Pensions		8,479	
Unemployment Compensation		38	
Employer Medicare		1,253	
Travel		122	
Other Supplies and Materials		3,197	
In Service/Staff Development		66,837	
Total Regular Instruction Program			171,685

Special Education Program

Psychological Personnel	\$	46,129	
Social Security		2,614	
Pensions		3,250	
Medical Insurance		11,188	
Unemployment Compensation		21	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	611	
Contracts with Private Agencies		18,965	
Travel		5,134	
Other Supplies and Materials		2,290	
In Service/Staff Development		8,782	
Total Special Education Program			\$ 98,984

Career and Technical Education Program

In Service/Staff Development	\$	3,977	
Total Career and Technical Education Program			3,977

Transportation

Bus Drivers	\$	33,759	
Social Security		2,093	
Pensions		2,309	
Unemployment Compensation		27	
Employer Medicare		490	
Total Transportation			<u>38,678</u>

Total School Federal Projects Fund \$ 2,189,308

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	62,894	
Cafeteria Personnel		547,672	
Other Salaries and Wages		67,698	
In-service Training		9,703	
Social Security		40,443	
Pensions		46,069	
Medical Insurance		42,593	
Unemployment Compensation		1,071	
Employer Medicare		9,295	
Travel		3,565	
Food Supplies		747,008	
USDA - Commodities		123,551	
Other Supplies and Materials		164,180	
Other Charges		21,544	
Food Service Equipment		168,869	
Total Food Service			<u>\$ 2,056,155</u>

Total Central Cafeteria Fund 2,056,155

Total Governmental Funds - Scott County School Department \$ 28,637,955

Exhibit J-9

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

	Cities - Sales Tax Fund	Special School District Fund	City School ADA - Oneida Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 450,875	\$ 833,784	\$ 1,284,659
Discounts on Property Taxes	0	(3,956)	(8,384)	(12,340)
Trustee's Collections - Prior Years	0	21,124	47,019	68,143
Circuit/Clerk and Master Collections - Prior Years	0	14,171	22,776	36,947
Interest and Penalty	0	5,356	9,313	14,669
Mixed Drink Tax	0	0	90	90
Local Option Sales Tax	1,788,853	0	672,202	2,461,055
Marriage Licenses	0	0	205	205
Other Local Revenues	0	0	35	35
Total Cash Receipts	\$ 1,788,853	\$ 487,570	\$ 1,577,040	\$ 3,853,463
<u>Cash Disbursements</u>				
Remittance of Revenue Collected	\$ 1,770,964	\$ 443,509	\$ 1,530,353	\$ 3,744,826
Trustee's Commission	17,889	9,692	24,754	52,335
Total Cash Disbursements	\$ 1,788,853	\$ 453,201	\$ 1,555,107	\$ 3,797,161
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ 34,369	\$ 21,933	\$ 56,302
Cash Balance, July 1, 2019	0	11,018	58,726	69,744
Cash Balance, June 30, 2020	\$ 0	\$ 45,387	\$ 80,659	\$ 126,046

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 10, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scott County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-002.

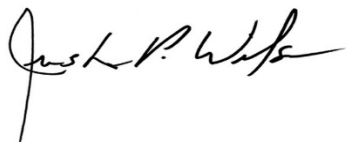
Scott County's Responses to the Findings

Scott County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Scott 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 Scott County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 10, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Scott County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Scott County's major federal programs for the year ended June 30, 2020. Scott County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Scott County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes

examining, on a test basis, evidence about Scott County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Scott County's compliance.

Opinion on Each Major Federal Program

In our opinion, Scott County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Scott County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Scott County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Scott County's internal control over compliance.

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

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

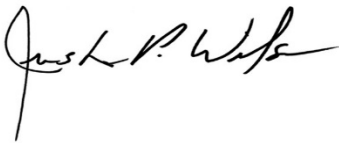
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated November 10, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 10, 2020

JPW/tg

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	N/A	\$ 20,200
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	388,043 (6)
COVID 19 - School Breakfast Program	10.553	N/A	164,916 (6)
National School Lunch Program	10.555	N/A	928,675 (6)
COVID 19 - National School Lunch Program	10.555	N/A	262,899 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	27,238
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	123,550 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	8,522 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63965	29,034
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	243,604
Total U.S. Department of Agriculture			<u>\$ 2,196,681</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(4)	\$ 182,579
Violence Against Women Formula Grants - Recovery Act	16.588	(4)	59,847
Total U.S. Department of Justice			<u>\$ 242,426</u>
U.S. Department of Labor:			
Passed-through State Department of Labor:			
COVID 19 - Unemployment Insurance	17.225	(4)	\$ 2,481
Total U.S. Department of Labor			<u>\$ 2,481</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 56,771
Total U.S. Department of Transportation			<u>\$ 56,771</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,344,549
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	645,383
Special Education - Preschool Grants	84.173	N/A	17,504
Career and Technical Education - Basic Grants to States	84.048	N/A	78,929
Rural Education	84.358	N/A	33,571
Improving Teacher Quality State Grants	84.367	N/A	88,224
Student Support and Academic Enrichment Program	84.424A	N/A	14,305
Total U.S. Department of Education			<u>\$ 2,222,465</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
COVID 19 - Provider Relief Fund	93.498	(4)	\$ 62,611
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-20-63965	2,261
Family Planning Services	93.217	GG-20-63965	6,583
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-63965	26,636
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63965	23,690
Total U.S. Department of Health and Human Services			<u>\$ 121,781</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	(4)	\$ 9,964
Emergency Management Performance Grants	97.042	(4)	23,500
Total U.S. Department of Homeland Security			<u>\$ 33,464</u>
Total Expenditures of Federal Grants			<u>\$ 4,876,069</u>
<u>State Grants</u>		<u>Contract Number</u>	
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(4)	36,038
Drug Control Grant - State Office of Criminal Justice Programs	N/A	(4)	68,315
Health Department Programs - State Department of Health	N/A	(4)	135,300
Drivers Education - State Department of Education	N/A	(4)	19,165
Coordinated School Health - State Department of Education	N/A	(4)	99,908
Family Resource Center - State Department of Education	N/A	(4)	30,212
Safe Schools - State Department of Education	N/A	(4)	75,573
School Resource Officer Grant - State Department of Education	N/A	(4)	131,998
School Safety - State Department of Education	N/A	(4)	88,270
SPARC Grant - Tennessee Higher Education Commission	N/A	(4)	75,000
Early Childhood Education - State Department of Education	N/A	(4)	929,021
COVID 19 - PPE - State Department of Military	N/A	(4)	3,322
Total State Grants			<u>\$ 1,701,122</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Scott County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Information not available.

(5) Child Nutrition Cluster total \$1,876,605; Special Education Cluster total \$662,887;
Medicaid Cluster total \$26,636.

(6) CFDA Totals: CFDA No. 10.553, \$552,959; CFDA No. 10.555, \$1,323,646

Scott 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 uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Scott County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICES OF DIRECTOR OF FINANCE AND SHERIFF</u>					
2019	208	2019-001	A civil penalty of \$12,486.60 was paid to the U.S. Department of Labor	N/A	Corrected
<u>OTHER FINDING</u>					
2019	209	2019-002	Allegations related to various departments of the county are currently under investigation	N/A	Investigative finding resulted from report issued in the current year, with other investigations continuing. See finding 2020-001 and the related corrective action plan.

Prior-year Federal Awards Findings

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

SCOTT COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Scott County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiencies identified? **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: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
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

DISCREPANCIES IN THE OPERATIONS OF THE SCOTT COUNTY RECYCLING CENTER ARE DISCLOSED IN AN INVESTIGATIVE REPORT

(Internal Control - Significant Deficiency under *Government Auditing Standards*)

An investigation was conducted on the Scott County Recycling Center by the Office of the Comptroller of the Treasury, Division of Investigations. The investigation was initiated after county officials reported questionable practices and was limited to selected records for the period of June 26, 2015 through September 15, 2018. An investigative report was issued by the Comptroller of the Treasury, Division of Investigations on April 13, 2020. The report reflects one finding and two internal control deficiencies. The investigative report can be found at www.comptroller.tn.gov/ia.

Other investigations in county offices are pending as of the date of this report.

RECOMMENDATION

County officials should correct any remaining internal control deficiencies identified in the investigative report as directed by the Division of Investigations.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Shortly after assuming my position as county mayor in September 2018, I discovered the problems in the operations of the recycling center. I immediately contacted the Comptroller's office to report the deficiencies, resulting in the investigation and report referenced in the finding. I corrected some of the deficiencies immediately by obtaining titled, three copy receipts for use at the recycle center, providing oversight by my office to verify proper submission of all collections recorded on the receipts, and keeping proper records of all Solid Waste Board meetings at the Solid Waste Director's office. Upon further recommendations by our auditors, employees of my office will initial the recycling center receipt documentation to indicate our review, and a sign will be placed at the recycle center directing customers to call my office if they do not receive a receipt for their transaction.

OFFICE OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

FINDING 2020-002

DEFICIENCIES WERE NOTED IN TECHNOLOGY PURCHASES MADE BY THE SCHOOL DEPARTMENT (Noncompliance under *Government Auditing Standards*)

As part of our procedures to determine if purchases were made in compliance with state statutes and that competitive bids were solicited in applicable instances, we reviewed disbursements that exceeded \$10,000. From those disbursements, we selected five purchases to review for compliance with state statutes regarding competitive bids. This review revealed the following deficiencies related to technology purchases in the school department:

- A. Competitive bids were not solicited for the purchase of 300 laptop computers at a total cost of \$59,700. The department purchased these items on September 23, 2019, from a vendor based on a bid solicitation that was awarded in September 2014 and has been renewed annually since that time. The original bid solicited wholesale prices based on a sample list of items that the school department has purchased in the past, and a percentage markup provided by the vendor. The laptops purchased were not part of the list of sample items. Purchasing procedures for the school department are governed by the County Financial Management System of 1981, Sections 5-21-101 through 5-21-130, *Tennessee Code Annotated (TCA)*. Section 5-21-120, *TCA*, requires competitive bids to be solicited on all purchases exceeding \$10,000. This deficiency is the result of management misapplying state statutes that relate to county government purchasing. The failure to solicit competitive bids for the specific items purchased could result in the department paying more than the most competitive price; and renewing a bid contract for multiple years does not allow for open competition among potential vendors.
- B. A lease-purchase agreement was not entered into in compliance with state statutes. During our review, we selected a disbursement made on September 23, 2019, in the amount of \$12,888. Documentation filed to support this disbursement indicated that it was the third payment on a four-year agreement signed on October 5, 2017. The original purchase was for twenty notebook computers costing \$42,980, plus interest at 8.3%, for a total cost of \$51,552. This debt agreement was not approved by the board of education nor the county commission, the agreement was signed by the Director of Schools instead of the Finance Director, and a Report on Debt Obligation was not filed with the state Comptroller's Office. Section 7-51-904, *TCA*, provides that lease agreements must be approved by the governing body prior to the agreement being finalized. Section 5-21-118(b)(1), *TCA*, states it is the responsibility of the finance director to enter into contracts for the county. Section 9-21-134, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as an a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. These deficiencies were caused by management's lack of knowledge of the statutes governing debt issuances of the county, and how they applied to this purchase. Further, these items were purchased from the same vendor, based on the same bid solicitation process detailed above. These notebook computers were also not part of the itemized listing in the original solicitation. Therefore, competitive bids were not obtained prior to the purchase.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000. All debt obligations involving the school department, should be approved by the board of education and the county commission prior to entering into any obligations. The finance director should sign all long-term debt obligations as required by the County Financial Management System of 1981. A Report on Debt Obligation should be filed with the state Comptroller's Office for each debt issuance within the required time frame.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The school department is in agreement with the recommendation.

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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2020-001	Discrepancies In The Operations Of The Scott County Recycling Center Are Disclosed In An Investigative Report	207
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OFFICE OF DIRECTOR OF SCHOOLS

2020-002	Deficiencies Were Noted In Technology Purchases Made By The School Department	208
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Office of County Mayor



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Corrective Action Plan

FINDING: DISCREPANCIES IN THE OPERATIONS OF THE
SCOTT COUNTY RECYCLING CENTER ARE
DISCLOSED IN AN INVESTIGATIVE REPORT

Response and Corrective Action Plan Prepared by:
Jeff Tibbals, Scott County Mayor

Person Responsible for Implementing the Corrective Action:
Sabrina Terry, Solid Waste Director


Anticipated Completion Date of Corrective Action:
99% of the Corrective Action plan was implemented during the Fall of 2018, The remaining actions to be taken will be completed by November 30, 2020.

Repeat Finding:
No

Planned Corrective Action:

The remaining corrective action steps are 1.) to post signs reading 'If You Did Not Receive a Receipt for Payment, Please Contact the Mayor's Office at 423-663-2000' and 2.) To begin signing all receipts received by the Trustee's Office to confirm correctness and completeness of cash and check payments.

The corrective action steps that were implemented in the Fall of 2018 were 1.) To begin using correctly titled and addressed 3 copy receipts at the point of sale at the Recycle Center. 2.) Documenting all monetary transactions at the Solid Waste Director's office verifying proper submission of numerically ordered receipts. And 3.) Keeping proper records of all Solid Waste Board meetings at the Solid Waste Director's office.

Signature: 

Scott County Board of Education

P.O. Box 37
208 Court Street
Huntsville, TN 37756

Bill M. Hall
Director of Schools

Phone: (423) 663-2159
Fax: (423) 663-9682

Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN TECHNOLOGY PURCHASES MADE BY THE SCHOOL DEPARTMENT

Response and Corrective Action Plan Prepared by:
Bill Hall, Director of Schools

Person Responsible for Implementing the Corrective Action:
Bill Hall, Director of Schools

Anticipated Completion Date of Corrective Action:
October 13, 2020

Repeat Finding:
No

Planned Corrective Action:

The district will follow district policy 2.806 to ensure all purchases of supplies, materials, equipment, and contractual services in excess of ten thousand dollars shall be based on competitive bids. Furthermore, the director of school will ensure that all debt obligations involving the school department will be approved by the Board of Education and the County Commission prior to entering into any obligations.

Signature: Bill Hall