



ANNUAL FINANCIAL REPORT

Hawkins County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HAWKINS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

HAWKINS COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Hawkins County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Hawkins County as of and for the year ended June 30, 2022.

Results

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

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

Findings

The following are summaries of the audit finding:

OFFICE OF COUNTY MAYOR

- ♦ A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties totaling \$2,521.



INTRODUCTORY SECTION

Hawkins County Officials

June 30, 2022

Officials

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

Board of County Commissioners

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

Board of Education

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

Audit Committee

Jason Roach, Chairman	Tom Kern
Danny Alvis	Syble Vaughan Trent
Nancy Barker	Hannah Winegar
Michael Herrell	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Hawkins County School Department, which represent 1.36 percent, 2.28 percent, and 1.64 percent, respectively, of the assets, net position, and revenues of the discretely presented Hawkins County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Hawkins County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of

Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Hawkins County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawkins County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Hawkins County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawkins County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of changes in the county's and school's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkins County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

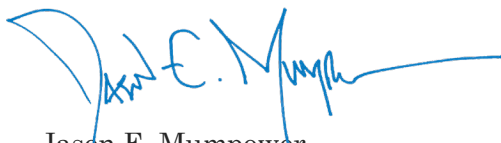
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023, on our consideration of Hawkins County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hawkins County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hawkins County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Hawkins County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Unit Hawkins County School Department
<u>ASSETS</u>		
Cash	\$ 39,085	\$ 1,650,184
Equity in Pooled Cash and Investments	40,547,741	14,049,246
Accounts Receivable	197,723	186,270
Due from Other Governments	1,397,129	4,485,012
Property Taxes Receivable	19,298,087	11,759,875
Allowance for Uncollectible Property Taxes	(696,414)	(448,737)
Prepaid Items	70,290	0
Leases Receivable		433,308
Cash Shortage	0	64,800
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	735,538
Net Pension Asset - Agent Plan - Legacy	6,584,047	4,118,240
Net Pension Asset - Agent Plan - Hybrid	0	117,710
Net Pension Asset - Teacher Retirement Plan	0	533,409
Net Pension Asset - Teacher Legacy Pension Plan	0	30,915,226
Capital Assets:		
Assets Not Depreciated:		
Land	1,383,652	1,570,973
Construction in Progress	356,308	6,166,445
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	13,571,086	41,785,165
Infrastructure	29,349,814	0
Other Capital Assets	1,961,517	3,170,815
Intangible Right-to-Use Assets	0	51,478
Total Assets	<u>\$ 114,060,065</u>	<u>\$ 121,344,957</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 1,164,195	\$ 0
Pension Changes in Experience	0	155,483
Pension Changes in Assumptions	2,123,515	9,836,069
Pension Changes in Proportion	0	31,351
Pension Contributions after Measurement Date	669,538	3,169,549
OPEB Changes in Experience	892,941	1,261,482
OPEB Changes in Assumptions	0	1,444,162
OPEB Changes in Proportion	0	752,520
OPEB Contributions After Measurement Date	0	597,980
Total Deferred Outflows of Resources	<u>\$ 4,850,189</u>	<u>\$ 17,248,596</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Hawkins County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 455,554	\$ 697,419
Accrued Payroll	0	21,540
Payroll Deductions Payable	89,566	1,225
Contracts Payable	172,275	6,000
Accrued Interest Payable	256,094	0
Due to Other Governments	5,515,008	0
Due to State of Tennessee	981	0
Other Current Liabilities	96,339	1,854,094
Noncurrent Liabilities:		
Due Within One Year - Leases	0	13,167
Due Within One Year - Debt	4,325,520	0
Due Within One Year - Other	662,195	933,567
Due in More Than One Year - Leases	0	37,409
Due in More Than One Year - Debt	59,266,398	0
Due in More Than One Year - Other	6,206,641	15,803,928
Total Liabilities	<u>\$ 77,046,571</u>	<u>\$ 19,368,349</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 18,219,511	\$ 11,048,459
Deferred Leases Receivables	0	433,308
Pension Changes in Experience	282,428	2,856,590
Pension Changes in Investment Earnings	5,573,472	28,542,405
Pension Changes in Proportion	0	124,777
OPEB Changes in Experience	869,449	1,216,821
OPEB Changes in Assumptions	0	1,078,945
OPEB Changes in Proportion	0	1,497,012
Total Deferred Inflows of Resources	<u>\$ 24,944,860</u>	<u>\$ 46,798,317</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 34,870,342	\$ 52,744,876
Restricted for:		
General Government	232,781	0
Finance	114,110	0
Administration of Justice	449,993	0
Public Safety	711,325	0
Public Health and Welfare	10,147	0
Highways	4,311,284	0
Debt Service	10,943,448	0
Education	0	6,580,901
Capital Projects	1,535,119	1,258,762
Pensions	6,584,047	36,420,123
Unrestricted	<u>(42,843,773)</u>	<u>(24,577,775)</u>
Total Net Position	<u>\$ 16,918,823</u>	<u>\$ 72,426,887</u>

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

Exhibit B

Hawkins County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component	
						Unit Hawkins County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 3,231,993	\$ 541,978	\$ 231,050	\$ 21,321	\$ (2,437,644)	\$	0
Finance	1,863,034	1,581,861	0	0	(281,173)		0
Administration of Justice	1,636,968	785,942	62,031	0	(788,995)		0
Public Safety	9,408,193	740,815	1,234,116	0	(7,433,262)		0
Public Health and Welfare	2,951,836	164,507	439,700	150,609	(2,197,020)		0
Social, Cultural, and Recreational Services	675,261	2,370	93,221	0	(579,670)		0
Agriculture and Natural Resources	212,913	0	0	0	(212,913)		0
Highways	7,001,232	35,939	2,893,548	12,051	(4,059,694)		0
Education	2,350,262	0	0	0	(2,350,262)		0
Interest on Long-term Debt	1,619,076	0	0	0	(1,619,076)		0
Total Primary Government	<u>\$ 30,950,768</u>	<u>\$ 3,853,412</u>	<u>\$ 4,953,666</u>	<u>\$ 183,981</u>	<u>\$ (21,959,709)</u>	<u>\$</u>	<u>0</u>
Component Unit:							
Hawkins County School Department	\$ 69,821,404	\$ 504,343	\$ 19,444,995	\$ 2,350,261	\$ 0	\$	(47,521,805)
Total Component Unit	<u>\$ 69,821,404</u>	<u>\$ 504,343</u>	<u>\$ 19,444,995</u>	<u>\$ 2,350,261</u>	<u>\$ 0</u>	<u>\$</u>	<u>(47,521,805)</u>

(Continued)

Exhibit B

Hawkins County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
					Total Governmental	Hawkins County School
					Activities	Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 10,948,796	\$ 6,733,416
Property Taxes Levied for Highway/Public Works					1,578,816	0
Property Taxes Levied for Transportation					0	3,285,386
Property Taxes Levied for Capital Projects					0	1,253,159
Property Taxes Levied for Debt Service					3,870,521	0
Local Option Sales Taxes					1,825,618	7,147,398
Wheel Tax					3,158,020	331,152
Litigation Tax - General					82,206	0
Litigation Tax - Jail, Workhouse, Courthouse					83,229	0
Litigation Tax - Courthouse Security					82,639	0
Litigation Tax - Special					48,252	0
Business Tax					471,955	0
Mineral Severance Tax					82,945	0
Wholesale Beer Tax					86,490	0
Other Local Tax					0	2,512
Grants and Contributions Not Restricted to Specific Programs					2,672,439	42,002,556
Unrestricted Investment Income					89,414	2,902
Miscellaneous					27,777	366,492
Gain on Sale of Assets					190,661	6,641
Total General Revenues					\$ 25,299,778	\$ 61,131,614
Change in Net Position						
Net Position, July 1, 2021					\$ 3,340,069	\$ 13,609,809
					13,578,754	58,817,078
Net Position, June 30, 2022						
					\$ 16,918,823	\$ 72,426,887

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

Exhibit C-1

Hawkins County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 7,235	\$ 0	\$ 0	\$ 0	\$ 31,850	\$ 39,085
Equity in Pooled Cash and Investments	14,177,744	5,515,514	4,192,932	9,205,755	7,455,796	40,547,741
Accounts Receivable	35,773	0	0	4,033	157,917	197,723
Due from Other Governments	470,280	0	524,193	0	402,656	1,397,129
Due from Other Funds	137,544	0	730	0	0	138,274
Property Taxes Receivable	12,953,930	0	1,663,834	3,479,054	1,201,269	19,298,087
Allowance for Uncollectible Property Taxes	(455,489)	0	(63,186)	(132,120)	(45,619)	(696,414)
Prepaid Items	0	0	0	70,290	0	70,290
Total Assets	\$ 27,327,017	\$ 5,515,514	\$ 6,318,503	\$ 12,627,012	\$ 9,203,869	\$ 60,991,915
<u>LIABILITIES</u>						
Accounts Payable	\$ 175,920	\$ 0	\$ 122,324	\$ 0	\$ 157,310	\$ 455,554
Payroll Deductions Payable	79,432	0	4,414	0	5,720	89,566
Contracts Payable	137,373	0	0	0	34,902	172,275
Due to Other Funds	730	0	0	0	137,544	138,274
Due to State of Tennessee	900	0	0	0	81	981
Due to Other Governments	0	5,515,008	0	0	0	5,515,008
Other Current Liabilities	96,338	0	0	0	1	96,339
Total Liabilities	\$ 490,693	\$ 5,515,008	\$ 126,738	\$ 0	\$ 335,558	\$ 6,467,997
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 12,256,571	\$ 0	\$ 1,563,855	\$ 3,270,000	\$ 1,129,085	\$ 18,219,511
Deferred Delinquent Property Taxes	231,064	0	35,149	73,497	25,378	365,088

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 119,360	\$ 0	\$ 248,266	\$ 0	\$ 198,088	\$ 565,714
Total Deferred Inflows of Resources	\$ 12,606,995	\$ 0	\$ 1,847,270	\$ 3,343,497	\$ 1,352,551	\$ 19,150,313
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 70,290	\$ 0	\$ 70,290
Restricted:						
Restricted for General Government	211,760	0	0	0	0	211,760
Restricted for Finance	114,110	0	0	0	0	114,110
Restricted for Administration of Justice	449,993	0	0	0	0	449,993
Restricted for Public Safety	455,366	0	0	0	202,945	658,311
Restricted for Public Health and Welfare	10,147	0	0	0	0	10,147
Restricted for Other Operations	21,021	0	0	0	0	21,021
Restricted for Highways/Public Works	0	0	4,072,644	0	0	4,072,644
Restricted for Debt Service	0	0	0	9,213,225	1,829,856	11,043,081
Restricted for Capital Projects	0	0	0	0	1,522,415	1,522,415
Committed:						
Committed for General Government	10,118	0	0	0	0	10,118
Committed for Finance	27,836	0	0	0	0	27,836
Committed for Public Safety	65,332	0	0	0	0	65,332
Committed for Public Health and Welfare	9,519	0	0	0	3,485,935	3,495,454
Committed for Other Operations	1,550	0	0	0	0	1,550
Committed for Highways/Public Works	0	0	271,851	0	0	271,851
Committed for Debt Service	0	0	0	0	474,609	474,609
Committed for Other Purposes	0	506	0	0	0	506

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>						
Assigned:						
Assigned for General Government	\$ 1,799,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,799,372
Assigned for Finance	4,332	0	0	0	0	4,332
Assigned for Administration of Justice	410	0	0	0	0	410
Assigned for Public Safety	301,442	0	0	0	0	301,442
Assigned for Public Health and Welfare	1,250	0	0	0	0	1,250
Assigned for Social, Cultural, and Recreational Services	30,392	0	0	0	0	30,392
Unassigned	10,715,379	0	0	0	0	10,715,379
Total Fund Balances	<u>\$ 14,229,329</u>	<u>\$ 506</u>	<u>\$ 4,344,495</u>	<u>\$ 9,283,515</u>	<u>\$ 7,515,760</u>	<u>\$ 35,373,605</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,327,017</u>	<u>\$ 5,515,514</u>	<u>\$ 6,318,503</u>	<u>\$ 12,627,012</u>	<u>\$ 9,203,869</u>	<u>\$ 60,991,915</u>

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

Exhibit C-2

Hawkins County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

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)		\$	35,373,605
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,383,652	
Add: constriction in progress		356,308	
Add: buildings and improvements net of accumulated depreciation		13,571,086	
Add: infrastructure net of accumulated depreciation		29,349,814	
Add: other capital assets net of accumulated depreciation		<u>1,961,517</u>	46,622,377
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(6,613,413)	
Less: bonds payable		(53,860,000)	
Add: deferred amount on refunding		1,164,195	
Less: compensated absences payable		(882,926)	
Less: unamortized premium on debt		(3,118,505)	
Less: accrued interest on bonds and other loans payable		(256,094)	
Less: other post employment benefits liability		<u>(5,985,910)</u>	(69,552,653)
(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	\$	2,793,053	
Less: deferred inflows of resources related to pensions		(5,855,900)	
Add: deferred outflows of resources related to OPEB		892,941	
Less: deferred inflows of resources related to OPEB		<u>(869,449)</u>	(3,039,355)
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			930,802
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			<u>6,584,047</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>16,918,823</u></u>

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

Exhibit C-3

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 13,250,817	\$ 0	\$ 1,681,010	\$ 3,697,363	\$ 3,875,800	\$ 22,504,990
Licenses and Permits	2,042	0	0	0	184,569	186,611
Fines, Forfeitures, and Penalties	162,216	0	0	0	18,338	180,554
Charges for Current Services	263,107	0	249	0	10,606	273,962
Other Local Revenues	83,405	506	7,217	76,307	537,911	705,346
Fees Received From County Officials	2,500,891	0	0	0	0	2,500,891
State of Tennessee	3,408,108	0	3,345,855	0	163,275	6,917,238
Federal Government	433,687	0	0	0	178,091	611,778
Other Governments and Citizens Groups	506,394	0	0	470,299	0	976,693
Total Revenues	\$ 20,610,667	\$ 506	\$ 5,034,331	\$ 4,243,969	\$ 4,968,590	\$ 34,858,063
<u>Expenditures</u>						
Current:						
General Government	\$ 2,789,907	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,789,907
Finance	1,675,104	0	0	0	0	1,675,104
Administration of Justice	1,775,178	0	0	0	7,758	1,782,936
Public Safety	9,041,363	0	0	0	28,686	9,070,049
Public Health and Welfare	891,311	0	0	0	2,225,025	3,116,336
Social, Cultural, and Recreational Services	645,908	0	0	0	0	645,908
Agriculture and Natural Resources	216,091	0	0	0	0	216,091
Other Operations	1,034,629	0	0	0	0	1,034,629
Highways	51,952	0	5,562,273	0	0	5,614,225
Debt Service:						
Principal on Debt	0	0	0	2,889,489	1,316,500	4,205,989
Interest on Debt	0	0	0	1,334,529	320,260	1,654,789
Other Debt Service	0	0	0	77,722	17,325	95,047

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds	
<u>Expenditures (Cont.)</u>							
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,740,738	\$ 2,740,738	
Total Expenditures	\$ 18,121,443	\$ 0	\$ 5,562,273	\$ 4,301,740	\$ 6,656,292	\$ 34,641,748	
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,489,224	\$ 506	\$ (527,942)	\$ (57,771)	\$ (1,687,702)	\$ 216,315	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,350,262	\$ 2,350,262	
Insurance Recovery	11,251	0	90	0	0	11,341	
Transfers In	0	0	0	106,657	0	106,657	
Transfers Out	(106,657)	0	0	0	0	(106,657)	
Total Other Financing Sources (Uses)	\$ (95,406)	\$ 0	\$ 90	\$ 106,657	\$ 2,350,262	\$ 2,361,603	
Net Change in Fund Balances	\$ 2,393,818	\$ 506	\$ (527,852)	\$ 48,886	\$ 662,560	\$ 2,577,918	
Fund Balance, July 1, 2021	11,835,511	0	4,872,347	9,234,629	6,853,200	32,795,687	
Fund Balance, June 30, 2022	\$ 14,229,329	\$ 506	\$ 4,344,495	\$ 9,283,515	\$ 7,515,760	\$ 35,373,605	

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

Exhibit C-4

Hawkins County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	2,577,918
(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	\$	945,081	
Less: current-year depreciation expense		<u>(2,687,917)</u>	(1,742,836)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of assets disposed			(156,892)
(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, 2022	\$	930,802	
Less: deferred delinquent property taxes and other deferred June 30, 2021		<u>(1,314,511)</u>	(383,709)
(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 related items.			
Add: principal payments on bonds	\$	3,755,000	
Add: principal payments on other loans		450,989	
Less: other loan proceeds		<u>(2,350,262)</u>	
Add: change in unamortized premium on debt issuances		234,257	
Less: change in deferred amount on refunding debt		<u>(165,877)</u>	1,924,107
(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	\$	(32,667)	
Change in OPEB liability		199,633	
Change in compensated absences payable		(81,844)	
Change in net pension asset/liability		5,455,787	
Change in deferred outflows related to pensions		1,692,011	
Change in deferred inflows related to pensions		<u>(5,644,500)</u>	
Change in deferred outflows related to OPEB		(231,953)	
Change in deferred inflows related to OPEB		<u>(234,986)</u>	1,121,481
Change in net position of governmental activities (Exhibit B)		\$	<u>3,340,069</u>

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

Exhibit C-5

Hawkins County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,250,817	\$ 0	\$ 0	\$ 13,250,817	\$ 12,807,126	\$ 12,807,126	\$ 443,691
Licenses and Permits	2,042	0	0	2,042	2,050	2,050	(8)
Fines, Forfeitures, and Penalties	162,216	0	0	162,216	130,780	130,780	31,436
Charges for Current Services	263,107	0	0	263,107	169,750	202,030	61,077
Other Local Revenues	83,405	0	0	83,405	53,650	57,806	25,599
Fees Received From County Officials	2,500,891	0	0	2,500,891	2,308,500	2,308,500	192,391
State of Tennessee	3,408,108	0	0	3,408,108	1,124,784	1,644,842	1,763,266
Federal Government	433,687	0	0	433,687	478,887	756,687	(323,000)
Other Governments and Citizens Groups	506,394	0	0	506,394	501,621	501,621	4,773
Total Revenues	\$ 20,610,667	\$ 0	\$ 0	\$ 20,610,667	\$ 17,577,148	\$ 18,411,442	\$ 2,199,225
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 104,370	\$ 0	\$ 500	\$ 104,870	\$ 135,778	\$ 135,778	\$ 30,908
Board of Equalization	4,661	0	0	4,661	8,912	8,912	4,251
Beer Board	54	0	0	54	3,033	3,033	2,979
Budget and Finance Committee	7,203	0	0	7,203	8,427	8,427	1,224
County Mayor/Executive	562,526	(11,565)	16,390	567,351	604,283	611,795	44,444
County Attorney	37,341	0	0	37,341	37,859	37,859	518
Election Commission	282,827	0	500	283,327	387,644	387,644	104,317
Register of Deeds	273,407	0	0	273,407	311,044	312,594	39,187
Planning	18,578	0	0	18,578	20,035	20,035	1,457
County Buildings	728,598	(92,689)	46,040	681,949	856,581	860,081	178,132
Other General Administration	764,653	(3,200)	5,597	767,050	849,622	854,143	87,093
Preservation of Records	5,689	0	0	5,689	10,531	10,531	4,842
<u>Finance</u>							
Property Assessor's Office	460,533	(2,850)	0	457,683	497,494	497,494	39,811
Reappraisal Program	160,796	(1,500)	0	159,296	171,001	171,001	11,705
County Trustee's Office	297,065	(1,000)	4,332	300,397	308,404	313,004	12,607
County Clerk's Office	756,710	0	0	756,710	782,705	794,670	37,960

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court Clerk	\$ 672,505	\$ 0	\$ 0	\$ 672,505	\$ 734,383	\$ 740,833	\$ 68,328
Criminal Court	9,735	0	0	9,735	12,000	12,000	2,265
General Sessions Court	340,598	0	410	341,008	348,389	348,389	7,381
Drug Court	69,389	0	0	69,389	77,156	82,356	12,967
Chancery Court	379,541	0	0	379,541	370,722	394,487	14,946
Juvenile Court	177,417	0	0	177,417	182,067	182,067	4,650
Courtroom Security	125,993	0	0	125,993	251,995	251,995	126,002
<u>Public Safety</u>							
Sheriff's Department	4,454,060	(146,681)	230,169	4,537,548	4,682,297	4,742,286	204,738
Drug Enforcement	6,879	0	0	6,879	6,879	6,879	0
Administration of the Sexual Offender Registry	3,319	0	0	3,319	5,400	5,400	2,081
Jail	2,994,784	(3,650)	46,500	3,037,634	3,359,237	3,351,517	313,883
Juvenile Services	259,670	0	9,773	269,443	322,781	322,781	53,338
Fire Prevention and Control	360,580	0	0	360,580	365,580	365,580	5,000
Rescue Squad	122,000	0	0	122,000	100,000	122,000	0
Disaster Relief	900	0	0	900	6,000	6,000	5,100
Other Emergency Management	474,542	(28,904)	214,133	659,771	186,605	696,463	36,692
County Coroner/Medical Examiner	163,029	0	0	163,029	179,984	179,984	16,955
Other Public Safety	201,600	0	0	201,600	201,600	201,600	0
<u>Public Health and Welfare</u>							
Local Health Center	334,878	(29,887)	1,250	306,241	371,806	371,806	65,565
Ambulance/Emergency Medical Services	190,285	(119,285)	0	71,000	60,000	71,000	0
Other Local Health Services	364,753	0	0	364,753	501,620	501,620	136,867
Aid to Dependent Children	0	0	0	0	5,000	5,000	5,000
Other Public Health and Welfare	1,395	0	0	1,395	16,546	16,546	15,151
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	216,691	0	0	216,691	236,787	245,127	28,436
Libraries	106,860	0	0	106,860	106,860	106,860	0
Parks and Fair Boards	322,357	(71,538)	30,391	281,210	383,852	385,032	103,822

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 120,798	\$ 0	\$ 0	\$ 120,798	\$ 126,132	\$ 126,132	\$ 5,334
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	79,903	0	0	79,903	81,105	81,655	1,752
Flood Control	0	0	0	0	3,000	3,000	3,000
Storm Water Management	13,890	0	0	13,890	17,342	17,342	3,452
<u>Other Operations</u>							
Tourism	1,500	0	0	1,500	1,500	1,500	0
Industrial Development	172,202	0	0	172,202	220,867	220,867	48,665
Airport	388,592	(230,000)	98,324	256,916	403,850	376,650	119,734
Veterans' Services	86,386	0	0	86,386	88,823	88,823	2,437
Contributions to Other Agencies	41,534	0	0	41,534	44,964	44,964	3,430
Employee Benefits	49,429	0	0	49,429	78,608	56,693	7,264
COVID-19 Grant #8	0	0	0	0	0	75,000	75,000
Miscellaneous	294,986	0	0	294,986	320,220	320,220	25,234
<u>Highways</u>							
Litter and Trash Collection	51,952	0	0	51,952	75,403	77,536	25,584
<u>Interest on Debt</u>							
General Government	0	0	0	0	4,000	4,000	4,000
Total Expenditures	\$ 18,121,443	\$ (742,749)	\$ 704,309	\$ 18,083,003	\$ 19,536,213	\$ 20,238,491	\$ 2,155,488
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,489,224	\$ 742,749	\$ (704,309)	\$ 2,527,664	\$ (1,959,065)	\$ (1,827,049)	\$ 4,354,713
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 11,251	\$ 0	\$ 0	\$ 11,251	\$ 0	\$ 11,251	\$ 0
Transfers Out	(106,657)	0	0	(106,657)	(106,657)	(106,657)	0
Total Other Financing Sources	\$ (95,406)	\$ 0	\$ 0	\$ (95,406)	\$ (106,657)	\$ (95,406)	\$ 0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,393,818	\$ 742,749	\$ (704,309)	\$ 2,432,258	\$ (2,065,722)	\$ (1,922,455)	\$ 4,354,713
Fund Balance, July 1, 2021	11,835,511	(742,749)	0	11,092,762	10,596,331	10,596,331	496,431
Fund Balance, June 30, 2022	<u>\$ 14,229,329</u>	<u>\$ 0</u>	<u>\$ (704,309)</u>	<u>\$ 13,525,020</u>	<u>\$ 8,530,609</u>	<u>\$ 8,673,876</u>	<u>\$ 4,851,144</u>

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

Exhibit C-6

Hawkins County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 506	\$ 0	\$ 506	\$ 0	\$ 0	\$ 506
Total Revenues	\$ 506	\$ 0	\$ 506	\$ 0	\$ 0	\$ 506
<u>Expenditures</u>						
<u>Other Operations</u>						
American Rescue Plan Act Grant #1	\$ 0	\$ 275,000	\$ 275,000	\$ 0	\$ 275,000	\$ 0
Total Expenditures	\$ 0	\$ 275,000	\$ 275,000	\$ 0	\$ 275,000	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 506	\$ (275,000)	\$ (274,494)	\$ 0	\$ (275,000)	\$ 506
Net Change in Fund Balance	\$ 506	\$ (275,000)	\$ (274,494)	\$ 0	\$ (275,000)	\$ 506
Fund Balance, July 1, 2021	0	0	0	0	0	0
Fund Balance, June 30, 2022	\$ 506	\$ (275,000)	\$ (274,494)	\$ 0	\$ (275,000)	\$ 506

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

Exhibit C-7

Hawkins County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,681,010	\$ 0	\$ 0	\$ 1,681,010	\$ 1,635,636	\$ 1,635,636	\$ 45,374
Charges for Current Services	249	0	0	249	2,500	2,500	(2,251)
Other Local Revenues	7,217	0	0	7,217	500	500	6,717
State of Tennessee	3,345,855	0	0	3,345,855	3,606,007	3,606,007	(260,152)
Total Revenues	\$ 5,034,331	\$ 0	\$ 0	\$ 5,034,331	\$ 5,244,643	\$ 5,244,643	\$ (210,312)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 211,675	\$ 0	\$ 0	\$ 211,675	\$ 253,411	\$ 253,411	\$ 41,736
Highway and Bridge Maintenance	4,250,252	(800,000)	25,000	3,475,252	4,915,000	4,915,000	1,439,748
Operation and Maintenance of Equipment	519,036	0	0	519,036	919,900	919,900	400,864
Other Charges	207,721	0	0	207,721	212,900	212,900	5,179
Employee Benefits	345,424	0	0	345,424	479,500	479,500	134,076
Capital Outlay	28,165	0	0	28,165	1,560,500	1,560,500	1,532,335
Total Expenditures	\$ 5,562,273	\$ (800,000)	\$ 25,000	\$ 4,787,273	\$ 8,341,211	\$ 8,341,211	\$ 3,553,938
Excess (Deficiency) of Revenues Over Expenditures	\$ (527,942)	\$ 800,000	\$ (25,000)	\$ 247,058	\$ (3,096,568)	\$ (3,096,568)	\$ 3,343,626
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 90	\$ 0	\$ 0	\$ 90	\$ 0	\$ 0	\$ 90
Total Other Financing Sources	\$ 90	\$ 0	\$ 0	\$ 90	\$ 0	\$ 0	\$ 90
Net Change in Fund Balance	\$ (527,852)	\$ 800,000	\$ (25,000)	\$ 247,148	\$ (3,096,568)	\$ (3,096,568)	\$ 3,343,716
Fund Balance, July 1, 2021	4,872,347	(800,000)	0	4,072,347	3,558,343	3,558,343	514,004
Fund Balance, June 30, 2022	\$ 4,344,495	\$ 0	\$ (25,000)	\$ 4,319,495	\$ 461,775	\$ 461,775	\$ 3,857,720

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

Exhibit D-1

Hawkins County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,586,885
Equity in Pooled Cash and Investments	129,442
Due from Other Governments	1,353,291
Taxes Receivable	1,343,348
Allowance for Uncollectible Taxes	<u>(48,869)</u>
Total Assets	<u>\$ 4,364,097</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,509,814</u>
Total Liabilities	<u>\$ 1,509,814</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,267,398</u>
Total Deferred Inflows of Resources	<u>\$ 1,267,398</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,586,885</u>
Total Net Position	<u><u>\$ 1,586,885</u></u>

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

Hawkins County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 6,481,524
ADA - Educational Funds Collected for Cities	2,427,463
Fines/Fees and Other Collections	<u>9,283,128</u>
Total Additions	<u>\$ 18,192,115</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 6,481,524
Payments to City School Systems	2,427,463
Payments to State	7,256,052
Payments to Individuals and Others	<u>1,968,697</u>
Total Deductions	<u>\$ 18,133,736</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 58,379
Net Position, July 1, 2021	<u>1,528,506</u>
Net Position, June 30, 2022	<u><u>\$ 1,586,885</u></u>

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

HAWKINS COUNTY, TENNESSEE

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HAWKINS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Hawkins County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Hawkins County (the primary government) and its component units. The financial statements of the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and the Hawkins County Library System, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Hawkins County School Department operates the public school system in the county, and the voters of Hawkins County elect its board. The school department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Hawkins County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Hawkins County Industrial Development Board nominates, and the Hawkins County Commission confirms the board members. In a prior year, the county agreed to assume the liability for a note issued by the Industrial Development Board. Due to this financial burden relationship, the board is reported as a discretely presented component unit. In the current year, the Industrial Development Board did not have an audit performed since the majority of operational expenditures are administered by Hawkins County through the county's General Fund and included in the scope of the county's annual audit. The board maintains a separate checking account that is used for economic development expenses for which it receives reimbursements from the Northeast Tennessee Valley Regional Industrial Development Association and the Workforce Investment Act Youth Program. Total deposits and disbursements of \$221,745 and \$225,782, respectively, were channeled through this account during the year. In our opinion, these deposits and disbursements are not material to the component units' opinion unit.

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

The Hawkins County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements for the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and Hawkins County Library System can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Hawkins County issues all debt for the discretely presented Hawkins County School Department. Net debt issues totaling \$2,350,262 were contributed by the county to the school department during the year ended June 30, 2022.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Hawkins County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Hawkins County does not have any proprietary funds to report.

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Hawkins County reports the following major governmental funds:

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

Other Special Revenue Fund – This special revenue fund accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act.

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

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

Additionally, Hawkins County reports the following fund types:

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

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Hawkins County, and the city school systems’ shares of educational revenues.

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

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

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Hawkins County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the debt service funds. Hawkins County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency

obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

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

All other investments are reported at fair value. Other than the Hawkins County School Department's investments in the Pension Stabilization Trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.99 percent of total taxes levied.

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

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

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

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

Most payables are disaggregated on the face of the financial statements. The Other Current Liabilities account reflected on the statement of Net Position for the primary government and discretely

presented school department represents remaining balances in the insurance, payroll tax, and retirement clearing accounts. Due to Other Governments on the statement of Net Position for the primary government represents American Rescue Plan Act funds received in advance.

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangible right-to-use assets (e.g., lease assets) 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. Right-to-use assets are amortized over the shorter of the lease term or useful life.

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

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; deferred leases receivable;

pension changes in experience, investment earnings, and proportion; OPEB changes in experience, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

Primary Government

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

Discretely Presented School Department

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Hawkins County Board of Education has adopted policies allowing all 12-month employees who declare their intention to retire within the calendar year to be paid their unused vacation benefits as they accrue. Other 12-month employees are allowed to accumulate a limited amount (five days) of earned but unused vacation benefits. Due to the COVID-19 pandemic, this policy was amended, beginning in the 2019-2020 fiscal year through the 2021-2022 fiscal year, to allow 12-month employees to accumulate ten days of earned but unused vacation benefits.

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

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

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

8. Long-term Debt, Lease Obligations, and Long-term Obligations

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

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

Lease obligations are recognized in the government-wide financial statements. At the commencement of a lease, a lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

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

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$24,892,254 of restricted net position for the primary government, of which \$1,136,417 is restricted by enabling legislation.

As of June 30, 2022, Hawkins County had \$49,502,654 in outstanding debt for capital purposes for the discretely presented Hawkins County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Rogersville School System and the City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Hawkins County, but the capital assets acquired are reported in the financial statements of the school department, the City of Rogersville School System, and the City of Kingsport School System. Therefore, Hawkins County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or

laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund includes amounts appropriated for use in the 2022-2023 budget (\$1,599,539), encumbrances (\$406,853), employee vacation pay (\$25,000), and unclaimed property refunds (\$105,806). Assigned fund balance in the school department's General Purpose School Fund includes encumbrances (\$109,228), fund balance assigned for textbooks (\$120,919), and fund balance appropriated for use in the 2022-2023 budget (\$4,884,661).

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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Hawkins County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hawkins County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension 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 Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Hawkins County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Hybrid Pension Plan, 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 Hybrid Pension Plan, Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Hawkins County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are 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, Beer Board, Budget and Finance Committee, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the county commission may transfer

appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2022, Hawkins County and the Hawkins County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 704,309
Other Special Revenue	275,000
Highway/Public Works	25,000
Nonmajor Governmental Funds	57,797
School Department:	
Major Funds:	
General Purpose School	109,228
School Federal Projects	519,502
Central Cafeteria	7,605
School Transportation	500,926
Nonmajor Governmental Funds	464,846

The recognition of encumbrances in the Other Special Revenue Fund resulted in a budgetary basis deficit of \$274,494 at June 30, 2022. That deficit will be liquidated with grant revenues once GAAP basis expenditures are incurred and reported under the American Rescue Plan Act. Appropriations also exceeded budgeted revenues and available resources in that fund by \$275,000. This is because appropriations were necessary in order to issue the purchase orders in the 2021-22 year. Revenues from that grant were not budgeted since, as stated above, those revenues cannot be recognized until after GAAP basis expenditures are incurred, which will be in a future fiscal year.

B. Cash Shortage – Prior Year

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

County Grand Jury indicted Shawn Hatchett on one count of Theft over \$60,000, one count of Forgery over \$60,000, and fifty-five counts of Violation of the Water Pollution Control Act. Mr. Hatchett pled guilty to these charges on August 31, 2021, and received a sentence of 12 years to serve 365 days with the remainder to be on supervised probation. He was also ordered to pay restitution in the amount of \$64,800 with payments beginning when Mr. Hatchett is released from incarceration.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three 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 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally

insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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 Hawkins County's investment in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. The Hawkins County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Hawkins County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Hawkins County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 228,017
Developed Market International Equity	N/A	N/A	102,975
Emerging Market International Equity	N/A	N/A	29,421
U.S. Fixed Income	N/A	N/A	147,108
Real Estate	N/A	N/A	73,554
Short-term Securities	N/A	N/A	7,355
NAV - Private Equity and Strategic Lending	N/A	N/A	147,108
Total			<u>\$ 735,538</u>

Of the total amount above, \$137,962 represents amounts held for the Hybrid Pension Plan and \$597,576 represents amounts held for the Teacher Retirement Plan.

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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/2022/ag21066.pdf>.

B. Lease Receivable

On January 31, 2013, Hawkins County School Department entered into a lease agreement for the use of solar facilities. The lease is for twenty and a half years, and the county will receive annual payments of \$43,752. An initial lease receivable was recorded in the amount of \$466,748 during the current fiscal year. Hawkins County School Department recognized \$33,440 in lease revenue and \$10,312 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 2.27%. As of June 30, 2022, the lease receivable balance was \$433,308.

C. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,383,652	\$ 0	\$ 0	\$ 1,383,652
Construction in Progress	52,009	337,367	33,068	356,308
Total Capital Assets Not Depreciated	\$ 1,435,661	\$ 337,367	\$ 33,068	\$ 1,739,960
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,692,607	\$ 61,720	\$ 0	\$ 22,754,327
Infrastructure	59,447,476	0	0	59,447,476
Other Capital Assets	11,643,231	579,062	313,784	11,908,509
Total Capital Assets Depreciated	\$ 93,783,314	\$ 640,782	\$ 313,784	\$ 94,110,312
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,571,670	\$ 611,571	\$ 0	\$ 9,183,241
Infrastructure	28,627,654	1,470,008	0	30,097,662
Other Capital Assets	9,497,546	606,338	156,892	9,946,992
Total Accumulated Depreciation	\$ 46,696,870	\$ 2,687,917	\$ 156,892	\$ 49,227,895
Total Capital Assets Depreciated, Net	\$ 47,086,444	\$ (2,047,135)	\$ 156,892	\$ 44,882,417
Governmental Activities Capital Assets, Net	\$ 48,522,105	\$ (1,709,768)	\$ 189,960	\$ 46,622,377

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

Governmental Activities:

General Government	\$ 221,598
Finance	4,877
Administration of Justice	8,411
Public Safety	597,801
Public Health and Welfare	271,985
Social, Cultural, and Recreational Services	6,455
Highway/Public Works	<u>1,576,790</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,687,917</u>

Net Investment in Capital Assets

Capital Assets	\$ 46,622,377
Less:	
Outstanding principal of capital debt and other capital borrowings	(10,970,759)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(781,276)</u>
Net Investment in Capital Assets	<u>\$ 34,870,342</u>

Discretely Presented Hawkins County School Department

Governmental Activities:

	Restated Balance 7-1-21 *		Increases		Decreases		Balance 6-30-22
Capital Assets Not Depreciated:							
Land	\$ 1,570,973	\$ 0		\$ 0		\$ 1,570,973	
Construction in Progress	4,119,589	4,799,704		2,752,848		6,166,445	
Total Capital Assets Not Depreciated	<u>\$ 5,690,562</u>	<u>\$ 4,799,704</u>		<u>\$ 2,752,848</u>		<u>\$ 7,737,418</u>	
Capital Assets Depreciated:							
Buildings and Improvements	\$ 102,591,022	\$ 5,458,015		\$ 0		\$ 108,049,037	
Other Capital Assets	10,361,323	725,564		25,075		11,061,812	
Total Capital Assets Depreciated	<u>\$ 112,952,345</u>	<u>\$ 6,183,579</u>		<u>\$ 25,075</u>		<u>\$ 119,110,849</u>	
Less Accumulated Depreciation For:							
Buildings and Improvements	\$ 62,902,156	\$ 3,361,716		\$ 0		\$ 66,263,872	
Other Capital Assets	7,361,840	552,978		23,821		7,890,997	
Total Accumulated Depreciation	<u>\$ 70,263,996</u>	<u>\$ 3,914,694</u>		<u>\$ 23,821</u>		<u>\$ 74,154,869</u>	
Total Capital Assets Depreciated, Net	<u>\$ 42,688,349</u>	<u>\$ 2,268,885</u>		<u>\$ 1,254</u>		<u>\$ 44,955,980</u>	
Intangible Right-to-Use Assets:							
Leased Vehicles	\$ 63,449	\$ 0		\$ 0		\$ 63,449	
Less: Accumulated Amortization	0	11,971		0		11,971	
Net Intangible Right-to-Use Assets	<u>\$ 63,449</u>	<u>\$ (11,971)</u>		<u>\$ 0</u>		<u>\$ 51,478</u>	
Governmental Activities Capital Assets, Net	<u><u>\$ 48,442,360</u></u>	<u><u>\$ 7,056,618</u></u>		<u><u>\$ 2,754,102</u></u>		<u><u>\$ 52,744,876</u></u>	

* Intangible Right-to-Use Assets has been restated by \$63,449 due to transitional requirements of GASB Statement No. 87.

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

Governmental Activities:

Instruction	\$ 3,342,784
Support Services	544,548
Operation of Non-instructional Services	<u>39,333</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 3,926,665</u></u>

D. Construction and Renovation Contract Commitments**Primary Government**

At June 30, 2022, the General Fund had uncompleted construction contracts of approximately \$98,205 for airport improvements. Funding for these future expenditures is expected to be provided from future grant revenues.

At June 30, 2022, the General Capital Projects Fund had uncompleted construction contracts of approximately \$48,509 for radio systems. Funding for these future expenditures is expected to be provided from future grant revenues as well as available fund balance.

Discretely Presented Hawkins County School Department

At June 30, 2022, the School Federal Projects fund had uncompleted renovation contracts of approximately \$519,502 for HVAC upgrades. The Education Capital Projects Fund had uncompleted construction contracts of approximately \$277,036 for roof replacements and other facility improvements. Funding for future expenditures of the School Federal Projects Fund is expected to be provided from future grant revenues. Funding for the future expenditures of the Education Capital Projects Fund is expected to be provided from available fund balance.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 137,544
Highway	General	730
Discretely Presented School		
Department:		
General Purpose School	School Federal Projects	46,368
School Federal Projects	General Purpose School	8
Central Cafeteria	"	2,643
School Transportation	"	21,497

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u>	
	<u>Education</u>	<u>Debt Service</u>
	<u>Fund</u>	<u>Purpose</u>
General Fund	\$ 106,657	Qualified School Construction Bond (QSCB) rebate

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

F. Lease Obligations

In FY 2022, the county implemented GASB Statement 87, *Leases*, which changed the accounting and reporting for items which were previously

reported as capital leases and operating leases. See footnote V.B. – Accounting Changes for details of GASB Statement 87, *Leases*.

Vehicle Lease:

On March 1, 2021, Hawkins County School Department entered into two 60-month agreements as lessee for the use of vehicles. As of July 1, 2021, the remaining terms were 56 months. An initial lease liability was recorded in the amount of \$63,449 during the current fiscal year. Hawkins County School Department is required to make monthly principal and interest payments of \$1,181. The leases have an annual interest rate of 2.27%. As of June 30, 2022, the value of the lease liability was \$50,576. The leased vehicles and accumulated amortization of the right-to-use assets are outlined in Note IV.C.

The future lease payments on these vehicle leases include:

Year Ending June 30	Vehicle Leases		
	Principal	Interest	Total
2023	\$ 13,167	\$ 1,012	\$ 14,179
2024	13,470	710	14,180
2025	13,779	400	14,179
2026	10,160	92	10,252
Total	<u>\$ 50,576</u>	<u>\$ 2,214</u>	<u>\$ 52,790</u>

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2022, was as follows:

Discretely Presented Hawkins County School Department

Governmental Activities:

	Leases
Restated Balance, July 1, 2021	\$ 63,449
Reductions	<u>(12,873)</u>
Balance, June 30, 2022	<u>\$ 50,576</u>
Balance Due Within One Year	<u>\$ 13,167</u>

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2022	\$ 50,576
Less: Balance Due Within One Year - Leases	<u>(13,167)</u>
Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A	<u>\$ 37,409</u>

G. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Hawkins County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans and bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 19 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service, Special Debt Service, or Education Debt Service funds.

Direct Borrowing and Direct Placements - Hawkins County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith and credit of the government. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2022, will be retired from the Education Debt Service fund.

General obligation bonds and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds -				
Refunding	2 to 5 %	6-1-38	\$ 61,526,353	\$ 53,860,000
Direct Borrowing and				
Direct Placement:				
Other Loans - Qualified School				
Construction Bonds	0 to 1.51	9-15-27	4,973,000	1,446,607
Other Loans - Energy Efficient				
Schools Initiative	.5 to 0.75	4-1-38	5,410,748	5,166,806

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2022, including interest payments are presented in the tables below.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,675,000	\$ 1,483,988	\$ 5,158,988
2024	3,695,000	1,370,513	5,065,513
2025	3,735,000	1,258,237	4,993,237
2026	2,945,000	1,141,688	4,086,688
2027	2,950,000	1,053,137	4,003,137
2028-2032	15,700,000	3,997,350	19,697,350
2033-2037	17,815,000	1,875,675	19,690,675
2038	3,345,000	100,350	3,445,350
Total	\$ 53,860,000	\$ 12,280,938	\$ 66,140,938

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 650,520	\$ 178,564	\$ 829,084
2024	652,343	176,740	829,083
2025	654,155	174,928	829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028-2032	1,597,356	77,012	1,674,368
2033-2037	1,594,308	26,412	1,620,720
2038	269,592	507	270,099
Total	\$ 6,613,413	\$ 941,872	\$ 7,555,285

There is \$11,587,980 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$950, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premium totaled \$1,121, based on the 2020 federal census.

During the year, the school department contributed \$470,299 to the county debt service funds to be applied toward the retirement of school related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:	Bonds	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 57,615,000	\$ 4,714,140
Additions	0	2,350,262
Reductions	(3,755,000)	(450,989)
Balance, June 30, 2022	<u>\$ 53,860,000</u>	<u>\$ 6,613,413</u>
Balance Due Within One Year	<u>\$ 3,675,000</u>	<u>\$ 650,520</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 60,473,413
Less: Balance Due Within One Year - Debt	(4,325,520)
Add: Unamortized Premium on Debt	<u>3,118,505</u>
Noncurrent Liabilities - Due in More Than One Year - Debt -Exhibit A	<u>\$ 59,266,398</u>

H. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2021	\$ 801,082	\$ 6,185,543
Additions	828,840	603,626
Reductions	(746,996)	(803,259)
Balance, June 30, 2022	<u>\$ 882,926</u>	<u>\$ 5,985,910</u>
Balance Due Within One Year	<u>\$ 662,195</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 6,868,836
Less: Balance Due Within One Year - Other	<u>(662,195)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 6,206,641</u>

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

Discretely Presented Hawkins County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hawkins County School Department for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2021	\$ 2,071,241	\$ 299,829
Additions	629,817	233,391
Reductions	(735,146)	(63,055)
Balance, June 30, 2022	<u>\$ 1,965,912</u>	<u>\$ 470,165</u>
Balance Due Within One Year	<u>\$ 670,486</u>	<u>\$ 233,391</u>

	Retirement Honorarium	Other Postemployment Benefits
Balance, July 1, 2021	\$ 578,210	\$ 14,495,087
Additions	0	1,211,412
Reductions	(539,456)	(1,443,835)
Balance, June 30, 2022	<u>\$ 38,754</u>	<u>\$ 14,262,664</u>
Balance Due Within One Year	<u>\$ 29,690</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 16,737,495
Less: Balance Due Within One Year - Other	<u>(933,567)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 15,803,928</u>

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

I. On-Behalf Payments

Discretely Presented Hawkins County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hawkins County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2022, were \$217,527 and \$95,761, respectively. The school department has recognized

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

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Hawkins County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Discretely Presented Hawkins County School Department

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

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In

accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits

- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County

management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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

D. Joint Ventures

Primary Government

The Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Third Judicial District, Greene, Hamblen, Hancock, and Hawkins counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hawkins County made no contributions to the DTF for the year ended June 30, 2022.

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Hawkins County and the counties of Carter, Greene, Johnson, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction's facilities. The program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, Inc., to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Hawkins County's participation cost percentage is 11.1 percent. The county also pays a daily fee for each individual from their county using the facility.

Discretely Presented School Department

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

executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

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

Administrative Offices:

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

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

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

E. Jointly Governed Organization

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

Hawkins County is a participant in the joint governance of the Alliance for Business and Training (AB&T), which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce

Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs are funded by grants passed through the state Department of Labor to AB&T.

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

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

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

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

Public Employee Legacy Retirement Plan

General Information About the Pension Plan

Plan Description. Employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 61.52 percent, the non-certified employees of the discretely presented school department comprise 38.48 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an

agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	482
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	653
Active Employees	513
Total	<u>1,648</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of

salary. Hawkins County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contribution for Hawkins County was \$1,110,515 based on a rate of seven percent of covered payroll. The minimum rate established by the Board of Trustees was 5.68 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hawkins County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Hawkins County's net pension liability (asset) was measured as of June 30, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75

percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 2.25 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Hawkins County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by

state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 64,657,028	\$ 66,600,293	\$ (1,943,265)
Changes for the Year:			
Service Cost	\$ 1,336,245	\$ 0	\$ 1,336,245
Interest	4,664,516	0	4,664,516
Differences Between Expected and Actual Experience	(530,736)	0	(530,736)
Changes in Assumptions	4,602,330	0	4,602,330
Contributions-Employer	0	1,100,416	(1,100,416)
Contributions-Employees	0	786,353	(786,353)
Net Investment Income	0	16,991,189	(16,991,189)
Benefit Payments, Including Refunds of Employee Contributions	(3,310,241)	(3,310,241)	0
Administrative Expense	0	(46,581)	46,581
Net Changes	\$ 6,762,114	\$ 15,521,136	\$ (8,759,022)
Balance, June 30, 2021	\$ 71,419,142	\$ 82,121,429	\$ (10,702,287)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	61.52%	\$ 43,937,056	\$ 50,521,103	\$ (6,584,047)
School Department	38.48%	27,482,086	31,600,326	(4,118,240)
Total		\$ 71,419,142	\$ 82,121,429	\$ (10,702,287)

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

of Hawkins County calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Hawkins County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (1,630,604) \$ (10,702,287) \$ (18,261,874)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Hawkins County recognized pension expense (negative pension expense) of (\$1,219,213).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Hawkins County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 459,083
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,059,610
Changes in Assumptions	3,451,747	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	1,110,515	N/A
Total	\$ 4,562,262	\$ 9,518,693

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,793,053	\$ 5,855,900
School Department	1,769,209	3,662,793
Total	\$ 4,562,262	\$ 9,518,693

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
2023	\$ (1,314,927)
2024	(1,177,247)
2025	(1,131,575)
2026	(2,443,191)
2027	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2022, Hawkins County reported a payable of \$55,351 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

Discretely Presented Hawkins County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description – Hawkins County Legacy Plan. As noted above under the primary government, employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan

through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 61.52 percent and the non-certified employees of the discretely presented school department comprise 38.48 percent of the plan based on contribution data.

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

Plan Description – Hawkins County Schools Hybrid Plan. Non-certified employees of the discretely presented Hawkins County School Department hired after July 1, 2015, are provided a defined benefit pension plan (Hawkins County Schools Hybrid Plan) through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	102
Active Employees	200
Total	<u><u>303</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. The school department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Retirement Plan were \$103,373, which is 2.69 percent of covered payroll. In addition, employer contributions of \$37,954 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). The school department's net pension liability (asset) was measured at June 30, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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

2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the school department will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 541,518	\$ 577,032	\$ (35,514)
Changes for the Year:			
Service Cost	\$ 186,063	\$ 0	\$ 186,063
Interest	52,518	0	52,518
Differences Between Expected and Actual Experience	6,728	0	6,728
Changes of Assumptions	61,766	0	61,766
Contributions-Employer	0	76,722	(76,722)
Contributions-Employees	0	153,104	(153,104)
Net Investment Income	0	175,595	(175,595)
Benefit Payments, Including Refunds of Employee Contributions	(6,377)	(6,377)	0
Administrative Expense	0	(16,150)	16,150
Net Changes	\$ 300,698	\$ 382,894	\$ (82,196)
Balance, June 30, 2021	\$ 842,216	\$ 959,926	\$ (117,710)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the school department calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 61,486	\$ (117,710)	\$ (257,479)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$42,393.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 42,311	\$ 3,902
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	95,021
Changes in Assumptions	55,409	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	103,373	N/A
Total	<u>\$ 201,093</u>	<u>\$ 98,923</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (9,398)
2024	(9,050)
2025	(8,929)
2026	(10,509)
2027	14,211
Thereafter	22,476

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

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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 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 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, 2022, to the Teacher Retirement Plan were \$185,394, which is 2.01 percent of covered payroll. In addition, employer contributions of \$172,604 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$533,409) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .492433 percent. The proportion as of June 30, 2020, was .502955 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$63,261.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 9,280	\$ 97,603
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	307,044
Changes in Assumptions	192,396	0
Changes in Proportion of Net Pension Liability (Asset)	4,933	20,481
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	185,394	N/A
Total	<u>\$ 392,003</u>	<u>\$ 425,128</u>

The school department's employer contributions of \$185,394, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (68,957)
2024	(67,277)
2025	(66,798)
2026	(74,524)
2027	7,372
Thereafter	51,663

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, 2021, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 183,372 \$ (533,409) \$ (1,062,060)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hawkins County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$2,439,805, which is 10.3 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$30,915,226) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .716752 percent. The proportion measured at June 30, 2020, was .697785 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$4,904,138).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 103,892	\$ 2,578,430
Changes in Assumptions	8,260,032	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	24,654,202
Changes in Proportion of Net Pension Liability (Asset)	26,418	104,296
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	2,439,805	N/A
Total	<u>\$ 10,830,147</u>	<u>\$ 27,336,928</u>

The school department's employer contributions of \$2,439,805 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (4,509,684)
2024	(4,268,309)
2025	(3,515,135)
2026	(6,653,459)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (5,501,870) \$ (30,915,226) \$ (52,064,208)

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

2. **Deferred Compensation**

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$419,505 and teachers contributed \$469,939 to this deferred compensation pension plan.

Non-certified personnel of the school department hired after July 1, 2015, are required to participate in a separate hybrid pension plan administered by TCRS. The school department is also required to contribute five percent of non-certified employees' salaries to this Section 401(k) plan. The Section 401(k) plan assets remain the property of the participating employees and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the school department contributed \$230,114 and employees contributed \$159,631 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Hawkins County and the discretely presented Hawkins County School Department provide OPEB benefits to their retirees under various plans, these include OPEB provided through commercial plans for both the primary government and the school department as well as OPEB provided through state administered public entity risk pools for the school department. For reporting purposes, the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of the plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through Commercial Health Plan (Primary Government)

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

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

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2021, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2022.

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	183
Total	<u>192</u>

Total OPEB Liability

The plan's total OPEB liability of \$5,985,910 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.50%
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate of 3.54 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2022.

Mortality rates were based on the 2021 PPA Mortality Table (RP-2014 Mortality, base year 2006, adjusted to 2021 with Mortality Improvement Scale MP-2019).

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	<u>\$ 6,185,543</u>
Changes for the Year:	
Service Cost	\$ 454,791
Interest	148,835
Difference between Expected and Actuarial Experience	(416,295)
Benefit Payments	(60,295)
Implicit Rate Subsidy	<u>(326,669)</u>
Net Changes	<u>\$ (199,633)</u>
 Balance June 30, 2022	 <u><u>\$ 5,985,910</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized OPEB expense of \$654,269. At June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	<u>\$ 892,941</u>	<u>\$ 869,449</u>
Total	<u><u>\$ 892,941</u></u>	<u><u>\$ 869,449</u></u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 50,643
2024	50,643
2025	33,567
2026	(114,305)
2027	(61,960)
Thereafter	64,906

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

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

<u>Discount Rate</u>		Current Discount Rate 3.54%	
	1% Decrease 2.54%		1% Increase 4.54%
Total OPEB Liability	\$ 6,457,882	\$ 5,985,910	\$ 5,565,674

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

<u>Healthcare Cost Trend Rate</u>		Current Trend Rate (4.5%)	
	1% Decrease (3.5%)		1% Increase (5.5%)
Total OPEB Liability	\$ 5,461,949	\$ 5,985,910	\$ 6,590,229

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

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

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

Employees Covered by Benefit Terms

As of July 1, 2021, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2022.

Inactive Employees or Beneficiaries Currently Receiving Benefits	178
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	1,078
Total	<u>1,256</u>

Total OPEB Liability

The plan's total OPEB liability of \$717,319 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.54%
Life Insurance Cost Trend Rates	0% for all years
Retirees share of Benefit-related Cost	None

The discount rate of 3.54 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2022.

The mortality assumption is based on RP-2014, base year 2006, adjusted to 2021 with Mortality Improvement Scale MP-2019.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	<u>\$ 799,409</u>
Changes for the Year:	
Service Cost	\$ 11,913
Interest	18,367
Difference between Expected and Actuarial Experience	(92,040)
Benefit Payments	<u>(20,330)</u>
Net Changes	<u>\$ (82,090)</u>
Balance June 30, 2022	<u><u>\$ 717,319</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$50,519. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	<u>\$ 144,621</u>	<u>\$ 114,024</u>
Total	<u><u>\$ 144,621</u></u>	<u><u>\$ 114,024</u></u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 20,239
2024	20,239
2025	20,239
2026	(2,853)
2027	(5,402)
Thereafter	(21,864)

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

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

<u>Discount Rate</u>		Current Discount Rate	
	1% Decrease		1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 802,027	\$ 717,319	\$ 646,072

OPEB Provided through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for each plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting 7.36% for pre-65 retirees in the 2022 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5% TN-M: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.16 percent, based on the Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, 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, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. 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% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. This change in assumption increased the OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

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

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

Benefits Provided. The Hawkins County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department provides a direct subsidy ranging from \$144 to \$635 per month toward the cost of insurance for retired certified employees based on years of service and insurance coverage selected. The school department provides a direct subsidy ranging from \$347 to \$1,239 per month toward the cost of insurance for retired non-certified employees based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	54
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	687
Total	<u>741</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 \$515,646 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		<u>Total OPEB Liability</u>
	<u>Hawkins County School Department</u>	<u>State of TN</u>	
	70.8804%	29.1196%	
Balance July 1, 2020	\$ 11,281,728	\$ 4,106,797	\$ 15,388,525
Changes for the Year:			
Service Cost	\$ 549,556	\$ 225,772	\$ 775,328
Interest	247,309	101,601	348,910
Difference between Expected and Actuarial Experience	133,631	54,899	188,530
Changes in Proportion	(374,280)	374,280	0
Changes in Assumption and Other Inputs	159,202	65,404	224,606
Benefit Payments	(536,052)	(220,225)	(756,277)
Net Changes	\$ 179,365	\$ 601,732	\$ 781,097
Balance June 30, 2021	\$ 11,461,093	\$ 4,708,529	\$ 16,169,622

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hawkins County School

Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$369,405 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability was 70.8804 percent and the State of Tennessee's share was 29.1196 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$1,216,941 which includes expenses funded by nonemployer contributing entities. At June 30, 2022, 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	\$ 913,302	\$ 756,620
Changes of Assumptions/Inputs	1,124,020	760,213
Changes in Proportion	539,009	694,992
Benefits Paid After the Measurement Date of June 30, 2021	<u>515,646</u>	<u>0</u>
Total	<u>\$ 3,091,977</u>	<u>\$ 2,211,825</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
2023	\$ 50,673
2024	50,673
2025	50,673
2026	50,673
2027	50,676
Thereafter	111,138

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

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

<u>Discount Rate</u>	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
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Proportionate Share of the Collective Total OPEB Liability	\$ 12,271,171	\$ 11,461,093	\$ 10,684,978
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 6.36 to 3.5%	Curent Rate 7.36 to 4.5%	1% Increase 8.36 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 10,253,523	\$ 11,461,093	\$ 12,870,033
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Closed Tennessee Plan – Medicare (Discretely Presented School Department)

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

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	159
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	75
Active Employees Eligible for Benefits	744
Total	<u>978</u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2022, the school department paid \$82,334 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Hawkins County	State of	Total OPEB
	School Department	TN	
	46.2304%	53.7696%	Liability
Balance July 1, 2020	\$ 2,413,950	\$ 2,710,001	\$ 5,123,951
Changes for the Year:			
Service Cost	\$ 39,170	\$ 45,557	\$ 84,727
Interest	52,264	60,787	113,051
Change of Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	(75,589)	(87,915)	(163,504)
Changes in Proportion	(45,127)	45,127	0
Changes in Assumption			
and Other Inputs	(213,712)	(248,564)	(462,276)
Benefit Payments	(86,704)	(100,844)	(187,548)
Net Changes	\$ (329,698)	\$ (285,852)	\$ (615,550)
Balance June 30, 2021	\$ 2,084,252	\$ 2,424,149	\$ 4,508,401

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized revenues of \$160,200 for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability for the TNM plan was 46.2304 percent and the State of Tennessee's share was 53.7696 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$112,797, which includes expenses funded by nonemployer contributing entities.

At June 30, 2022, 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	\$ 203,559	\$ 346,177
Changes of Assumptions/Inputs	320,142	318,732
Changes in Proportion	213,511	802,020
Benefits Paid After the Measurement Date of June 30, 2021	82,334	0
Total	<u>\$ 819,546</u>	<u>\$ 1,466,929</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
2023	\$ (138,837)
2024	(138,837)
2025	(138,837)
2026	(138,837)
2027	(52,993)
Thereafter	(121,376)

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Proportionate Share of the Collective Total OPEB Liability	\$ 2,390,046	\$ 2,084,252	\$ 1,832,733

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.

H. Termination Benefits and Retirement Honorarium

The discretely presented school department offers a voluntary termination benefits plan to its employees. To be eligible, employees must have 30 years of credible service in the Tennessee Consolidated Retirement System and no less than ten years of service with the Hawkins County School System. Under the plan, employees who accept the benefit shall receive an annual amount equal to ten percent of their total compensation based on the highest annual salary of their last three years of employment. Benefits shall begin in July following retirement and continue until they reach the age of 62, or for a maximum of seven years, whichever is less. In the event an employee dies during the term of the agreement, the designated beneficiary shall continue to receive the payments for the remainder of the fiscal year of the employee's death. During the year, 21 retirees participated in the program. The estimated cost of the cash payments reported in the government-wide Statement of Net Position is \$470,165. The school department determined this liability by calculating the total cash payments due over the next seven years. Of that amount, \$233,391 is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers a retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service with the Hawkins County School Department. Prior to the 2021-22 year, employees received \$100 for each year of service with Hawkins County up to a maximum of 20 years. However, during the 2021-2022 fiscal year, the policy was changed to provide a benefit of \$2,000 for employees with a minimum of 30 years of service with the Hawkins County School Department. As of June 30, 2022, 18 employees met the requirement of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$38,754, of which \$29,690 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$29,690 in the General Purpose School Fund.

I. Purchasing Law

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

J. Subsequent Events

County Mayor Jim Lee left office on August 31, 2022, and was succeeded by Mark DeWitte, Road Superintendent Lowell Bean left office on August 31, 2022, and was succeeded by Danny Jones, and Property Assessor David Pearson left office on August 31, 2022, and was succeeded by Michael Gillespie.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 1,292,383	\$ 1,388,131	\$ 1,370,544	\$ 1,372,583	\$ 1,373,076	\$ 1,333,026	\$ 1,281,085	\$ 1,336,245
Interest	3,618,616	3,735,883	3,893,700	4,077,560	4,195,156	4,317,167	4,485,475	4,664,516
Differences Between Actual and Expected Experience	(879,835)	(328,471)	15,277	(381,698)	(750,034)	(69,712)	(87,207)	(530,736)
Changes in Assumptions	0	0	0	1,369,345	0	0	0	4,602,330
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)
Net Change in Total Pension Liability	\$ 1,478,695	\$ 2,221,311	\$ 2,506,308	\$ 3,550,803	\$ 1,822,138	\$ 2,386,075	\$ 2,459,641	\$ 6,762,114
Total Pension Liability, Beginning	48,232,057	49,710,752	51,932,063	54,438,371	57,989,174	59,811,312	62,197,387	64,657,028
Total Pension Liability, Ending (a)	\$ 49,710,752	\$ 51,932,063	\$ 54,438,371	\$ 57,989,174	\$ 59,811,312	\$ 62,197,387	\$ 64,657,028	\$ 71,419,142
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 1,073,390	\$ 1,100,416
Contributions - Employee	766,561	783,114	775,293	819,476	763,520	760,623	767,560	786,353
Net Investment Income	7,260,957	1,554,198	1,364,232	5,914,668	4,750,506	4,534,860	3,181,045	16,991,189
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)
Administrative Expense	(28,022)	(37,272)	(51,442)	(53,513)	(57,156)	(49,779)	(48,348)	(46,581)
Other	0	0	0	0	5	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,850,743	\$ 1,081,960	\$ 660,775	\$ 5,136,643	\$ 3,778,974	\$ 3,350,669	\$ 1,753,935	\$ 15,521,136
Plan Fiduciary Net Position, Beginning	43,986,594	50,837,337	51,919,297	52,580,072	57,716,715	61,495,689	64,846,358	66,600,293
Plan Fiduciary Net Position, Ending (b)	\$ 50,837,337	\$ 51,919,297	\$ 52,580,072	\$ 57,716,715	\$ 61,495,689	\$ 64,846,358	\$ 66,600,293	\$ 82,121,429
Net Pension Liability (Asset), Ending (a - b)	\$ (1,126,585)	\$ 12,766	\$ 1,858,299	\$ 272,459	\$ (1,684,377)	\$ (2,648,971)	\$ (1,943,265)	\$ (10,702,287)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.27%	99.98%	96.59%	99.53%	102.82%	104.26%	103.01%	114.99%
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.38)%	0.08%	11.98%	1.76%	(11.09)%	(17.7)%	(12.78)%	(68.44)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

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

	2016	2017	2018	2019	2020	2021
Total Pension Liability						
Service Cost	\$ 26,012	\$ 51,610	\$ 79,994	\$ 112,311	\$ 162,090	\$ 186,063
Interest	1,951	5,558	11,749	21,947	37,157	52,518
Differences Between Actual and Expected Experience	(5,469)	1,681	21,709	33,978	(2,675)	6,728
Changes in Assumptions	0	3,074	0	0	0	61,766
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)	(6,377)
Net Change in Total Pension Liability	\$ 22,494	\$ 61,923	\$ 108,734	\$ 162,751	\$ 185,616	\$ 300,698
Total Pension Liability, Beginning	0	22,494	84,417	193,151	355,902	541,518
Total Pension Liability, Ending (a)	\$ 22,494	\$ 84,417	\$ 193,151	\$ 355,902	\$ 541,518	\$ 842,216
Plan Fiduciary Net Position						
Contributions - Employer	\$ 11,561	\$ 37,107	\$ 58,503	\$ 44,592	\$ 59,341	\$ 76,722
Contributions - Employee	14,451	46,384	73,130	114,682	117,063	153,104
Net Investment Income	327	7,092	13,745	22,961	23,695	175,595
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)	(6,377)
Administrative Expense	(2,563)	(7,069)	(10,331)	(12,262)	(14,218)	(16,150)
Net Change in Plan Fiduciary Net Position	\$ 23,776	\$ 83,514	\$ 130,329	\$ 164,488	\$ 174,925	\$ 382,894
Plan Fiduciary Net Position, Beginning	0	23,776	107,290	237,619	402,107	577,032
Plan Fiduciary Net Position, Ending (b)	\$ 23,776	\$ 107,290	\$ 237,619	\$ 402,107	\$ 577,032	\$ 959,926
Net Pension Liability (Asset), Ending (a - b)	\$ (1,282)	\$ (22,873)	\$ (44,468)	\$ (46,205)	\$ (35,514)	\$ (117,710)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.70%	127.10%	123.02%	112.98%	106.56%	113.98%
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,522
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.44)%	(2.47)%	(3.04)%	(2.23)%	(1.45)%	(3.87)%

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

Exhibit E-3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 870,980	\$ 892,909	\$ 901,104
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,403,716)	(1,356,152)	(1,345,905)	(1,342,999)	(1,318,159)	(1,299,371)	(1,073,390)	(1,100,416)	(1,110,515)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (202,410)	\$ (207,507)	\$ (209,411)
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971	\$ 15,864,510
Contributions as a Percentage of Covered Payroll	9.19%	8.68%	8.68%	8.68%	8.68%	8.68%	7.06%	7.04%	7.00%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-4

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

	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 5,780	\$ 10,483	\$ 22,886	\$ 44,592	\$ 59,341	\$ 76,722	\$ 103,373
Less: Contributions in Relation to the Actuarially Determined Contribution	(11,561)	(37,107)	(58,503)	(44,592)	(59,341)	(76,722)	(103,373)
Contribution Deficiency (Excess)	\$ (5,781)	\$ (26,624)	\$ (35,617)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,523	\$ 3,842,852
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	2.15%	2.42%	2.52%	2.69%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
2019: Pension - 2.15%, SRT - 1.85%
2020: Pension - 2.42%, SRT - 1.58%
2021: Pension - 2.52%, SRT - 1.48%
2022: Pension - 2.69%, SRT - 1.31%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 29,900	\$ 73,046	\$ 119,156	\$ 162,926	\$ 98,179	\$ 128,842	\$ 143,559	\$ 185,394
Less: Contributions in Relation to the Contractually Required Contribution	(29,900)	(73,046)	(119,156)	(162,926)	(98,179)	(128,842)	(143,559)	(185,394)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386	\$ 9,135,624
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.00%	2.03%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 2,500,355	\$ 2,467,027	\$ 2,360,756	\$ 2,309,662	\$ 2,259,837	\$ 2,510,225	\$ 2,468,721	\$ 2,416,019	\$ 2,439,805
Less: Contributions in Relation to the Contractually Required Contribution	(2,500,355)	(2,467,027)	(2,360,756)	(2,309,662)	(2,259,837)	(2,510,225)	(2,468,721)	(2,416,019)	(2,439,805)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033	\$ 23,687,424
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit E-7

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.359770%	0.415032%	0.453865%	0.466100%	0.478240%	0.502955%	0.492433%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,473)	\$ (43,206)	\$ (119,745)	\$ (211,389)	\$ (269,960)	\$ (286,001)	\$ (533,409)
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386
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)%	(4.51)%	(7.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

Exhibit E-8

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.717381%	0.729000%	0.723435%	0.722764%	0.710748%	0.715696%	0.697785%	0.716752%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (116,571)	\$ 298,623	\$ 4,521,070	\$ (236,476)	\$ (2,501,062)	\$ (7,358,648)	\$ (5,321,127)	\$ (30,915,226)
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033
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)%	(22.91)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Exhibit E-9

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

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 308,392	\$ 332,149	\$ 322,023	\$ 407,240	\$ 454,791
Interest	176,978	175,628	197,572	149,915	148,835
Differences Between Actual and Expected Experience	(564,540)	642,483	1,007,506	(343,147)	(416,295)
Benefit Payments	(29,211)	(25,485)	(35,289)	(48,223)	(60,295)
Implicit Rate Subsidy	(205,319)	(205,319)	(356,475)	(356,475)	(326,669)
Net Change in Total OPEB Liability	\$ (313,700)	\$ 919,456	\$ 1,135,337	\$ (190,690)	\$ (199,633)
Total OPEB Liability, Beginning	4,635,140	4,321,440	5,240,896	6,376,233	6,185,543
Total OPEB Liability, Ending	<u>\$ 4,321,440</u>	<u>\$ 5,240,896</u>	<u>\$ 6,376,233</u>	<u>\$ 6,185,543</u>	<u>\$ 5,985,910</u>
Covered Employee Payroll	\$ 8,285,453	\$ 8,307,211	\$ 8,736,986	\$ 9,350,409	\$ 9,484,749
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	63.09%	72.98%	66.15%	63.11%

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

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

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%

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

Exhibit E-10

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

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 34,860	\$ 9,741	\$ 9,936	\$ 11,217	\$ 11,913
Interest	17,234	28,318	26,255	17,949	18,367
Differences Between Actual and Expected Experience	(425)	182,442	87,185	(74,201)	(92,040)
Benefit Payments	(27,868)	(23,782)	(22,153)	(21,423)	(20,330)
Net Change in Total OPEB Liability	\$ 23,801	\$ 196,719	\$ 101,223	\$ (66,458)	\$ (82,090)
Total OPEB Liability, Beginning	544,124	567,925	764,644	865,867	799,409
Total OPEB Liability, Ending	\$ 567,925	\$ 764,644	\$ 865,867	\$ 799,409	\$ 717,319
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220	\$ 38,051,162	\$ 40,742,567
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.56%	2.09%	2.34%	2.10%	1.76%

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

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

2017	3.00%
2018	3.05%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%

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

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 877,677	\$ 819,891	\$ 810,255	\$ 695,021	\$ 775,328
Interest	458,702	547,363	555,735	524,560	348,910
Changes in Benefit Terms	0	(2,633,339)	478,173	0	0
Differences Between Actual and Expected Experience	0	1,858,982	(179,264)	(1,238,721)	188,530
Changes in Assumptions or Other Inputs	(655,917)	325,543	(1,119,990)	1,556,697	224,606
Benefit Payments	(921,688)	(990,826)	(881,777)	(790,674)	(756,277)
Net Change in Total OPEB Liability	\$ (241,226)	\$ (72,386)	\$ (336,868)	\$ 746,883	\$ 781,097
Total OPEB Liability, Beginning	15,292,122	15,050,896	14,978,510	14,641,642	15,388,525
 Total OPEB Liability, Ending	 \$ 15,050,896	 \$ 14,978,510	 \$ 14,641,642	 \$ 15,388,525	 \$ 16,169,622
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 4,329,661	 \$ 3,439,755	 \$ 3,599,136	 \$ 4,106,797	 \$ 4,708,529
Employer Proportionate Share of the Total OPEB Liability	10,721,235	11,538,755	11,042,506	11,281,728	11,461,093
 Covered Employee Payroll	 \$ 36,367,068	 \$ 36,590,600	 \$ 37,076,220	 \$ 38,051,162	 \$ 40,234,338
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.48%	31.53%	29.78%	29.65%	28.49%

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%
2020	2.21%
2021	2.16%

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

2019 plan year - from 5.4% to 6.75%
2020 plan year - from 6.75% to 6.03%
2021 plan year - from 6.03% to 9.02%
2022 plan year - from 9.02% to 7.36%

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

Exhibit E-12

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 208,059	\$ 171,994	\$ 113,256	\$ 159,363	\$ 84,727
Interest	187,101	214,221	180,560	208,686	113,051
Changes in Benefit Terms	0	(267,040)	0	(1,549,290)	0
Differences Between Actual and Expected Experience	0	(873,709)	685,387	(211,017)	(163,504)
Changes in Assumptions or Other Inputs	(580,688)	(42,554)	112,759	823,349	(462,276)
Benefit Payments	(164,100)	(173,016)	(176,067)	(184,875)	(187,548)
Net Change in Total OPEB Liability	\$ (349,628)	\$ (970,104)	\$ 915,895	\$ (753,784)	\$ (615,550)
Total OPEB Liability, Beginning	6,281,572	5,931,944	4,961,840	5,877,735	5,123,951
Total OPEB Liability, Ending	\$ 5,931,944	\$ 4,961,840	\$ 5,877,735	\$ 5,123,951	\$ 4,508,401
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,421,004	\$ 2,186,805	\$ 2,267,301	\$ 2,710,001	\$ 2,424,149
Employer Proportionate Share of the Total OPEB Liability	3,510,940	2,775,035	3,610,434	2,413,950	2,084,252
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

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

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%

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

Note 4: Changes in benefit terms in 2020 were due to the clarification of eligibility rules. To receive the benefit, the employee must be age 65 at retirement. The age 65 requirement had not been previously valued.

HAWKINS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the July 1, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

Changes of assumptions. In 2017, the following assumptions were changed: (1) decreased inflation rate from 3 percent to 2.5 percent; (2) decreased the investment rate of return from 7.5 percent to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; (4) decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and (5) 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 involving solid waste collection.

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

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

Debt Service Funds

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

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

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

Capital Projects Fund

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

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

Exhibit F-1

Hawkins County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 31,850	\$ 31,850	\$ 0
Equity in Pooled Cash and Investments	3,395,304	200,648	0	3,595,952	1,703,094
Accounts Receivable	50,909	0	105,694	156,603	1,314
Due from Other Governments	383,265	19,391	0	402,656	0
Property Taxes Receivable	0	0	0	0	868,781
Allowance for Uncollectible Property Taxes	0	0	0	0	(28,133)
Total Assets	\$ 3,829,478	\$ 220,039	\$ 137,544	\$ 4,187,061	\$ 2,545,056
<u>LIABILITIES</u>					
Accounts Payable	\$ 156,653	\$ 94	\$ 0	\$ 156,747	\$ 0
Payroll Deductions Payable	5,720	0	0	5,720	0
Contracts Payable	0	0	0	0	0
Due to Other Funds	0	0	137,544	137,544	0
Due to State of Tennessee	81	0	0	81	0
Other Current Liabilities	1	0	0	1	0
Total Liabilities	\$ 162,455	\$ 94	\$ 137,544	\$ 300,093	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 827,381

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
DEFERRED INFLOWS OF RESOURCES (Cont.)					
Deferred Delinquent Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,674
Other Deferred/Unavailable Revenue	181,088	17,000	0	198,088	0
Total Deferred Inflows of Resources	\$ 181,088	\$ 17,000	\$ 0	\$ 198,088	\$ 840,055
FUND BALANCES					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 202,945	\$ 0	\$ 202,945	\$ 0
Restricted for Debt Service	0	0	0	0	1,230,392
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	3,485,935	0	0	3,485,935	0
Committed for Debt Service	0	0	0	0	474,609
Total Fund Balances	\$ 3,485,935	\$ 202,945	\$ 0	\$ 3,688,880	\$ 1,705,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,829,478	\$ 220,039	\$ 137,544	\$ 4,187,061	\$ 2,545,056

(Continued)

Exhibit F-1

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Fund</u>	
	Special Debt Service	Total	General Capital Projects	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 31,850
Equity in Pooled Cash and Investments	599,464	2,302,558	1,557,286	7,455,796
Accounts Receivable	0	1,314	0	157,917
Due from Other Governments	0	0	0	402,656
Property Taxes Receivable	0	868,781	332,488	1,201,269
Allowance for Uncollectible Property Taxes	0	(28,133)	(17,486)	(45,619)
Total Assets	\$ 599,464	\$ 3,144,520	\$ 1,872,288	\$ 9,203,869
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 563	\$ 157,310
Payroll Deductions Payable	0	0	0	5,720
Contracts Payable	0	0	34,902	34,902
Due to Other Funds	0	0	0	137,544
Due to State of Tennessee	0	0	0	81
Other Current Liabilities	0	0	0	1
Total Liabilities	\$ 0	\$ 0	\$ 35,465	\$ 335,558
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 827,381	\$ 301,704	\$ 1,129,085

(Continued)

Exhibit F-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

FUND BALANCES

Restricted:

 Restricted for Public Safety
 Restricted for Debt Service
 Restricted for Capital Projects

Committed:

 Committed for Public Health and Welfare
 Committed for Debt Service

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Fund</u>		Total Nonmajor Governmental Funds
Special Debt Service	Total	General Capital Projects		
\$ 0	\$ 12,674	\$ 12,704	\$	25,378
0	0	0		198,088
<u>\$ 0</u>	<u>\$ 840,055</u>	<u>\$ 314,408</u>	<u>\$</u>	<u>1,352,551</u>
\$ 0	\$ 0	\$ 0	\$	202,945
599,464	1,829,856	0		1,829,856
0	0	1,522,415		1,522,415
0	0	0		3,485,935
0	474,609	0		474,609
<u>\$ 599,464</u>	<u>\$ 2,304,465</u>	<u>\$ 1,522,415</u>	<u>\$</u>	<u>7,515,760</u>
<u>\$ 599,464</u>	<u>\$ 3,144,520</u>	<u>\$ 1,872,288</u>	<u>\$</u>	<u>9,203,869</u>

Exhibit F-2

Hawkins County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 2,283,221	\$ 0	\$ 0	\$ 2,283,221	\$ 659,376
Licenses and Permits	184,569	0	0	184,569	0
Fines, Forfeitures, and Penalties	0	18,338	0	18,338	0
Charges for Current Services	2,720	0	7,886	10,606	0
Other Local Revenues	525,310	0	0	525,310	12,601
State of Tennessee	163,275	0	0	163,275	0
Federal Government	0	27,482	0	27,482	0
Total Revenues	<u>\$ 3,159,095</u>	<u>\$ 45,820</u>	<u>\$ 7,886</u>	<u>\$ 3,212,801</u>	<u>\$ 671,977</u>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 7,758	\$ 7,758	\$ 0
Public Safety	0	28,558	128	28,686	0
Public Health and Welfare	2,225,025	0	0	2,225,025	0
Debt Service:					
Principal on Debt	0	0	0	0	937,445
Interest on Debt	0	0	0	0	238,206
Other Debt Service	0	0	0	0	13,646
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 2,225,025</u>	<u>\$ 28,558</u>	<u>\$ 7,886</u>	<u>\$ 2,261,469</u>	<u>\$ 1,189,297</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 934,070</u>	<u>\$ 17,262</u>	<u>\$ 0</u>	<u>\$ 951,332</u>	<u>\$ (517,320)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 934,070	\$ 17,262	\$ 0	\$ 951,332	\$ (517,320)
Fund Balance, July 1, 2021	2,551,865	185,683	0	2,737,548	2,222,321
Fund Balance, June 30, 2022	\$ 3,485,935	\$ 202,945	\$ 0	\$ 3,688,880	\$ 1,705,001

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	Special Debt Service	Total	General Capital Projects	
<u>Revenues</u>				
Local Taxes	\$ 355,804	\$ 1,015,180	\$ 577,399	\$ 3,875,800
Licenses and Permits	0	0	0	184,569
Fines, Forfeitures, and Penalties	0	0	0	18,338
Charges for Current Services	0	0	0	10,606
Other Local Revenues	0	12,601	0	537,911
State of Tennessee	0	0	0	163,275
Federal Government	0	0	150,609	178,091
Total Revenues	<u>\$ 355,804</u>	<u>\$ 1,027,781</u>	<u>\$ 728,008</u>	<u>\$ 4,968,590</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 7,758
Public Safety	0	0	0	28,686
Public Health and Welfare	0	0	0	2,225,025
Debt Service:				
Principal on Debt	379,055	1,316,500	0	1,316,500
Interest on Debt	82,054	320,260	0	320,260
Other Debt Service	3,679	17,325	0	17,325
Capital Projects	0	0	2,740,738	2,740,738
Total Expenditures	<u>\$ 464,788</u>	<u>\$ 1,654,085</u>	<u>\$ 2,740,738</u>	<u>\$ 6,656,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (108,984)</u>	<u>\$ (626,304)</u>	<u>\$ (2,012,730)</u>	<u>\$ (1,687,702)</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital</u> <u>Projects Fund</u>	
	Special Debt Service	Total	General Capital Projects	Total Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 0	\$ 2,350,262	\$ 2,350,262
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 2,350,262	\$ 2,350,262
Net Change in Fund Balances	\$ (108,984)	\$ (626,304)	\$ 337,532	\$ 662,560
Fund Balance, July 1, 2021	708,448	2,930,769	1,184,883	6,853,200
Fund Balance, June 30, 2022	\$ 599,464	\$ 2,304,465	\$ 1,522,415	\$ 7,515,760

Exhibit F-3

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,283,221	\$ 0	\$ 0	\$ 2,283,221	\$ 1,500,000	\$ 1,556,843	\$ 726,378
Licenses and Permits	184,569	0	0	184,569	132,500	132,500	52,069
Charges for Current Services	2,720	0	0	2,720	1,000	1,000	1,720
Other Local Revenues	525,310	0	0	525,310	372,500	378,799	146,511
State of Tennessee	163,275	0	0	163,275	147,000	147,000	16,275
Total Revenues	\$ 3,159,095	\$ 0	\$ 0	\$ 3,159,095	\$ 2,153,000	\$ 2,216,142	\$ 942,953
<u>Expenditures</u>							
<u>General Government</u>							
Other Boards and Committees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,185	\$ 6,185	\$ 6,185
<u>Public Health and Welfare</u>							
Sanitation Management	85,704	0	0	85,704	81,652	89,352	3,648
Waste Pickup	703,059	0	0	703,059	710,730	748,205	45,146
Convenience Centers	457,831	(5,148)	9,288	461,971	479,556	502,859	40,888
Recycling Center	144,207	0	0	144,207	186,546	213,241	69,034
Landfill Operation and Maintenance	790,585	0	0	790,585	796,021	796,021	5,436
Other Waste Disposal	43,639	0	0	43,639	40,000	50,000	6,361
<u>Interest on Debt</u>							
General Government	0	0	0	0	1,000	1,000	1,000
Total Expenditures	\$ 2,225,025	\$ (5,148)	\$ 9,288	\$ 2,229,165	\$ 2,301,690	\$ 2,406,863	\$ 177,698
Excess (Deficiency) of Revenues Over Expenditures	\$ 934,070	\$ 5,148	\$ (9,288)	\$ 929,930	\$ (148,690)	\$ (190,721)	\$ 1,120,651
Net Change in Fund Balance	\$ 934,070	\$ 5,148	\$ (9,288)	\$ 929,930	\$ (148,690)	\$ (190,721)	\$ 1,120,651
Fund Balance, July 1, 2021	2,551,865	(5,148)	0	2,546,717	2,314,986	2,314,986	231,731
Fund Balance, June 30, 2022	\$ 3,485,935	\$ 0	\$ (9,288)	\$ 3,476,647	\$ 2,166,296	\$ 2,124,265	\$ 1,352,382

Exhibit F-4

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,338	\$ 26,750	\$ 26,750	\$ (8,412)
Federal Government	27,482	32,500	32,500	(5,018)
Total Revenues	<u>\$ 45,820</u>	<u>\$ 59,250</u>	<u>\$ 59,250</u>	<u>\$ (13,430)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 28,558	\$ 86,710	\$ 86,710	\$ 58,152
Total Expenditures	<u>\$ 28,558</u>	<u>\$ 86,710</u>	<u>\$ 86,710</u>	<u>\$ 58,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,262</u>	<u>\$ (27,460)</u>	<u>\$ (27,460)</u>	<u>\$ 44,722</u>
Net Change in Fund Balance	\$ 17,262	\$ (27,460)	\$ (27,460)	44,722
Fund Balance, July 1, 2021	<u>185,683</u>	<u>176,718</u>	<u>176,718</u>	<u>8,965</u>
Fund Balance, June 30, 2022	<u><u>\$ 202,945</u></u>	<u><u>\$ 149,258</u></u>	<u><u>\$ 149,258</u></u>	<u><u>\$ 53,687</u></u>

Exhibit F-5

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 659,376	\$ 636,265	\$ 636,265	\$ 23,111
Other Local Revenues	12,601	20,000	20,000	(7,399)
Total Revenues	<u>\$ 671,977</u>	<u>\$ 656,265</u>	<u>\$ 656,265</u>	<u>\$ 15,712</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 937,445	\$ 937,446	\$ 937,446	\$ 1
<u>Interest on Debt</u>				
General Government	238,206	238,207	238,207	1
<u>Other Debt Service</u>				
General Government	13,646	17,500	17,500	3,854
Total Expenditures	<u>\$ 1,189,297</u>	<u>\$ 1,193,153</u>	<u>\$ 1,193,153</u>	<u>\$ 3,856</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (517,320)</u>	<u>\$ (536,888)</u>	<u>\$ (536,888)</u>	<u>\$ 19,568</u>
Net Change in Fund Balance	\$ (517,320)	\$ (536,888)	\$ (536,888)	\$ 19,568
Fund Balance, July 1, 2021	2,222,321	2,206,809	2,206,809	15,512
Fund Balance, June 30, 2022	<u><u>\$ 1,705,001</u></u>	<u><u>\$ 1,669,921</u></u>	<u><u>\$ 1,669,921</u></u>	<u><u>\$ 35,080</u></u>

Exhibit F-6

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 355,804	\$ 342,000	\$ 342,000	\$ 13,804
Total Revenues	\$ 355,804	\$ 342,000	\$ 342,000	\$ 13,804
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 379,055	\$ 379,055	\$ 379,055	\$ 0
<u>Interest on Debt</u>				
Highways and Streets	82,054	82,055	82,055	1
<u>Other Debt Service</u>				
Highways and Streets	3,679	4,400	4,400	721
Total Expenditures	\$ 464,788	\$ 465,510	\$ 465,510	\$ 722
Excess (Deficiency) of Revenues Over Expenditures	\$ (108,984)	\$ (123,510)	\$ (123,510)	\$ 14,526
Net Change in Fund Balance	\$ (108,984)	\$ (123,510)	\$ (123,510)	\$ 14,526
Fund Balance, July 1, 2021	708,448	705,248	705,248	3,200
Fund Balance, June 30, 2022	\$ 599,464	\$ 581,738	\$ 581,738	\$ 17,726

Exhibit F-7

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 577,399	\$ 0	\$ 0	\$ 577,399	\$ 549,625	\$ 549,625	\$ 27,774
Federal Government	150,609	0	0	150,609	240,600	186,770	(36,161)
Total Revenues	\$ 728,008	\$ 0	\$ 0	\$ 728,008	\$ 790,225	\$ 736,395	\$ (8,387)
<u>Expenditures</u>							
<u>Capital Projects</u>							
Public Safety Projects	\$ 379,266	\$ (309,500)	\$ 48,509	\$ 118,275	\$ 523,989	\$ 225,489	\$ 107,214
Other General Government Projects	11,210	0	0	11,210	13,000	13,000	1,790
Education Capital Projects	2,350,262	0	0	2,350,262	2,523,788	2,523,788	173,526
Total Expenditures	\$ 2,740,738	\$ (309,500)	\$ 48,509	\$ 2,479,747	\$ 3,060,777	\$ 2,762,277	\$ 282,530
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,012,730)	\$ 309,500	\$ (48,509)	\$ (1,751,739)	\$ (2,270,552)	\$ (2,025,882)	\$ 274,143
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 2,350,262	\$ 0	\$ 0	\$ 2,350,262	\$ 2,523,788	\$ 2,523,788	\$ (173,526)
Total Other Financing Sources	\$ 2,350,262	\$ 0	\$ 0	\$ 2,350,262	\$ 2,523,788	\$ 2,523,788	\$ (173,526)
Net Change in Fund Balance	\$ 337,532	\$ 309,500	\$ (48,509)	\$ 598,523	\$ 253,236	\$ 497,906	\$ 100,617
Fund Balance, July 1, 2021	1,184,883	(309,500)	0	875,383	1,113,326	1,113,326	(237,943)
Fund Balance, June 30, 2022	\$ 1,522,415	\$ 0	\$ (48,509)	\$ 1,473,906	\$ 1,366,562	\$ 1,611,232	\$ (137,326)

Major Governmental Fund

Education Debt Service Fund

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

Exhibit G

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,697,363	\$ 3,602,265	\$ 3,602,265	\$ 95,098
Other Local Revenues	76,307	100,000	100,000	(23,693)
Other Governments and Citizens Groups	470,299	689,981	689,981	(219,682)
Total Revenues	<u>\$ 4,243,969</u>	<u>\$ 4,392,246</u>	<u>\$ 4,392,246</u>	<u>\$ (148,277)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,889,489	\$ 3,057,401	\$ 3,057,401	\$ 167,912
<u>Interest on Debt</u>				
Education	1,334,529	1,348,449	1,348,449	13,920
<u>Other Debt Service</u>				
Education	77,722	103,500	103,500	25,778
Total Expenditures	<u>\$ 4,301,740</u>	<u>\$ 4,509,350</u>	<u>\$ 4,509,350</u>	<u>\$ 207,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,771)</u>	<u>\$ (117,104)</u>	<u>\$ (117,104)</u>	<u>\$ 59,333</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 106,657	\$ 106,657	\$ 106,657	\$ 0
Total Other Financing Sources	<u>\$ 106,657</u>	<u>\$ 106,657</u>	<u>\$ 106,657</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 48,886	\$ (10,447)	\$ (10,447)	\$ 59,333
Fund Balance, July 1, 2021	<u>9,234,629</u>	<u>9,217,154</u>	<u>9,217,154</u>	<u>17,475</u>
Fund Balance, June 30, 2022	<u><u>\$ 9,283,515</u></u>	<u><u>\$ 9,206,707</u></u>	<u><u>\$ 9,206,707</u></u>	<u><u>\$ 76,808</u></u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, and other governments. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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

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

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial 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, litigants, heirs, and others.

Exhibit H-1

Hawkins County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2022

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,586,885	\$ 1,586,885
Equity in Pooled Cash and Investments	0	126,505	2,937	0	129,442
Due from Other Governments	1,158,385	127,203	67,703	0	1,353,291
Property Taxes Receivable	0	770,512	572,836	0	1,343,348
Allowance for Uncollectible Property Taxes	0	(28,030)	(20,839)	0	(48,869)
Total Assets	\$ 1,158,385	\$ 996,190	\$ 622,637	\$ 1,586,885	\$ 4,364,097
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,158,385	\$ 269,241	\$ 82,188	\$ 0	\$ 1,509,814
Total Liabilities	\$ 1,158,385	\$ 269,241	\$ 82,188	\$ 0	\$ 1,509,814
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 726,949	\$ 540,449	\$ 0	\$ 1,267,398
Total Deferred Inflows of Resources	\$ 0	\$ 726,949	\$ 540,449	\$ 0	\$ 1,267,398
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 1,586,885	\$ 1,586,885
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 1,586,885	\$ 1,586,885

Exhibit H-2

Hawkins County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu - tional Officers - Custodial	Total
<u>Additions</u>					
Sales Tax Collections for Other Governments	\$ 6,481,524	\$ 0	\$ 0	\$ 0	\$ 6,481,524
ADA - Educational Funds Collected for Cities	0	1,463,090	964,373	0	2,427,463
Fines/Fees and Other Collections	0	0	0	9,283,128	9,283,128
Total Additions	\$ 6,481,524	\$ 1,463,090	\$ 964,373	\$ 9,283,128	\$ 18,192,115
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 6,481,524	\$ 0	\$ 0	\$ 0	\$ 6,481,524
Payments to City School Systems	0	1,463,090	964,373	0	2,427,463
Payments to State	0	0	0	7,256,052	7,256,052
Payments to Individuals and Others	0	0	0	1,968,697	1,968,697
Total Deductions	\$ 6,481,524	\$ 1,463,090	\$ 964,373	\$ 9,224,749	\$ 18,133,736
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 58,379	\$ 58,379
Net Position July 1, 2021	0	0	0	1,528,506	1,528,506
Net Position June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 1,586,885	\$ 1,586,885

Hawkins County School Department

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

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

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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

Exhibit I-1

Hawkins County, Tennessee
Statement of Activities
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 39,587,454	\$ 0	\$ 7,593,602	\$ 2,350,261	\$ (29,643,591)
Support Services	24,535,887	135,778	4,839,440	0	(19,560,669)
Operation of Non-instructional Services	5,698,063	368,565	7,011,953	0	1,682,455
Total Governmental Activities	\$ 69,821,404	\$ 504,343	\$ 19,444,995	\$ 2,350,261	\$ (47,521,805)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,733,416
Property Taxes Levied for Transportation					3,285,386
Property Taxes Levied for Education Capital Projects					1,253,159
Local Option Sales Taxes					7,147,398
Wheel Tax					331,152
Other Local Tax					2,512
Grants and Contributions Not Restricted for Specific Programs					42,002,556
Unrestricted Investment Income					2,902
Miscellaneous					366,492
Gain on Sale of Assets					6,641
Total General Revenues					\$ 61,131,614
Change in Net Position					\$ 13,609,809
Net Position, July 1, 2021					58,817,078
Net Position, June 30, 2022					\$ 72,426,887

Exhibit I-2

Hawkins County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hawkins County School Department
June 30, 2022

	Major Funds				Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 639	\$ 0	\$ 1,458	\$ 0	\$ 1,648,087	\$ 1,650,184
Equity in Pooled Cash and Investments	7,606,694	194,135	4,034,183	968,729	1,245,505	14,049,246
Accounts Receivable	141,499	1,050	36,004	3,126	4,591	186,270
Due from Other Governments	3,137,191	1,305,113	42,708	0	0	4,485,012
Due from Other Funds	46,368	8	2,643	21,497	0	70,516
Property Taxes Receivable	7,783,768	0	0	3,462,234	513,873	11,759,875
Allowance for Uncollectible Property Taxes	(283,162)	0	0	(131,481)	(34,094)	(448,737)
Cash Shortage	64,800	0	0	0	0	64,800
Restricted Assets	735,538	0	0	0	0	735,538
Leases Receivable - Long-term	433,308	0	0	0	0	433,308
Total Assets	<u>\$ 19,666,643</u>	<u>\$ 1,500,306</u>	<u>\$ 4,116,996</u>	<u>\$ 4,324,105</u>	<u>\$ 3,377,962</u>	<u>\$ 32,986,012</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 250,186	\$ 434,368	\$ 11,461	\$ 1,404	\$ 0	\$ 697,419
Accrued Payroll	1,279	19,571	0	690	0	21,540
Payroll Deductions Payable	1,225	0	0	0	0	1,225
Contracts Payable	0	0	0	0	6,000	6,000
Due to Other Funds	24,149	46,367	0	0	0	70,516
Other Current Liabilities	1,854,094	0	0	0	0	1,854,094
Total Liabilities	<u>\$ 2,130,933</u>	<u>\$ 500,306</u>	<u>\$ 11,461</u>	<u>\$ 2,094</u>	<u>\$ 6,000</u>	<u>\$ 2,650,794</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 7,343,689	\$ 0	\$ 0	\$ 3,254,190	\$ 450,580	\$ 11,048,459

(Continued)

Exhibit I-2

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

	Major Funds				Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation		
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 149,906	\$ 0	\$ 0	\$ 73,142	\$ 27,894	\$ 250,942
Deferred Leases Receivable	433,308	0	0	0	0	433,308
Other Deferred/Unavailable Revenue	579,852	0	0	0	0	579,852
Total Deferred Inflows of Resources	<u>\$ 8,506,755</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,327,332</u>	<u>\$ 478,474</u>	<u>\$ 12,312,561</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 0	\$ 0	\$ 4,105,535	\$ 749,546	\$ 1,652,678	\$ 6,507,759
Restricted for Capital Projects	0	0	0	0	1,230,868	1,230,868
Restricted for Hybrid Retirement Stabilization Funds	735,538	0	0	0	0	735,538
Committed:						
Committed for Education	0	1,000,000	0	245,133	0	1,245,133
Committed for Capital Projects	0	0	0	0	9,942	9,942
Assigned:						
Assigned for Education	5,114,808	0	0	0	0	5,114,808
Unassigned	3,178,609	0	0	0	0	3,178,609
Total Fund Balances	<u>\$ 9,028,955</u>	<u>\$ 1,000,000</u>	<u>\$ 4,105,535</u>	<u>\$ 994,679</u>	<u>\$ 2,893,488</u>	<u>\$ 18,022,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,666,643</u>	<u>\$ 1,500,306</u>	<u>\$ 4,116,996</u>	<u>\$ 4,324,105</u>	<u>\$ 3,377,962</u>	<u>\$ 32,986,012</u>

Exhibit I-3

Hawkins County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Hawkins County School Department
June 30, 2022

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)		\$	18,022,657
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,570,973	
Add: construction in progress		6,166,445	
Add: building and improvements net of accumulated depreciation		41,785,165	
Add: other capital assets net of accumulated depreciation		3,170,815	
Add: intangible right-to-use assets net of accumulated amortization		<u>51,478</u>	52,744,876
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: leases payable	\$	(50,576)	
Less: compensated absences payable		(1,965,912)	
Less: termination benefits payable		(470,165)	
Less: retirement honorarium payable		(38,754)	
Less: OPEB liability		<u>(14,262,664)</u>	(16,788,071)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			830,794
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.			
Add: deferred outflows of resources related to pensions	\$	13,192,452	
Less: deferred inflows of resources related to pensions		(31,523,772)	
Add: deferred outflows of resources related to OPEB		4,056,144	
Less: deferred inflows of resources related to OPEB		<u>(3,792,778)</u>	(18,067,954)
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan - legacy	\$	4,118,240	
Add: net pension asset - agent plan - hybrid		117,710	
Add: net pension asset - teacher retirement plan		533,409	
Add: net pension asset - teacher legacy pension plan		<u>30,915,226</u>	<u>35,684,585</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>72,426,887</u></u>

Exhibit I-4

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

	Major Funds				Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 14,097,378	\$ 0	\$ 0	\$ 3,453,658	\$ 1,268,416	\$ 18,819,452
Licenses and Permits	3,765	0	0	0	0	3,765
Charges for Current Services	93,975	0	319,660	46,313	0	459,948
Other Local Revenues	465,264	0	6,639	13,543	1,370,096	1,855,542
State of Tennessee	42,237,245	0	37,118	0	0	42,274,363
Federal Government	332,007	12,277,317	4,877,940	0	0	17,487,264
Other Governments and Citizens Groups	2,350,261	0	0	0	0	2,350,261
Total Revenues	\$ 59,579,895	\$ 12,277,317	\$ 5,241,357	\$ 3,513,514	\$ 2,638,512	\$ 83,250,595
<u>Expenditures</u>						
Current:						
Instruction	\$ 36,343,614	\$ 4,727,256	\$ 0	\$ 0	\$ 0	\$ 41,070,870
Support Services	20,755,670	2,721,094	0	3,949,060	0	27,425,824
Operation of Non-Instructional Services	515,366	92,371	4,014,977	0	1,343,963	5,966,677
Capital Outlay	2,523,549	4,736,596	0	0	0	7,260,145
Debt Service:						
Other Debt Service	470,299	0	0	0	0	470,299
Capital Projects	0	0	0	0	399,338	399,338
Total Expenditures	\$ 60,608,498	\$ 12,277,317	\$ 4,014,977	\$ 3,949,060	\$ 1,743,301	\$ 82,593,153
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,028,603)	\$ 0	\$ 1,226,380	\$ (435,546)	\$ 895,211	\$ 657,442

(Continued)

Exhibit I-4

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

	Major Funds				Nonmajor Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 22,564	\$ 0	\$ 0	\$ 500	\$ 36,345	\$ 59,409
Total Other Financing Sources (Uses)	<u>\$ 22,564</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 36,345</u>	<u>\$ 59,409</u>
 Net Change in Fund Balances	 \$ (1,006,039)	 \$ 0	 \$ 1,226,380	 \$ (435,046)	 \$ 931,556	 \$ 716,851
Fund Balance, July 1, 2021	<u>10,034,994</u>	<u>1,000,000</u>	<u>2,879,155</u>	<u>1,429,725</u>	<u>1,961,932</u>	<u>17,305,806</u>
 Fund Balance, June 30, 2022	 <u>\$ 9,028,955</u>	 <u>\$ 1,000,000</u>	 <u>\$ 4,105,535</u>	 <u>\$ 994,679</u>	 <u>\$ 2,893,488</u>	 <u>\$ 18,022,657</u>

Hawkins County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

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)		\$	716,851
(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	\$	8,230,435	
Less: current-year depreciation expense		(3,914,694)	
Less: current-year amortization expense		<u>(11,971)</u>	4,303,770
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of assets disposed			(1,254)
(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, 2022	\$	830,794	
Less: deferred delinquent property taxes and other deferred June 30, 2021		<u>(866,491)</u>	(35,697)
(4) The issuance of lease obligations provides current financial resources to governmental funds, while the payment of principal of leases consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of lease obligations.			
Add: principal payments on lease obligations			12,873
(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 compensated absences payable	\$	105,329	
Change in termination benefits payable		(170,336)	
Change in retirement honorarium payable		539,456	
Change in OPEB liability		232,423	
Change in net pension asset/liability		29,226,938	
Change in deferred outflows related to pensions		7,816,190	
Change in deferred inflows related to pensions		(28,685,581)	
Change in deferred outflows related to OPEB		(388,034)	
Change in deferred inflows related to OPEB		<u>(63,119)</u>	8,613,266
Change in net position of governmental activities (Exhibit B)			<u>\$ 13,609,809</u>

Exhibit I-6

Hawkins County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hawkins County School Department
June 30, 2022

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Internal School	Education Capital Projects	
<u>ASSETS</u>			
Cash	\$ 1,648,087	\$ 0	\$ 1,648,087
Equity in Pooled Cash and Investments	0	1,245,505	1,245,505
Accounts Receivable	4,591	0	4,591
Property Taxes Receivable	0	513,873	513,873
Allowance for Uncollectible Property Taxes	0	(34,094)	(34,094)
Total Assets	\$ 1,652,678	\$ 1,725,284	\$ 3,377,962
<u>LIABILITIES</u>			
Contracts Payable	\$ 0	\$ 6,000	\$ 6,000
Total Liabilities	\$ 0	\$ 6,000	\$ 6,000
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 450,580	\$ 450,580
Deferred Delinquent Property Taxes	0	27,894	27,894
Total Deferred Inflows of Resources	\$ 0	\$ 478,474	\$ 478,474
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,652,678	\$ 0	\$ 1,652,678
Restricted for Capital Projects	0	1,230,868	1,230,868
Committed:			
Committed for Capital Projects	0	9,942	9,942
Total Fund Balances	\$ 1,652,678	\$ 1,240,810	\$ 2,893,488
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,652,678	\$ 1,725,284	\$ 3,377,962

Exhibit I-7

Hawkins County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Internal School	Education Capital Projects	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 1,268,416	\$ 1,268,416
Other Local Revenues	1,370,096	0	1,370,096
Total Revenues	\$ 1,370,096	\$ 1,268,416	\$ 2,638,512
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,343,963	\$ 0	\$ 1,343,963
Capital Projects	0	399,338	399,338
Total Expenditures	\$ 1,343,963	\$ 399,338	\$ 1,743,301
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,133	\$ 869,078	\$ 895,211
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 36,345	\$ 36,345
Total Other Financing Sources (Uses)	\$ 0	\$ 36,345	\$ 36,345
Net Change in Fund Balances	\$ 26,133	\$ 905,423	\$ 931,556
Fund Balance, July 1, 2021	1,626,545	335,387	1,961,932
Fund Balance, June 30, 2022	\$ 1,652,678	\$ 1,240,810	\$ 2,893,488

Exhibit I-8

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,097,378	\$ 0	\$ 0	\$ 14,097,378	\$ 11,372,467	\$ 11,403,334	\$ 2,694,044
Licenses and Permits	3,765	0	0	3,765	4,000	4,000	(235)
Charges for Current Services	93,975	0	0	93,975	85,000	85,000	8,975
Other Local Revenues	465,264	0	0	465,264	423,713	518,174	(52,910)
State of Tennessee	42,237,245	0	0	42,237,245	41,166,908	42,525,528	(288,283)
Federal Government	332,007	0	0	332,007	130,000	130,000	202,007
Other Governments and Citizens Groups	2,350,261	0	0	2,350,261	0	18,443	2,331,818
Total Revenues	\$ 59,579,895	\$ 0	\$ 0	\$ 59,579,895	\$ 53,182,088	\$ 54,684,479	\$ 4,895,416
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 29,924,777	\$ 0	\$ 4,474	\$ 29,929,251	\$ 30,242,888	\$ 30,860,082	\$ 930,831
Alternative Instruction Program	325,129	(1,498)	0	323,631	345,715	346,315	22,684
Special Education Program	4,274,364	0	0	4,274,364	4,854,999	4,853,140	578,776
Career and Technical Education Program	1,819,344	0	0	1,819,344	1,702,452	1,912,971	93,627
<u>Support Services</u>							
Attendance	336,546	(1,156)	0	335,390	318,528	348,613	13,223
Health Services	1,092,101	(1,398)	1,351	1,092,054	1,029,179	1,109,127	17,073
Other Student Support	3,160,039	(16,792)	0	3,143,247	3,105,104	3,237,683	94,436
Regular Instruction Program	1,739,452	(6,876)	0	1,732,576	1,971,778	1,883,802	151,226
Special Education Program	675,514	0	0	675,514	714,051	717,663	42,149
Career and Technical Education Program	99,689	0	0	99,689	100,300	100,300	611
Technology	1,120,794	(104,111)	34,548	1,051,231	1,098,134	1,144,329	93,098
Other Programs	313,288	0	0	313,288	0	313,288	0
Board of Education	1,586,357	(28,500)	29,500	1,587,357	1,666,017	1,666,017	78,660
Director of Schools	488,681	0	4,800	493,481	499,225	526,813	33,332
Office of the Principal	3,932,232	0	0	3,932,232	4,031,144	4,140,495	208,263
Fiscal Services	407,906	(189)	0	407,717	400,580	417,089	9,372
Human Services/Personnel	152,032	(23,165)	0	128,867	129,940	141,965	13,098

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,965,903	\$ (12,750)	\$ 525	\$ 3,953,678	\$ 4,070,874	\$ 4,114,420	\$ 160,742
Maintenance of Plant	1,576,063	0	33,471	1,609,534	1,624,508	1,773,122	163,588
Transportation	109,073	0	0	109,073	42,662	150,082	41,009
<u>Operation of Non-Instructional Services</u>							
Food Service	32,274	0	0	32,274	0	63,886	31,612
Community Services	93,953	0	0	93,953	98,306	103,409	9,456
Early Childhood Education	389,139	(9,695)	559	380,003	399,789	399,789	19,786
<u>Capital Outlay</u>							
Regular Capital Outlay	2,523,549	(2,480,762)	0	42,787	0	90,887	48,100
<u>Other Debt Service</u>							
Education	470,299	0	0	470,299	689,981	689,981	219,682
Total Expenditures	\$ 60,608,498	\$ (2,686,892)	\$ 109,228	\$ 58,030,834	\$ 59,136,154	\$ 61,105,268	\$ 3,074,434
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,028,603)	\$ 2,686,892	\$ (109,228)	\$ 1,549,061	\$ (5,954,066)	\$ (6,420,789)	\$ 7,969,850
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 22,564	\$ 0	\$ 0	\$ 22,564	\$ 0	\$ 22,564	\$ 0
Total Other Financing Sources	\$ 22,564	\$ 0	\$ 0	\$ 22,564	\$ 0	\$ 22,564	\$ 0
Net Change in Fund Balance	\$ (1,006,039)	\$ 2,686,892	\$ (109,228)	\$ 1,571,625	\$ (5,954,066)	\$ (6,398,225)	\$ 7,969,850
Fund Balance, July 1, 2021	10,034,994	(2,686,892)	0	7,348,102	8,921,757	8,921,757	(1,573,655)
Fund Balance, June 30, 2022	\$ 9,028,955	\$ 0	\$ (109,228)	\$ 8,919,727	\$ 2,967,691	\$ 2,523,532	\$ 6,396,195

Exhibit I-9

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 12,277,317	\$ 0	\$ 0	\$ 12,277,317	\$ 4,756,781	\$ 30,904,596	\$ (18,627,279)
Total Revenues	\$ 12,277,317	\$ 0	\$ 0	\$ 12,277,317	\$ 4,756,781	\$ 30,904,596	\$ (18,627,279)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,818,370	\$ (44,762)	\$ 0	\$ 2,773,608	\$ 1,398,954	\$ 7,293,151	\$ 4,519,543
Special Education Program	1,701,615	0	0	1,701,615	1,446,915	2,663,363	961,748
Career and Technical Education Program	207,271	(1,299)	0	205,972	118,535	348,366	142,394
<u>Support Services</u>							
Attendance	35,227	0	0	35,227	0	100,104	64,877
Health Services	83,810	0	0	83,810	0	171,017	87,207
Other Student Support	164,280	0	0	164,280	308,128	895,138	730,858
Regular Instruction Program	1,338,843	(5,065)	0	1,333,778	966,993	2,676,877	1,343,099
Special Education Program	446,678	0	0	446,678	410,846	766,207	319,529
Career and Technical Education Program	5,319	0	0	5,319	4,910	5,319	0
Technology	267,438	0	0	267,438	0	581,178	313,740
Director of Schools	1,717	0	0	1,717	0	3,491	1,774
Office of the Principal	45,204	0	0	45,204	0	147,300	102,096
Fiscal Services	5,145	0	0	5,145	0	66,665	61,520
Operation of Plant	319,995	(36,917)	0	283,078	95,000	341,851	58,773
Maintenance of Plant	0	0	0	0	0	27,387	27,387
Transportation	7,438	0	0	7,438	6,500	314,710	307,272
<u>Operation of Non-Instructional Services</u>							
Food Service	5,042	0	0	5,042	0	168,606	163,564
Community Services	87,329	0	0	87,329	0	105,894	18,565
<u>Capital Outlay</u>							
Regular Capital Outlay	4,736,596	(5,256,098)	519,502	0	0	14,227,972	14,227,972
Total Expenditures	\$ 12,277,317	\$ (5,344,141)	\$ 519,502	\$ 7,452,678	\$ 4,756,781	\$ 30,904,596	\$ 23,451,918

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 5,344,141	\$ (519,502)	\$ 4,824,639	\$ 0	\$ 0	\$ 4,824,639
Net Change in Fund Balance	\$ 0	\$ 5,344,141	\$ (519,502)	\$ 4,824,639	\$ 0	\$ 0	\$ 4,824,639
Fund Balance, July 1, 2021	1,000,000	(5,344,141)	0	(4,344,141)	500,000	500,000	(4,844,141)
Fund Balance, June 30, 2022	\$ 1,000,000	\$ 0	\$ (519,502)	\$ 480,498	\$ 500,000	\$ 500,000	\$ (19,502)

Exhibit I-10

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 319,660	\$ 0	\$ 0	\$ 319,660	\$ 265,000	\$ 265,000	\$ 54,660
Other Local Revenues	6,639	0	0	6,639	3,000	3,000	3,639
State of Tennessee	37,118	0	0	37,118	33,000	33,000	4,118
Federal Government	4,877,940	0	0	4,877,940	4,167,457	4,167,457	710,483
Total Revenues	<u>\$ 5,241,357</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,241,357</u>	<u>\$ 4,468,457</u>	<u>\$ 4,468,457</u>	<u>\$ 772,900</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 4,014,977	\$ (495)	\$ 7,605	\$ 4,022,087	\$ 4,468,457	\$ 4,527,248	\$ 505,161
Total Expenditures	<u>\$ 4,014,977</u>	<u>\$ (495)</u>	<u>\$ 7,605</u>	<u>\$ 4,022,087</u>	<u>\$ 4,468,457</u>	<u>\$ 4,527,248</u>	<u>\$ 505,161</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,226,380	\$ 495	\$ (7,605)	\$ 1,219,270	\$ 0	\$ (58,791)	\$ 1,278,061
Net Change in Fund Balance	\$ 1,226,380	\$ 495	\$ (7,605)	\$ 1,219,270	\$ 0	\$ (58,791)	\$ 1,278,061
Fund Balance, July 1, 2021	<u>2,879,155</u>	<u>(495)</u>	<u>0</u>	<u>2,878,660</u>	<u>2,693,302</u>	<u>2,693,302</u>	<u>185,358</u>
Fund Balance, June 30, 2022	<u>\$ 4,105,535</u>	<u>\$ 0</u>	<u>\$ (7,605)</u>	<u>\$ 4,097,930</u>	<u>\$ 2,693,302</u>	<u>\$ 2,634,511</u>	<u>\$ 1,463,419</u>

Exhibit I-11

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
School Transportation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,453,658	\$ 0	\$ 0	\$ 3,453,658	\$ 3,343,893	\$ 3,357,523	\$ 96,135
Charges for Current Services	46,313	0	0	46,313	30,000	30,000	16,313
Other Local Revenues	13,543	0	0	13,543	10,000	10,000	3,543
Total Revenues	\$ 3,513,514	\$ 0	\$ 0	\$ 3,513,514	\$ 3,383,893	\$ 3,397,523	\$ 115,991
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 66,257	\$ 0	\$ 0	\$ 66,257	\$ 80,000	\$ 80,000	\$ 13,743
Transportation	3,882,803	(393,687)	500,926	3,990,042	3,995,206	4,253,320	263,278
Total Expenditures	\$ 3,949,060	\$ (393,687)	\$ 500,926	\$ 4,056,299	\$ 4,075,206	\$ 4,333,320	\$ 277,021
Excess (Deficiency) of Revenues Over Expenditures	\$ (435,546)	\$ 393,687	\$ (500,926)	\$ (542,785)	\$ (691,313)	\$ (935,797)	\$ 393,012
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 500	\$ 0	\$ 0	\$ 500	\$ 0	\$ 500	\$ 0
Total Other Financing Sources	\$ 500	\$ 0	\$ 0	\$ 500	\$ 0	\$ 500	\$ 0
Net Change in Fund Balance	\$ (435,046)	\$ 393,687	\$ (500,926)	\$ (542,285)	\$ (691,313)	\$ (935,297)	\$ 393,012
Fund Balance, July 1, 2021	1,429,725	(393,687)	0	1,036,038	1,032,928	1,032,928	3,110
Fund Balance, June 30, 2022	\$ 994,679	\$ 0	\$ (500,926)	\$ 493,753	\$ 341,615	\$ 97,631	\$ 396,122

Exhibit I-12

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,268,416	\$ 0	\$ 0	\$ 1,268,416	\$ 1,245,516	\$ 1,251,712	\$ 16,704
Total Revenues	\$ 1,268,416	\$ 0	\$ 0	\$ 1,268,416	\$ 1,245,516	\$ 1,251,712	\$ 16,704
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 399,338	\$ (69,397)	\$ 464,846	\$ 794,787	\$ 1,245,516	\$ 1,288,057	\$ 493,270
Total Expenditures	\$ 399,338	\$ (69,397)	\$ 464,846	\$ 794,787	\$ 1,245,516	\$ 1,288,057	\$ 493,270
Excess (Deficiency) of Revenues Over Expenditures	\$ 869,078	\$ 69,397	\$ (464,846)	\$ 473,629	\$ 0	\$ (36,345)	\$ 509,974
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 36,345	\$ 0	\$ 0	\$ 36,345	\$ 0	\$ 36,345	\$ 0
Total Other Financing Sources	\$ 36,345	\$ 0	\$ 0	\$ 36,345	\$ 0	\$ 36,345	\$ 0
Net Change in Fund Balance	\$ 905,423	\$ 69,397	\$ (464,846)	\$ 509,974	\$ 0	\$ 0	\$ 509,974
Fund Balance, July 1, 2021	335,387	(69,397)	0	265,990	246,627	246,627	19,363
Fund Balance, June 30, 2022	\$ 1,240,810	\$ 0	\$ (464,846)	\$ 775,964	\$ 246,627	\$ 246,627	\$ 529,337

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hawkins County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Education Debt Service Fund</u>									
Qualified School Construction Bonds	\$ 2,640,000	1.51	%	12-17-09	7-1-26	\$ 855,407	\$ 0	\$ 164,732	\$ 690,675
Qualified School Construction Bonds	2,333,000	0		10-1-10	9-15-27	901,507	0	145,575	755,932
Energy Efficient Schools Initiative	767,272	0		9-28-11	2-1-22	51,144	0	51,144	0
Energy Efficient Schools Initiative	158,556	0.75		6-28-16	7-1-28	95,292	0	13,152	82,140
Energy Efficient Schools Initiative	266,859	0.75		9-16-16	12-1-27	175,719	0	26,484	149,235
Energy Efficient Schools Initiative	4,985,333	0.5		4-15-21	4-1-38	2,635,071	2,350,262	49,902	4,935,431
Total Other Loans Payable						<u>\$ 4,714,140</u>	<u>\$ 2,350,262</u>	<u>\$ 450,989</u>	<u>\$ 6,613,413</u>
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2016	1,660,204	2		5-26-16	6-1-25	\$ 1,593,696	\$ 0	\$ 14,206	\$ 1,579,490
General Obligation Refunding Bonds, Series 2019	1,555,476	5		6-28-19	6-1-25	612,473	0	508,239	104,234
General Obligation Refunding Bonds, Series 2021B	8,440,000	2 to 3		4-30-21	3-1-36	8,440,000	0	415,000	8,025,000
Total Payable through General Debt Service Fund						<u>\$ 10,646,169</u>	<u>\$ 0</u>	<u>\$ 937,445</u>	<u>\$ 9,708,724</u>
<u>Payable through Special Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2019	2,345,911	5		6-28-19	6-1-25	\$ 1,641,090	\$ 0	\$ 379,055	\$ 1,262,035
Total Payable through Special Debt Service Fund						<u>\$ 1,641,090</u>	<u>\$ 0</u>	<u>\$ 379,055</u>	<u>\$ 1,262,035</u>
<u>Payable through Education Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2016	7,416,149	2 to 2.5		5-26-16	6-30-33	\$ 5,606,304	\$ 0	\$ 450,794	\$ 5,155,510
General Obligation Refunding Bonds, Series 2019	17,468,613	3 to 5		6-28-19	6-1-38	17,081,437	0	187,706	16,893,731
General Obligation Refunding Bonds, Series 2021A	13,925,000	2 to 3		3-31-21	3-1-35	13,925,000	0	925,000	13,000,000
General Obligation Refunding Bonds, Series 2021C	8,715,000	2 to 3		5-28-21	6-1-36	8,715,000	0	875,000	7,840,000
Total Payable through Education Debt Service Fund						<u>\$ 45,327,741</u>	<u>\$ 0</u>	<u>\$ 2,438,500</u>	<u>\$ 42,889,241</u>
Total Bonds Payable						<u>\$ 57,615,000</u>	<u>\$ 0</u>	<u>\$ 3,755,000</u>	<u>\$ 53,860,000</u>

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 650,520	\$ 178,564	\$ 829,084
2024	652,343	176,740	829,083
2025	654,155	174,928	829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028	346,887	27,488	374,375
2029	312,837	14,724	327,561
2030	310,980	13,164	324,144
2031	312,540	11,604	324,144
2032	314,112	10,032	324,144
2033	315,684	8,460	324,144
2034	317,268	6,876	324,144
2035	318,852	5,292	324,144
2036	320,448	3,696	324,144
2037	322,056	2,088	324,144
2038	269,592	507	270,099
Total	\$ 6,613,413	\$ 941,872	\$ 7,555,285

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,675,000	\$ 1,483,988	\$ 5,158,988
2024	3,695,000	1,370,513	5,065,513
2025	3,735,000	1,258,237	4,993,237
2026	2,945,000	1,141,688	4,086,688
2027	2,950,000	1,053,137	4,003,137
2028	2,980,000	966,588	3,946,588
2029	2,980,000	879,237	3,859,237
2030	3,070,000	791,738	3,861,738
2031	3,085,000	712,912	3,797,912
2032	3,585,000	646,875	4,231,875
2033	3,985,000	564,725	4,549,725
2034	4,170,000	470,300	4,640,300
2035	3,635,000	367,850	4,002,850
2036	2,775,000	274,950	3,049,950
2037	3,250,000	197,850	3,447,850
2038	3,345,000	100,350	3,445,350
Total	\$ 53,860,000	\$ 12,280,938	\$ 66,140,938

Exhibit J-3

Hawkins County, Tennessee
Schedule of Changes in Leases Obligations
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Restated Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
<u>DISCRETELY PRESENTED HAWKINS</u>							
<u>COUNTY SCHOOL DEPARTMENT</u>							
<u>Payable through General Purpose School Fund</u>							
Enterprise 2021 GMC Van	\$ 28,986	2.27	% 3-1-21	3-1-26	\$ 26,817	\$ 5,428	\$ 21,389
Enterprise 2020 RAM 2500	41,211	2.27	3-1-21	3-1-26	36,632	7,445	29,187
Total Leases Payable					<u>\$ 63,449</u>	<u>\$ 12,873</u>	<u>\$ 50,576</u>

Exhibit J-4

Hawkins County, Tennessee
Schedule of Lease Requirements by Year

Year Ending June 30	Leases		
	Principal	Interest	Total
2023	\$ 13,167	\$ 1,012	\$ 14,179
2024	13,470	710	14,180
2025	13,779	400	14,179
2026	10,160	92	10,252
Total	<u>\$ 50,576</u>	<u>\$ 2,214</u>	<u>\$ 52,790</u>

Hawkins County, Tennessee
Schedule of Leases Receivable
Discretely Presented Hawkins County School Department
June 30, 2022

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate		Restated Balance 7-1-21	Deductions	Balance 6-30-22
<u>DISCRETELY PRESENTED HAWKINS COUNTY SCHOOL DEPARTMENT</u>									
<u>General Purpose School Fund</u>									
Solar Facilities	Distributed Solar Holdings LLC	\$ 715,563	1-31-13	8-1-33	2.27	%	\$ 466,748	\$ 33,440	\$ 433,308
Total Leases Receivable							\$ 466,748	\$ 33,440	\$ 433,308

Exhibit J-6

Hawkins County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Transfer QSCB rebate	<u>\$ 106,657</u>
Total Transfers Primary Government			<u><u>\$ 106,657</u></u>

Exhibit J-7

Hawkins County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 110,052	\$ 100,000	Liberty Mutual Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	101,811	100,000	"
Director of Schools	State Board of Education and County Board of Education	115,000 (1)	(4)	
Trustee	Section 8-24-102, <i>TCA</i>	92,555	2,083,000	Liberty Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	92,555	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	92,555	100,000	Liberty Mutual Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	92,555	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	92,555 (2)	150,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	92,555	100,000	Liberty Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	101,811 (3)	100,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			400,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,000 and travel allowance totaling \$7,200.

(2) Does not include special commissioner fees of \$7,098.

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

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

Exhibit J-8

Hawkins County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,950,210	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,513,634
Trustee's Collections - Prior Year	196,931	0	0	0	0	29,963
Trustee's Collections - Bankruptcy	849	0	0	0	0	140
Circuit Clerk/Clerk and Master Collections - Prior Years	192,696	0	0	0	0	29,318
Interest and Penalty	40,791	0	0	0	0	6,209
Pickup Taxes	10,846	0	0	0	0	1,689
Payments in-Lieu-of Taxes - T.V.A.	1,644	0	0	0	0	250
Payments in-Lieu-of Taxes - Other	84,695	0	0	0	0	12,883
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,811,266	0	0	0	0
Wheel Tax	2,446,412	0	0	0	0	0
Litigation Tax - General	82,206	0	0	0	0	0
Litigation Tax - Special Purpose	48,252	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	82,639	0	0	0	0	0
Business Tax	0	471,955	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	82,945
<u>Statutory Local Taxes</u>						
Bank Excise Tax	26,156	0	0	0	0	3,979
Wholesale Beer Tax	86,490	0	0	0	0	0
Total Local Taxes	\$ 13,250,817	\$ 2,283,221	\$ 0	\$ 0	\$ 0	\$ 1,681,010
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 184,569	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,092	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	950	0	0	0	0	0
Total Licenses and Permits	<u>\$ 2,042</u>	<u>\$ 184,569</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 704	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,755	0	0	0	0	0
Drug Control Fines	13,511	0	3,301	0	0	0
Drug Court Fees	911	0	0	0	0	0
DUI Treatment Fines	190	0	0	0	0	0
Data Entry Fee - Circuit Court	1,556	0	0	0	0	0
Courtroom Security Fee	43	0	0	0	0	0
<u>Criminal Court</u>						
Jail Fees	1,804	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	26,504	0	0	0	0	0
Officers Costs	37,136	0	0	0	0	0
Game and Fish Fines	126	0	0	0	0	0
Drug Control Fines	663	0	11,297	0	0	0
Drug Court Fees	9,104	0	0	0	0	0
Jail Fees	27,163	0	0	0	0	0
DUI Treatment Fines	8,613	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,780	0	0	0	0	0
Courtroom Security Fee	38	0	0	0	0	0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 4,021	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	5,266	0	0	0	0	0
Jail Fees	142	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,223	0	0	0	0	0
Courtroom Security Fee	46	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	567	0	0	0	0	0
Data Entry Fee - Chancery Court	7,350	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	3,740	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 162,216	\$ 0	\$ 18,338	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 2,720	\$ 0	\$ 0	\$ 0	0
Patient Charges	12,744	0	0	0	0	0
Work Release Charges for Board	25,654	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	249
<u>Fees</u>						
Recreation Fees	2,370	0	0	0	0	0
Copy Fees	5,876	0	0	0	0	0
Greenbelt Late Application Fee	500	0	0	0	0	0
Telephone Commissions	176,143	0	0	0	0	0
Vending Machine Collections	192	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	788	0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,098	\$ 0
Data Processing Fee - Register	20,302	0	0	0	0	0
Data Processing Fee - Sheriff	2,695	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,250	0	0	0	0	0
Data Processing Fee - County Clerk	5,001	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessio	1,730	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,650	0	0	0	0	0
Total Charges for Current Services	<u>\$ 263,107</u>	<u>\$ 2,720</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,886</u>	<u>\$ 249</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0
Lease/Rentals	6,458	0	0	0	0	0
Commissary Sales	19,071	0	0	0	0	0
Sale of Gasoline	33,756	0	0	0	0	0
Sale of Maps	186	0	0	0	0	0
Sale of Recycled Materials	0	149,043	0	0	0	2,183
Miscellaneous Refunds	2,491	3,767	0	0	0	4,156
<u>Nonrecurring Items</u>						
Sale of Equipment	800	372,500	0	0	0	878
Sale of Property	16,579	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	4,064	0	0	0	0	0
Total Other Local Revenues	<u>\$ 83,405</u>	<u>\$ 525,310</u>	<u>\$ 0</u>	<u>\$ 506</u>	<u>\$ 0</u>	<u>\$ 7,217</u>

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 728,505	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	107,131	0	0	0	0	0
General Sessions Court Clerk	227,220	0	0	0	0	0
Clerk and Master	218,706	0	0	0	0	0
Juvenile Court Clerk	47,243	0	0	0	0	0
Register	324,656	0	0	0	0	0
Sheriff	13,074	0	0	0	0	0
Trustee	834,356	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 2,500,891</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>						
Airport Maintenance Program	\$ 5,453	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	45,221	0	0	0	0	0
Solid Waste Grants	0	27,291	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	51,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	370,527	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	436,742
Litter Program	41,882	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	5,973	0	0	0	0	0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 0	\$ 135,984	\$ 0	\$ 0	\$ 0	\$ 0
Opioid Settlement Funds	1,657,905	0	0	0	0	0
State Revenue Sharing - Telecommunications	75,984	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	34,403	0	0	0	0	0
Contracted Prisoner Boarding	491,400	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,870,960
Petroleum Special Tax	0	0	0	0	0	38,153
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	83,352	0	0	0	0	0
Other State Revenues	510,450	0	0	0	0	0
Total State of Tennessee	\$ 3,408,108	\$ 163,275	\$ 0	\$ 0	\$ 0	\$ 3,345,855
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	41,256	0	0	0	0	0
Other Federal through State	272,274	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	106,657	0	0	0	0	0
Other Direct Federal Revenue	13,500	0	27,482	0	0	0
Total Federal Government	\$ 433,687	\$ 0	\$ 27,482	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 504,124	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>						
Other	1,770	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 506,394</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 20,610,667</u>	<u>\$ 3,159,095</u>	<u>\$ 45,820</u>	<u>\$ 506</u>	<u>\$ 7,886</u>	<u>\$ 5,034,331</u>

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 545,777	\$ 0	\$ 3,164,990	\$ 547,053	\$ 15,721,664
Trustee's Collections - Prior Year	10,802	0	62,648	10,802	311,146
Trustee's Collections - Bankruptcy	61	0	316	23	1,389
Circuit Clerk/Clerk and Master Collections - Prior Years	10,380	0	61,300	10,665	304,359
Interest and Penalty	2,246	0	12,991	2,231	64,468
Pickup Taxes	711	0	3,531	440	17,217
Payments in-Lieu-of Taxes - T.V.A.	90	0	523	90	2,597
Payments in-Lieu-of Taxes - Other	4,645	0	26,940	4,657	133,820
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	1,811,266
Wheel Tax	0	355,804	355,804	0	3,158,020
Litigation Tax - General	0	0	0	0	82,206
Litigation Tax - Special Purpose	0	0	0	0	48,252
Litigation Tax - Jail, Workhouse, or Courthouse	83,229	0	0	0	83,229
Litigation Tax - Courthouse Security	0	0	0	0	82,639
Business Tax	0	0	0	0	471,955
Mineral Severance Tax	0	0	0	0	82,945
<u>Statutory Local Taxes</u>					
Bank Excise Tax	1,435	0	8,320	1,438	41,328
Wholesale Beer Tax	0	0	0	0	86,490
Total Local Taxes	\$ 659,376	\$ 355,804	\$ 3,697,363	\$ 577,399	\$ 22,504,990
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,569

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	1,092
Other Permits	0	0	0	0	950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	186,611
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	704
Officers Costs	0	0	0	0	5,755
Drug Control Fines	0	0	0	0	16,812
Drug Court Fees	0	0	0	0	911
DUI Treatment Fines	0	0	0	0	190
Data Entry Fee - Circuit Court	0	0	0	0	1,556
Courtroom Security Fee	0	0	0	0	43
<u>Criminal Court</u>					
Jail Fees	0	0	0	0	1,804
<u>General Sessions Court</u>					
Fines	0	0	0	0	26,504
Officers Costs	0	0	0	0	37,136
Game and Fish Fines	0	0	0	0	126
Drug Control Fines	0	0	0	0	11,960
Drug Court Fees	0	0	0	0	9,104
Jail Fees	0	0	0	0	27,163
DUI Treatment Fines	0	0	0	0	8,613
Data Entry Fee - General Sessions Court	0	0	0	0	9,780
Courtroom Security Fee	0	0	0	0	38

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	4,021
Officers Costs	0	0	0	0	5,266
Jail Fees	0	0	0	0	142
Data Entry Fee - Juvenile Court	0	0	0	0	1,223
Courtroom Security Fee	0	0	0	0	46
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	567
Data Entry Fee - Chancery Court	0	0	0	0	7,350
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	3,740
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	180,554
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	2,720
Patient Charges	0	0	0	0	12,744
Work Release Charges for Board	0	0	0	0	25,654
Other General Service Charges	0	0	0	0	249
<u>Fees</u>					
Recreation Fees	0	0	0	0	2,370
Copy Fees	0	0	0	0	5,876
Greenbelt Late Application Fee	0	0	0	0	500
Telephone Commissions	0	0	0	0	176,143
Vending Machine Collections	0	0	0	0	192
Constitutional Officers' Fees and Commissions	0	0	0	0	788

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	7,098
Data Processing Fee - Register	0	0	0	0	20,302
Data Processing Fee - Sheriff	0	0	0	0	2,695
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,250
Data Processing Fee - County Clerk	0	0	0	0	5,001
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	1,730
Vehicle Registration Reinstatement Fees	0	0	0	0	1,650
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	273,962
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,601	\$ 0	\$ 76,307	\$ 0	89,414
Lease/Rentals	0	0	0	0	6,458
Commissary Sales	0	0	0	0	19,071
Sale of Gasoline	0	0	0	0	33,756
Sale of Maps	0	0	0	0	186
Sale of Recycled Materials	0	0	0	0	151,226
Miscellaneous Refunds	0	0	0	0	10,414
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	374,178
Sale of Property	0	0	0	0	16,579
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	4,064
Total Other Local Revenues	\$ 12,601	\$ 0	\$ 76,307	\$ 0	705,346

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	728,505
Circuit Court Clerk	0	0	0	0	107,131
General Sessions Court Clerk	0	0	0	0	227,220
Clerk and Master	0	0	0	0	218,706
Juvenile Court Clerk	0	0	0	0	47,243
Register	0	0	0	0	324,656
Sheriff	0	0	0	0	13,074
Trustee	0	0	0	0	834,356
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	2,500,891
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	5,453
Aging Programs	0	0	0	0	45,221
Solid Waste Grants	0	0	0	0	27,291
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	51,200
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	370,527
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	436,742
Litter Program	0	0	0	0	41,882
<u>Other State Revenues</u>					
Beer Tax	0	0	0	0	19,194
Vehicle Certificate of Title Fees	0	0	0	0	5,973

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,984
Opioid Settlement Funds	0	0	0	0	1,657,905
State Revenue Sharing - Telecommunications	0	0	0	0	75,984
State Shared Sports Gaming Privilege Tax	0	0	0	0	34,403
Contracted Prisoner Boarding	0	0	0	0	491,400
Gasoline and Motor Fuel Tax	0	0	0	0	2,870,960
Petroleum Special Tax	0	0	0	0	38,153
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	83,352
Other State Revenues	0	0	0	0	510,450
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,917,238
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 150,609	\$ 150,609
Civil Defense Reimbursement	0	0	0	0	41,256
Other Federal through State	0	0	0	0	272,274
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	106,657
Other Direct Federal Revenue	0	0	0	0	40,982
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 150,609	\$ 611,778
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 470,299	\$ 0	\$ 974,423

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Fund	
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Citizens Groups</u>					
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
<u>Other</u>					
Other	0	0	0	0	1,770
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 470,299</u>	<u>\$ 0</u>	<u>\$ 976,693</u>
Total	<u>\$ 671,977</u>	<u>\$ 355,804</u>	<u>\$ 4,243,969</u>	<u>\$ 728,008</u>	<u>\$ 34,858,063</u>

Exhibit J-9

Hawkins County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,441,425	\$ 0	\$ 0	\$ 3,142,530	\$ 0
Trustee's Collections - Prior Year	141,596	0	0	69,503	0
Trustee's Collections - Bankruptcy	728	0	0	302	0
Circuit Clerk/Clerk and Master Collections - Prior Years	125,619	0	0	61,005	0
Interest and Penalty	26,511	0	0	12,925	0
Pickup Taxes	7,754	0	0	3,564	0
Payments in-Lieu-of Taxes - T.V.A.	1,250	0	0	520	0
Payments in-Lieu-of Taxes - Other	64,430	0	0	26,810	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	7,065,652	0	0	0	0
Wheel Tax	202,932	0	0	128,220	0
Mixed Drink Tax	2,512	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	16,969	0	0	8,279	0
Total Local Taxes	\$ 14,097,378	\$ 0	\$ 0	\$ 3,453,658	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,765	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 3,765	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 72,222	\$ 0	\$ 0

(Continued)

Exhibit J-9

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 53,351	\$ 0	\$ 0
Income from Breakfast	0	0	17,299	0	0
A la Carte Sales	0	0	29,412	0	0
Transportation - Other State Systems	0	0	0	12,052	0
Receipts from Individual Schools	88,822	0	0	34,261	0
Other Charges for Services	5,153	0	147,376	0	0
Total Charges for Current Services	<u>\$ 93,975</u>	<u>\$ 0</u>	<u>\$ 319,660</u>	<u>\$ 46,313</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (34,264)	\$ 0	\$ 2,902	\$ 0	\$ 0
Lease/Rentals	43,752	0	0	0	0
Sale of Recycled Materials	228	0	0	415	0
Miscellaneous Refunds	346,830	0	0	12,948	0
<u>Nonrecurring Items</u>					
Sale of Equipment	2,904	0	3,737	0	0
Damages Recovered from Individuals	6,534	0	0	180	0
Contributions and Gifts	97,461	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	1,819	0	0	0	1,370,096
Total Other Local Revenues	<u>\$ 465,264</u>	<u>\$ 0</u>	<u>\$ 6,639</u>	<u>\$ 13,543</u>	<u>\$ 1,370,096</u>

(Continued)

Exhibit J-9

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 313,288	\$ 0	\$ 0	\$ 0	0
<u>State Education Funds</u>					
Basic Education Program	38,293,851	0	0	0	0
Early Childhood Education	382,080	0	0	0	0
School Food Service	0	0	37,118	0	0
Driver Education	17,986	0	0	0	0
Other State Education Funds	574,440	0	0	0	0
Coordinated School Health	118,000	0	0	0	0
Family Resource Centers	29,612	0	0	0	0
Statewide Student Management System (SSMS)	9,841	0	0	0	0
Career Ladder Program	88,192	0	0	0	0
Other Vocational	147,242	0	0	0	0
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,258,661	0	0	0	0
Safe Schools	401,945	0	0	0	0
Other State Revenues	602,107	0	0	0	0
Total State of Tennessee	<u>\$ 42,237,245</u>	<u>\$ 0</u>	<u>\$ 37,118</u>	<u>\$ 0</u>	<u>0</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,473,812	\$ 0	0
USDA - Commodities	0	0	302,001	0	0
Breakfast	0	0	1,001,265	0	0
USDA - Other	0	0	100,862	0	0

(Continued)

Exhibit J-9

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Vocational Education - Basic Grants to States	\$ 0	\$ 198,494	\$ 0	\$ 0	\$ 0
Title I Grants to Local Education Agencies	0	2,314,441	0	0	0
Special Education - Grants to States	0	1,832,333	0	0	0
Special Education Preschool Grants	0	24,315	0	0	0
English Language Acquisition Grants	0	3,850	0	0	0
Education for Homeless Children and Youth	0	25,719	0	0	0
21st Century Community Learning Centers	0	87,328	0	0	0
Eisenhower Professional Development State Grants	0	332,977	0	0	0
COVID-19 Grant #1	0	361,831	0	0	0
COVID-19 Grant B	0	2,104,498	0	0	0
COVID-19 Grant D	0	111,000	0	0	0
COVID-19 Grant E	0	8,336	0	0	0
American Rescue Plan Act Grant #1	0	4,328,121	0	0	0
American Rescue Plan Act Grant #2	0	114,444	0	0	0
American Rescue Plan Act Grant #3	0	6,962	0	0	0
American Rescue Plan Act Grant #4	0	22,565	0	0	0
Other Federal through State	207,616	400,103	0	0	0
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	124,391	0	0	0	0
Total Federal Government	\$ 332,007	\$ 12,277,317	\$ 4,877,940	\$ 0	\$ 0

(Continued)

Exhibit J-9

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 2,350,261	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 2,350,261	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 59,579,895	 \$ 12,277,317	 \$ 5,241,357	 \$ 3,513,514	 \$ 1,370,096

(Continued)

Exhibit J-9

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

	Capital Projects Fund		
	Education Capital Projects		Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 1,198,493	\$	10,782,448
Trustee's Collections - Prior Year	26,491		237,590
Trustee's Collections - Bankruptcy	17		1,047
Circuit Clerk/Clerk and Master Collections - Prior Years	23,965		210,589
Interest and Penalty	4,905		44,341
Pickup Taxes	965		12,283
Payments in-Lieu-of Taxes - T.V.A.	198		1,968
Payments in-Lieu-of Taxes - Other	10,224		101,464
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		7,065,652
Wheel Tax	0		331,152
Mixed Drink Tax	0		2,512
<u>Statutory Local Taxes</u>			
Bank Excise Tax	3,158		28,406
Total Local Taxes	<u>\$ 1,268,416</u>	<u>\$</u>	<u>18,819,452</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$	3,765
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>3,765</u>
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Lunch Payments - Children	\$ 0	\$	72,222

(Continued)

Exhibit J-9

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

	Capital Projects Fund		
	Education Capital Projects		Total
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges (Cont.)</u>			
Lunch Payments - Adults	\$	0	\$ 53,351
Income from Breakfast		0	17,299
A la Carte Sales		0	29,412
Transportation - Other State Systems		0	12,052
Receipts from Individual Schools		0	123,083
Other Charges for Services		0	152,529
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 459,948</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ (31,362)
Lease/Rentals		0	43,752
Sale of Recycled Materials		0	643
Miscellaneous Refunds		0	359,778
<u>Nonrecurring Items</u>			
Sale of Equipment		0	6,641
Damages Recovered from Individuals		0	6,714
Contributions and Gifts		0	97,461
<u>Other Local Revenues</u>			
Other Local Revenues		0	1,371,915
Total Other Local Revenues	<u>\$</u>	<u>0</u>	<u>\$ 1,855,542</u>

(Continued)

Exhibit J-9

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

	Capital Projects Fund		
	Education Capital Projects		Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
On-behalf Contributions for OPEB	\$	0	\$ 313,288
<u>State Education Funds</u>			
Basic Education Program		0	38,293,851
Early Childhood Education		0	382,080
School Food Service		0	37,118
Driver Education		0	17,986
Other State Education Funds		0	574,440
Coordinated School Health		0	118,000
Family Resource Centers		0	29,612
Statewide Student Management System (SSMS)		0	9,841
Career Ladder Program		0	88,192
Other Vocational		0	147,242
<u>Other State Revenues</u>			
State Revenue Sharing - T.V.A.		0	1,258,661
Safe Schools		0	401,945
Other State Revenues		0	602,107
Total State of Tennessee			
	\$	0	\$ 42,274,363
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$	0	\$ 3,473,812
USDA - Commodities		0	302,001
Breakfast		0	1,001,265
USDA - Other		0	100,862

(Continued)

Exhibit J-9

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Vocational Education - Basic Grants to States	\$ 0	\$ 198,494
Title I Grants to Local Education Agencies	0	2,314,441
Special Education - Grants to States	0	1,832,333
Special Education Preschool Grants	0	24,315
English Language Acquisition Grants	0	3,850
Education for Homeless Children and Youth	0	25,719
21st Century Community Learning Centers	0	87,328
Eisenhower Professional Development State Grants	0	332,977
COVID-19 Grant #1	0	361,831
COVID-19 Grant B	0	2,104,498
COVID-19 Grant D	0	111,000
COVID-19 Grant E	0	8,336
American Rescue Plan Act Grant #1	0	4,328,121
American Rescue Plan Act Grant #2	0	114,444
American Rescue Plan Act Grant #3	0	6,962
American Rescue Plan Act Grant #4	0	22,565
Other Federal through State	0	607,719
<u>Direct Federal Revenue</u>		
ROTC Reimbursement	0	124,391
Total Federal Government	\$ 0	\$ 17,487,264
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 2,350,261
Total Other Governments and Citizens Groups	\$ 0	\$ 2,350,261
Total	\$ 1,268,416	\$ 83,250,595

Exhibit J-10

Hawkins County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	25,100	
Other Per Diem and Fees		8,500	
Social Security		2,570	
Pensions		970	
Medical Insurance		39,084	
Audit Services		23,256	
Travel		4,457	
Tuition		200	
Other Supplies and Materials		233	
Total County Commission			\$ 104,370

Board of Equalization

Board and Committee Members Fees	\$	4,330	
Social Security		331	
Total Board of Equalization			4,661

Beer Board

Board and Committee Members Fees	\$	50	
Social Security		4	
Total Beer Board			54

Budget and Finance Committee

Board and Committee Members Fees	\$	6,500	
Social Security		497	
Pensions		206	
Total Budget and Finance Committee			7,203

County Mayor/Executive

County Official/Administrative Officer	\$	110,052	
Accountants/Bookkeepers		272,199	
Part-time Personnel		38,294	
Overtime Pay		205	
Other Salaries and Wages		7,511	
Social Security		29,314	
Pensions		25,781	
Life Insurance		354	
Medical Insurance		41,417	
Unemployment Compensation		194	
Communication		2,994	
Maintenance Agreements		22,106	
Rentals		4,677	
Travel		487	
Office Supplies		5,789	
In Service/Staff Development		220	
Data Processing Equipment		388	
Office Equipment		544	
Total County Mayor/Executive			562,526

(Continued)

Exhibit J-10

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

General Fund (Cont.)General Government (Cont.)County Attorney

County Official/Administrative Officer	\$	27,433	
Social Security		1,852	
Pensions		1,920	
Life Insurance		25	
Medical Insurance		6,090	
Unemployment Compensation		21	
Total County Attorney			\$ 37,341

Election Commission

Supervisor/Director	\$	83,300	
Deputy(ies)		51,660	
Part-time Personnel		5,847	
Overtime Pay		2,040	
Other Salaries and Wages		4,356	
Election Commission		6,330	
Election Workers		30,214	
Social Security		11,785	
Pensions		9,110	
Life Insurance		146	
Medical Insurance		22,080	
Unemployment Compensation		79	
Communication		878	
Lease Payments		1,993	
Legal Notices, Recording, and Court Costs		7,943	
Maintenance Agreements		19,000	
Maintenance and Repair Services - Office Equipment		50	
Postal Charges		35	
Rentals		2,664	
Travel		817	
Other Contracted Services		15,716	
Office Supplies		2,431	
Other Supplies and Materials		4,228	
Other Charges		125	
Total Election Commission			282,827

Register of Deeds

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		106,774	
Part-time Personnel		6,382	
Social Security		15,000	
Pensions		13,560	
Life Insurance		207	
Medical Insurance		14,291	
Unemployment Compensation		97	
Communication		1,710	
Maintenance Agreements		564	
Rentals		965	

(Continued)

Exhibit J-10

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Other Contracted Services	\$	17,906	
Office Supplies		2,797	
Office Equipment		599	
Total Register of Deeds			\$ 273,407

Planning

Board and Committee Members Fees	\$	2,850	
Social Security		218	
Contracts with Government Agencies		15,510	
Total Planning			18,578

County Buildings

Supervisor/Director	\$	34,123	
Custodial Personnel		66,758	
Maintenance Personnel		26,497	
Part-time Personnel		14,700	
Social Security		9,751	
Pensions		8,186	
Life Insurance		228	
Medical Insurance		31,783	
Unemployment Compensation		187	
Architects		5,100	
Communication		9,870	
Contracts with Government Agencies		13,775	
Janitorial Services		5,465	
Maintenance and Repair Services - Buildings		58,639	
Maintenance and Repair Services - Equipment		2,983	
Maintenance and Repair Services - Vehicles		228	
Pest Control		4,133	
Rentals		27,271	
Permits		165	
Other Contracted Services		69,468	
Custodial Supplies		11,130	
Gasoline		2,343	
Office Supplies		3	
Small Tools		347	
Uniforms		784	
Utilities		212,483	
Other Supplies and Materials		18,234	
Other Charges		395	
Building Improvements		85,043	
Other Equipment		2,776	
Other Capital Outlay		5,750	
Total County Buildings			728,598

Other General Administration

Bank Charges	\$	180	
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(Continued)

Exhibit J-10

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

General Fund (Cont.)General Government (Cont.)Other General Administration (Cont.)

Dues and Memberships	\$	9,947	
Evaluation and Testing		3,958	
Legal Notices, Recording, and Court Costs		2,564	
Postal Charges		59,315	
Rentals		6,137	
Other Contracted Services		116	
Duplicating Supplies		4,904	
Other Supplies and Materials		152	
Building and Contents Insurance		3,305	
Liability Insurance		400,213	
Premiums on Corporate Surety Bonds		5,714	
Workers' Compensation Insurance		256,399	
Liability Claims		5,000	
Other Charges		6,749	
Total Other General Administration			\$ 764,653

Preservation of Records

Communication	\$	1,739	
Electricity		2,336	
Natural Gas		1,258	
Water and Sewer		356	
Total Preservation of Records			5,689

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		222,041	
Social Security		22,497	
Pensions		21,829	
Life Insurance		324	
Medical Insurance		38,909	
Unemployment Compensation		133	
Communication		4,216	
Data Processing Services		22,123	
Maintenance Agreements		3,030	
Maintenance and Repair Services - Vehicles		2,102	
Rentals		1,553	
Travel		828	
Tuition		50	
Other Contracted Services		14,860	
Gasoline		5,772	
Office Supplies		4,475	
Other Supplies and Materials		22	
Other Charges		138	
Office Equipment		3,076	
Total Property Assessor's Office			460,533

(Continued)

Exhibit J-10

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Supervisor/Director	\$	42,823	
Deputy(ies)		70,228	
Social Security		7,693	
Pensions		7,914	
Life Insurance		150	
Medical Insurance		20,376	
Unemployment Compensation		63	
Data Processing Services		7,585	
Postal Charges		1,886	
Other Contracted Services		1,693	
Office Supplies		385	
Total Reappraisal Program			\$ 160,796

County Trustee's Office

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		107,427	
Temporary Personnel		11,375	
Part-time Personnel		3,450	
Social Security		15,668	
Pensions		13,999	
Life Insurance		200	
Medical Insurance		15,433	
Unemployment Compensation		96	
Communication		2,314	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		175	
Maintenance and Repair Services - Office Equipment		21,303	
Rentals		499	
Travel		212	
Tuition		100	
Other Contracted Services		7,161	
Office Supplies		3,047	
Data Processing Equipment		1,891	
Total County Trustee's Office			297,065

County Clerk's Office

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		418,043	
Part-time Personnel		9,121	
Other Salaries and Wages		6,167	
Social Security		36,437	
Pensions		35,308	
Life Insurance		678	
Medical Insurance		84,970	
Unemployment Compensation		344	
Communication		4,494	
Dues and Memberships		150	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	34,666	
Rentals		2,144	
Travel		1,471	
Other Contracted Services		11,022	
Office Supplies		9,536	
Other Supplies and Materials		4,307	
Office Equipment		5,297	
Total County Clerk's Office			\$ 756,710

Administration of JusticeCircuit Court Clerk

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		336,874	
Part-time Personnel		10,082	
Other Salaries and Wages		7,346	
Social Security		30,308	
Pensions		29,433	
Life Insurance		544	
Medical Insurance		92,029	
Unemployment Compensation		265	
Communication		2,267	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		279	
Maintenance Agreements		51,276	
Rentals		1,930	
Travel		484	
Other Contracted Services		165	
Office Supplies		11,532	
Other Supplies and Materials		320	
Data Processing Equipment		2,750	
Office Equipment		1,861	
Total Circuit Court Clerk			672,505

Criminal Court

Jury and Witness Expense	\$	9,735	
Total Criminal Court			9,735

General Sessions Court

Judge(s)	\$	177,424	
Secretary(ies)		35,114	
Clerical Personnel		35,114	
Social Security		15,647	
Pensions		17,336	
Life Insurance		150	
Medical Insurance		53,325	
Unemployment Compensation		42	
Communication		882	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

Dues and Memberships	\$	829	
Evaluation and Testing		500	
Maintenance and Repair Services - Office Equipment		1,365	
Rentals		966	
Travel		983	
Office Supplies		921	
Total General Sessions Court			\$ 340,598

Drug Court

Other Salaries and Wages	\$	39,344	
Social Security		2,818	
Pensions		2,652	
Life Insurance		42	
Medical Insurance		5,821	
Unemployment Compensation		21	
Communication		579	
Travel		2,435	
Other Contracted Services		13,349	
Other Supplies and Materials		1,708	
Workers' Compensation Insurance		150	
Other Charges		470	
Total Drug Court			69,389

Chancery Court

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		130,892	
Social Security		14,684	
Pensions		15,642	
Life Insurance		250	
Medical Insurance		66,856	
Unemployment Compensation		105	
Communication		443	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		126	
Maintenance Agreements		22,874	
Rentals		3,905	
Tuition		300	
Other Contracted Services		3,636	
Office Supplies		5,154	
Data Processing Equipment		21,677	
Office Equipment		237	
Total Chancery Court			379,541

Juvenile Court

Judge(s)	\$	70,970	
Secretary(ies)		35,114	
Clerical Personnel		28,069	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Part-time Personnel	\$	305	
Social Security		9,407	
Pensions		9,391	
Life Insurance		150	
Medical Insurance		22,963	
Unemployment Compensation		43	
Travel		124	
Other Supplies and Materials		365	
In Service/Staff Development		516	
Total Juvenile Court			\$ 177,417

Courtroom Security

Deputy(ies)	\$	80,931	
Overtime Pay		1,003	
Other Salaries and Wages		376	
Social Security		5,472	
Pensions		5,279	
Life Insurance		141	
Medical Insurance		22,634	
Unemployment Compensation		94	
Law Enforcement Supplies		900	
Liability Insurance		3,252	
Workers' Compensation Insurance		4,475	
Other Equipment		1,436	
Total Courtroom Security			125,993

Public SafetySheriff's Department

County Official/Administrative Officer	\$	101,811	
Deputy(ies)		1,086,772	
Detective(s)		547,636	
Captain(s)		60,791	
Lieutenant(s)		196,820	
Sergeant(s)		260,395	
Salary Supplements		54,200	
Secretary(ies)		96,963	
Part-time Personnel		13,134	
School Resource Officer		330,718	
Overtime Pay		125,358	
Other Salaries and Wages		28,904	
Social Security		201,719	
Pensions		196,042	
Life Insurance		3,351	
Medical Insurance		509,017	
Unemployment Compensation		1,554	
Communication		13,314	
Dues and Memberships		2,500	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Evaluation and Testing	\$	1,950	
Maintenance Agreements		7,731	
Maintenance and Repair Services - Equipment		1,844	
Maintenance and Repair Services - Office Equipment		5,764	
Maintenance and Repair Services - Vehicles		112,619	
Rentals		1,346	
Towing Services		1,900	
Travel		289	
Other Contracted Services		4,122	
Data Processing Supplies		32	
Gasoline		223,725	
Law Enforcement Supplies		20,216	
Office Supplies		2,798	
Tires and Tubes		23,743	
Uniforms		21,116	
Other Supplies and Materials		3,236	
Liability Insurance		10,840	
Workers' Compensation Insurance		18,505	
In Service/Staff Development		28,335	
Other Charges		863	
Data Processing Equipment		4,867	
Law Enforcement Equipment		21,428	
Motor Vehicles		105,657	
Office Equipment		135	
Total Sheriff's Department			\$ 4,454,060

Drug Enforcement

Salary Supplements	\$	6,000	
Social Security		459	
Pensions		420	
Total Drug Enforcement			6,879

Administration of the Sexual Offender Registry

Communication	\$	719	
Other Charges		2,600	
Total Administration of the Sexual Offender Registry			3,319

Jail

Lieutenant(s)	\$	48,150	
Guards		1,146,030	
Cafeteria Personnel		74,631	
Part-time Personnel		17,570	
Overtime Pay		70,384	
Other Salaries and Wages		33,533	
Social Security		97,938	
Pensions		87,350	
Life Insurance		1,985	

(Continued)

Exhibit J-10

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

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

Medical Insurance	\$	227,034	
Unemployment Compensation		1,131	
Communication		4,213	
Maintenance Agreements		4,266	
Maintenance and Repair Services - Buildings		15,877	
Maintenance and Repair Services - Equipment		8,979	
Maintenance and Repair Services - Office Equipment		6,744	
Maintenance and Repair Services - Vehicles		7,871	
Medical and Dental Services		339,668	
Postal Charges		933	
Rentals		425	
Other Contracted Services		12,191	
Custodial Supplies		30,948	
Data Processing Supplies		1,265	
Food Preparation Supplies		14,211	
Food Supplies		347,996	
Office Supplies		3,924	
Prisoners Clothing		3,516	
Small Tools		4,246	
Uniforms		14,593	
Utilities		182,277	
Other Supplies and Materials		32,061	
Medical Claims		95,993	
In Service/Staff Development		4,286	
Other Charges		1,518	
Building Improvements		5,062	
Food Service Equipment		3,153	
Law Enforcement Equipment		13,211	
Motor Vehicles		12,635	
Office Equipment		232	
Other Equipment		8,724	
Other Capital Outlay		8,030	
Total Jail			\$ 2,994,784

Juvenile Services

Supervisor/Director	\$	53,405
Youth Service Officer(s)		40,382
Social Security		6,723
Pensions		6,565
Life Insurance		100
Medical Insurance		12,450
Unemployment Compensation		42
Communication		2,652
Contracts with Other Public Agencies		109,756
Evaluation and Testing		14,076
Maintenance and Repair Services - Office Equipment		7,601
Rentals		1,283

(Continued)

Exhibit J-10

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

Office Supplies	\$	3,541	
Office Equipment		<u>1,094</u>	
Total Juvenile Services			\$ 259,670

Fire Prevention and Control

Contributions	\$	<u>360,580</u>	
Total Fire Prevention and Control			360,580

Rescue Squad

Contributions	\$	<u>122,000</u>	
Total Rescue Squad			122,000

Disaster Relief

Other Supplies and Materials	\$	<u>900</u>	
Total Disaster Relief			900

Other Emergency Management

Supervisor/Director	\$	48,110	
Part-time Personnel		13,303	
Other Salaries and Wages		5,125	
Social Security		4,704	
Pensions		3,368	
Life Insurance		50	
Medical Insurance		10,991	
Unemployment Compensation		56	
Communication		4,036	
Contributions		13,404	
Dues and Memberships		110	
Lease Payments		20,297	
Maintenance and Repair Services - Equipment		18,688	
Maintenance and Repair Services - Vehicles		9,547	
Rentals		1,275	
Travel		1,117	
Other Contracted Services		3,975	
Gasoline		4,913	
Office Supplies		308	
Tires and Tubes		919	
Uniforms		490	
Other Supplies and Materials		1,479	
Workers' Compensation Insurance		2,391	
Communication Equipment		303,588	
Data Processing Equipment		363	
Other Equipment		<u>1,935</u>	
Total Other Emergency Management			474,542

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	33,975	
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(Continued)

Exhibit J-10

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

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner (Cont.)

Contracts with Government Agencies	\$	121,984	
Other Charges		<u>7,070</u>	
Total County Coroner/Medical Examiner			\$ 163,029

Other Public Safety

Contributions	\$	<u>201,600</u>	
Total Other Public Safety			201,600

Public Health and WelfareLocal Health Center

Other Salaries and Wages	\$	127,586	
Social Security		8,374	
Pensions		7,815	
Life Insurance		187	
Medical Insurance		34,931	
Unemployment Compensation		126	
Communication		10,927	
Contracts with Government Agencies		15,500	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		6,371	
Maintenance and Repair Services - Equipment		3,275	
Pest Control		1,333	
Postal Charges		3,736	
Travel		3,020	
Other Contracted Services		51,439	
Custodial Supplies		6,992	
Office Supplies		9,373	
Other Supplies and Materials		6,823	
Workers' Compensation Insurance		834	
Other Charges		565	
Communication Equipment		28,887	
Other Equipment		1,109	
Other Capital Outlay		<u>5,300</u>	
Total Local Health Center			334,878

Ambulance/Emergency Medical Services

Contributions	\$	<u>190,285</u>	
Total Ambulance/Emergency Medical Services			190,285

Other Local Health Services

Other Salaries and Wages	\$	284,032	
Social Security		20,609	
Pensions		18,650	
Life Insurance		291	
Medical Insurance		29,894	
Unemployment Compensation		170	
Travel		6,308	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Public Health and Welfare (Cont.)Other Local Health Services (Cont.)

Liability Insurance	\$	2,941	
Workers' Compensation Insurance		1,858	
Total Other Local Health Services			\$ 364,753

Other Public Health and Welfare

Other Supplies and Materials	\$	1,395	
Total Other Public Health and Welfare			1,395

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Supervisor/Director	\$	39,161	
Social Workers		19,836	
Bus Drivers		17,896	
Secretary(ies)		29,032	
Social Security		7,418	
Pensions		5,729	
Life Insurance		133	
Medical Insurance		18,921	
Unemployment Compensation		105	
Communication		5,035	
Contracts with Government Agencies		14,369	
Contributions		31,360	
Maintenance and Repair Services - Vehicles		845	
Rentals		1,157	
Transportation - Other than Students		7,954	
Travel		1,101	
Other Contracted Services		2,496	
Custodial Supplies		997	
Gasoline		567	
Office Supplies		346	
Utilities		7,181	
Other Supplies and Materials		754	
Workers' Compensation Insurance		165	
Other Charges		501	
Other Equipment		219	
Other Capital Outlay		3,413	
Total Senior Citizens Assistance			216,691

Libraries

Contributions	\$	106,860	
Total Libraries			106,860

Parks and Fair Boards

Custodial Personnel	\$	39,161	
Maintenance Personnel		21,762	
Part-time Personnel		18,444	
Social Security		5,550	

(Continued)

Exhibit J-10

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Parks and Fair Boards (Cont.)

Pensions	\$	4,265	
Life Insurance		100	
Medical Insurance		16,895	
Unemployment Compensation		97	
Communication		1,525	
Maintenance and Repair Services - Equipment		492	
Maintenance and Repair Services - Vehicles		200	
Rentals		775	
Other Contracted Services		61,624	
Crushed Stone		913	
Custodial Supplies		4,080	
Electricity		4,983	
Gasoline		12,800	
Office Supplies		63	
Propane Gas		199	
Tires and Tubes		706	
Water and Sewer		695	
Other Supplies and Materials		1,555	
Refunds		25	
Maintenance Equipment		1,150	
Other Equipment		657	
Other Capital Outlay		123,641	
Total Parks and Fair Boards			\$ 322,357

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	109,749	
Communication		1,347	
Rentals		1,501	
Travel		2,849	
Other Charges		2,352	
Other Equipment		3,000	
Total Agricultural Extension Service			120,798

Forest Service

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

Soil Conservation

Clerical Personnel	\$	31,934	
Part-time Personnel		17,102	
Social Security		2,618	
Pensions		2,235	
Life Insurance		50	
Medical Insurance		12,997	
Unemployment Compensation		47	
Contracts with Other Public Agencies		3,920	
Contributions		9,000	
Total Soil Conservation			79,903

(Continued)

Exhibit J-10

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Storm Water Management

Part-time Personnel	\$	7,879	
Social Security		603	
Unemployment Compensation		21	
Dues and Memberships		700	
Evaluation and Testing		319	
Travel		125	
Permits		3,960	
Workers' Compensation Insurance		283	
Total Storm Water Management			\$ 13,890

Other OperationsTourism

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

Industrial Development

Secretary(ies)	\$	40,382	
Part-time Personnel		5,215	
Social Security		3,488	
Pensions		2,827	
Life Insurance		50	
Unemployment Compensation		37	
Accounting Services		8,000	
Advertising		350	
Communication		417	
Contributions		31,360	
Dues and Memberships		400	
Engineering Services		970	
Legal Services		3,036	
Maintenance and Repair Services - Equipment		80	
Rentals		2,710	
Travel		2,474	
Other Contracted Services		52,366	
Electricity		13,779	
Gasoline		593	
Office Supplies		1,352	
Utilities		22	
Water and Sewer		290	
Other Supplies and Materials		1,303	
Workers' Compensation Insurance		323	
Other Charges		148	
Maintenance Equipment		230	
Total Industrial Development			172,202

Airport

Communication	\$	719	
Maintenance and Repair Services - Buildings		297	

(Continued)

Exhibit J-10

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

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

Maintenance and Repair Services - Equipment	\$	145	
Permits		450	
Other Contracted Services		1,341	
Electricity		4,835	
Gasoline		46,262	
Natural Gas		1,505	
Water and Sewer		594	
Other Supplies and Materials		925	
Airport Improvement		303,253	
Motor Vehicles		28,266	
Total Airport			\$ 388,592

Veterans' Services

Supervisor/Director	\$	33,071	
Deputy(ies)		31,922	
Social Security		4,747	
Pensions		4,260	
Life Insurance		100	
Medical Insurance		5,760	
Unemployment Compensation		49	
Communication		377	
Maintenance and Repair Services - Office Equipment		77	
Rentals		553	
Travel		2,641	
Other Contracted Services		154	
Office Supplies		1,043	
Data Processing Equipment		1,632	
Total Veterans' Services			86,386

Contributions to Other Agencies

Contributions	\$	41,534	
Total Contributions to Other Agencies			41,534

Employee Benefits

Medical Insurance	\$	49,429	
Total Employee Benefits			49,429

Miscellaneous

Contracts with Other Public Agencies	\$	10,980	
Contributions		37,840	
Lease Payments		1,250	
Other Contracted Services		1,200	
Trustee's Commission		243,066	
Other Charges		650	
Total Miscellaneous			294,986

(Continued)

Exhibit J-10

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

General Fund (Cont.)HighwaysLitter and Trash Collection

Other Salaries and Wages	\$	24,370	
Social Security		1,643	
Pensions		1,706	
Life Insurance		40	
Medical Insurance		5,810	
Unemployment Compensation		21	
Communication		5	
Contracts with Other Public Agencies		8,000	
Maintenance and Repair Services - Vehicles		324	
Travel		109	
Gasoline		3,532	
Tires and Tubes		713	
Other Supplies and Materials		2,612	
Workers' Compensation Insurance		3,067	
Total Litter and Trash Collection			\$ 51,952

Total General Fund

\$ 18,121,443

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$	36,632	
Social Security		2,358	
Pensions		2,564	
Life Insurance		50	
Medical Insurance		12,456	
Unemployment Compensation		21	
Communication		627	
Dues and Memberships		200	
Evaluation and Testing		525	
Maintenance and Repair Services - Vehicles		572	
Travel		378	
Gasoline		2,377	
Uniforms		120	
Trustee's Commission		25,508	
Workers' Compensation Insurance		1,316	
Total Sanitation Management			\$ 85,704

Waste Pickup

Truck Drivers	\$	142,103	
Overtime Pay		16,443	
Social Security		11,366	
Pensions		11,098	
Life Insurance		200	
Medical Insurance		19,206	
Unemployment Compensation		84	
Communication		173	

(Continued)

Exhibit J-10

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Waste Pickup (Cont.)

Maintenance and Repair Services - Vehicles	\$	12,215	
Other Contracted Services		26,675	
Gasoline		93,276	
Lubricants		5,816	
Tires and Tubes		5,083	
Uniforms		482	
Vehicle Parts		7,725	
Other Supplies and Materials		3,844	
Workers' Compensation Insurance		22,476	
Other Charges		110	
Motor Vehicles		324,684	
Total Waste Pickup			\$ 703,059

Convenience Centers

Laborers	\$	215,726	
Part-time Personnel		48,947	
Overtime Pay		6,543	
Other Salaries and Wages		1,043	
Social Security		17,344	
Pensions		15,501	
Life Insurance		307	
Medical Insurance		41,513	
Unemployment Compensation		339	
Communication		3,987	
Lease Payments		3,100	
Maintenance and Repair Services - Equipment		11,293	
Rentals		11,736	
Other Contracted Services		5,259	
Crushed Stone		769	
Uniforms		700	
Utilities		9,312	
Other Supplies and Materials		3,363	
Workers' Compensation Insurance		14,099	
Other Charges		338	
Other Equipment		34,910	
Other Construction		5,996	
Other Capital Outlay		5,706	
Total Convenience Centers			457,831

Recycling Center

Laborers	\$	67,523	
Part-time Personnel		13,985	
Overtime Pay		330	
Other Salaries and Wages		516	
Social Security		6,089	
Pensions		3,216	
Life Insurance		126	

(Continued)

Exhibit J-10

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Recycling Center (Cont.)

Medical Insurance	\$	6,493	
Unemployment Compensation		125	
Communication		916	
Maintenance and Repair Services - Equipment		10,879	
Maintenance and Repair Services - Office Equipment		499	
Maintenance and Repair Services - Vehicles		567	
Other Contracted Services		1,650	
Gasoline		10,678	
Office Supplies		15	
Propane Gas		506	
Tires and Tubes		713	
Uniforms		294	
Utilities		5,632	
Other Supplies and Materials		7,129	
Refunds		2,623	
Workers' Compensation Insurance		3,455	
Solid Waste Equipment		248	
Total Recycling Center			\$ 144,207

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	751,021	
Surcharge		39,564	
Total Landfill Operation and Maintenance			790,585

Other Waste Disposal

Disposal Fees	\$	43,639	
Total Other Waste Disposal			43,639

Total Solid Waste/Sanitation Fund \$ 2,225,025

Drug Control FundPublic SafetyDrug Enforcement

Overtime Pay	\$	18,713	
Other Fringe Benefits		3,742	
Communication		2,853	
Maintenance Agreements		816	
Animal Food and Supplies		408	
Electricity		905	
Refunds		945	
Trustee's Commission		176	
Total Drug Enforcement			\$ 28,558

Total Drug Control Fund 28,558

(Continued)

Exhibit J-10

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

Constitutional Officers - Fees FundAdministration of JusticeGeneral Sessions Court

Constitutional Officers' Operating Expenses	\$	660	
Total General Sessions Court			\$ 660

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	7,098	
Total Chancery Court			7,098

Public SafetySheriff's Department

Constitutional Officers' Operating Expenses	\$	128	
Total Sheriff's Department			128

Total Constitutional Officers - Fees Fund			\$ 7,886
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	101,811	
Secretary(ies)		68,682	
Part-time Personnel		1,730	
Overtime Pay		289	
Communication		3,094	
Dues and Memberships		4,119	
Laundry Service		2,599	
Legal Notices, Recording, and Court Costs		35	
Maintenance Agreements		6,628	
Printing, Stationery, and Forms		673	
Rentals		1,663	
Travel		540	
Other Contracted Services		1,500	
Custodial Supplies		200	
Electricity		12,817	
Natural Gas		2,696	
Office Supplies		1,341	
Water and Sewer		589	
Office Equipment		669	
Total Administration			\$ 211,675

Highway and Bridge Maintenance

Foremen	\$	40,570
Equipment Operators		79,523
Truck Drivers		279,767
Laborers		349,200
Temporary Personnel		224,406
Overtime Pay		55,973
Laundry Service		19,046
Maintenance and Repair Services - Equipment		143

(Continued)

Exhibit J-10

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Rentals	\$	19,600	
Other Contracted Services		2,491,556	
Asphalt - Hot Mix		36,728	
Asphalt - Liquid		261,294	
Crushed Stone		275,204	
Pipe - Metal		91,522	
Road Signs		15,566	
Salt		4,731	
Structural Steel		46	
Other Supplies and Materials		5,377	
Total Highway and Bridge Maintenance			\$ 4,250,252

Operation and Maintenance of Equipment

Foremen	\$	20,129	
Mechanic(s)		95,839	
Overtime Pay		1,697	
Laundry Service		3,535	
Maintenance and Repair Services - Buildings		415	
Maintenance and Repair Services - Equipment		29,232	
Maintenance and Repair Services - Vehicles		13,326	
Rentals		3,886	
Towing Services		905	
Diesel Fuel		118,359	
Equipment and Machinery Parts		98,726	
Garage Supplies		1,535	
Gasoline		88,128	
Lubricants		12,834	
Small Tools		275	
Tires and Tubes		27,956	
Other Supplies and Materials		1,789	
Other Charges		470	
Total Operation and Maintenance of Equipment			519,036

Other Charges

Bank Charges	\$	180	
Evaluation and Testing		490	
Trustee's Commission		61,440	
Workers' Compensation Insurance		145,611	
Total Other Charges			207,721

Employee Benefits

Social Security	\$	95,564	
Pensions		76,103	
Life Insurance		1,538	
Medical Insurance		169,462	
Unemployment Compensation		2,757	
Total Employee Benefits			345,424

(Continued)

Exhibit J-10

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Capital Outlay

Highway Equipment	\$ 1,500	
Motor Vehicles	26,665	
Total Capital Outlay		\$ 28,165

Total Highway/Public Works Fund \$ 5,562,273

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 937,445	
Total General Government		\$ 937,445

Interest on DebtGeneral Government

Interest on Bonds	\$ 238,206	
Total General Government		238,206

Other Debt ServiceGeneral Government

Fiscal Agent Charges	\$ 1,017	
Trustee's Commission	12,202	
Other Debt Service	427	
Total General Government		13,646

Total General Debt Service Fund 1,189,297

Special Debt Service FundPrincipal on DebtHighways and Streets

Principal on Bonds	\$ 379,055	
Total Highways and Streets		\$ 379,055

Interest on DebtHighways and Streets

Interest on Bonds	\$ 82,054	
Total Highways and Streets		82,054

Other Debt ServiceHighways and Streets

Fiscal Agent Charges	\$ 46	
Trustee's Commission	3,567	
Other Debt Service	66	
Total Highways and Streets		3,679

Total Special Debt Service Fund 464,788

(Continued)

Exhibit J-10

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

<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	2,438,500	
Principal on Other Loans		450,989	
Total Education			\$ 2,889,489
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	1,175,444	
Interest on Other Loans		159,085	
Total Education			1,334,529
<u>Other Debt Service</u>			
<u>Education</u>			
Fiscal Agent Charges	\$	5,981	
Trustee's Commission		69,734	
Other Debt Service		2,007	
Total Education			77,722
Total Education Debt Service Fund			\$ 4,301,740
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Contracted Services	\$	9,000	
Communication Equipment		270,442	
Health Equipment		99,824	
Total Public Safety Projects			\$ 379,266
<u>Other General Government Projects</u>			
Trustee's Commission	\$	11,210	
Total Other General Government Projects			11,210
<u>Education Capital Projects</u>			
Contributions	\$	2,350,262	
Total Education Capital Projects			2,350,262
Total General Capital Projects Fund			2,740,738
Total Governmental Funds - Primary Government			<u>\$ 34,641,748</u>

Exhibit J-11

Hawkins County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2022

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 20,597,977	
Career Ladder Program	48,215	
Career Ladder Extended Contracts	12,000	
Homebound Teachers	112,932	
Educational Assistants	1,118,385	
Certified Substitute Teachers	40,000	
Non-certified Substitute Teachers	160,000	
Social Security	1,264,386	
Pensions	1,970,537	
Life Insurance	66,917	
Medical Insurance	3,535,378	
Employer Medicare	299,352	
Other Contracted Services	104,703	
Instructional Supplies and Materials	245,443	
Textbooks - Bound	170,860	
Other Supplies and Materials	14,600	
Fee Waivers	107,812	
Regular Instruction Equipment	55,280	
Total Regular Instruction Program		\$ 29,924,777

Alternative Instruction Program

Teachers	\$ 220,698	
Career Ladder Program	1,000	
Educational Assistants	25,080	
Non-certified Substitute Teachers	1,329	
Social Security	14,631	
Pensions	21,439	
Life Insurance	841	
Medical Insurance	32,185	
Employer Medicare	3,429	
Instructional Supplies and Materials	1,996	
Other Charges	158	
Other Equipment	2,343	
Total Alternative Instruction Program		325,129

Special Education Program

Teachers	\$ 2,238,555	
Career Ladder Program	7,000	
Homebound Teachers	117,078	
Educational Assistants	535,333	
Speech Pathologist	231,535	
Certified Substitute Teachers	6,052	
Non-certified Substitute Teachers	38,144	
Social Security	181,076	
Pensions	278,483	
Life Insurance	13,148	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Medical Insurance	\$	585,512	
Employer Medicare		42,448	
Total Special Education Program			\$ 4,274,364

Career and Technical Education Program

Teachers	\$	1,313,656	
Certified Substitute Teachers		1,212	
Non-certified Substitute Teachers		19,500	
Social Security		78,132	
Pensions		118,522	
Life Insurance		3,659	
Medical Insurance		193,374	
Employer Medicare		18,322	
Instructional Supplies and Materials		14,261	
Other Supplies and Materials		6,368	
In Service/Staff Development		6,796	
Vocational Instruction Equipment		45,542	
Total Career and Technical Education Program			1,819,344

Support ServicesAttendance

Supervisor/Director	\$	91,046	
Career Ladder Program		1,000	
Secretary(ies)		33,600	
Other Salaries and Wages		70,802	
Social Security		10,946	
Pensions		16,637	
Life Insurance		576	
Medical Insurance		49,907	
Employer Medicare		2,560	
Travel		2,893	
Software		47,300	
Other Supplies and Materials		652	
In Service/Staff Development		7,284	
Attendance Equipment		1,343	
Total Attendance			336,546

Health Services

Supervisor/Director	\$	120,359	
Medical Personnel		529,486	
Other Salaries and Wages		56,506	
Social Security		39,481	
Pensions		62,750	
Life Insurance		2,635	
Medical Insurance		179,262	
Employer Medicare		9,234	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Maintenance and Repair Services - Equipment	\$	1,533	
Travel		3,816	
Other Contracted Services		13,000	
Drugs and Medical Supplies		21,878	
Other Supplies and Materials		12,770	
In Service/Staff Development		1,641	
Other Charges		23,529	
Health Equipment		14,221	
Total Health Services			\$ 1,092,101

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		1,221,769	
Career Ladder Extended Contracts		11,578	
Secretary(ies)		56,400	
Other Salaries and Wages		539,348	
Social Security		104,975	
Pensions		163,568	
Life Insurance		5,171	
Medical Insurance		322,638	
Employer Medicare		24,551	
Contracts with Government Agencies		461,360	
Evaluation and Testing		139,659	
Other Contracted Services		66,703	
Other Supplies and Materials		27,459	
Other Charges		5,803	
Other Equipment		6,057	
Total Other Student Support			3,160,039

Regular Instruction Program

Supervisor/Director	\$	333,442	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		2,747	
Librarians		706,853	
Assessment Personnel		13,244	
Educational Assistants		36,952	
Other Salaries and Wages		134,098	
Social Security		71,899	
Pensions		119,200	
Life Insurance		2,864	
Medical Insurance		154,438	
Employer Medicare		16,815	
Travel		11,589	
Library Books/Media		39,537	
Periodicals		2,479	
Other Supplies and Materials		5,129	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

In Service/Staff Development	\$	11,418	
Other Equipment		<u>72,748</u>	
Total Regular Instruction Program			\$ 1,739,452

Special Education Program

Supervisor/Director	\$	136,289	
Career Ladder Program		6,500	
Psychological Personnel		109,040	
Medical Personnel		101,243	
Assessment Personnel		56,695	
Secretary(ies)		35,836	
Other Salaries and Wages		62,656	
In-service Training		500	
Social Security		29,387	
Pensions		51,203	
Life Insurance		1,195	
Medical Insurance		78,097	
Employer Medicare		<u>6,873</u>	
Total Special Education Program			675,514

Career and Technical Education Program

Supervisor/Director	\$	79,118	
Social Security		4,774	
Pensions		8,149	
Life Insurance		144	
Medical Insurance		5,897	
Employer Medicare		1,117	
In Service/Staff Development		<u>490</u>	
Total Career and Technical Education Program			99,689

Technology

Supervisor/Director	\$	81,238	
Other Salaries and Wages		314,783	
Social Security		23,360	
Pensions		26,022	
Life Insurance		1,210	
Medical Insurance		43,251	
Employer Medicare		5,463	
Communication		3,997	
Consultants		6,600	
Maintenance and Repair Services - Equipment		39,600	
Internet Connectivity		143,598	
Travel		924	
Other Contracted Services		115,549	
Office Supplies		918	
Cabling		<u>5,122</u>	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Technology (Cont.)

Software	\$	7,562	
Other Supplies and Materials		19,431	
In Service/Staff Development		5,373	
Other Charges		2,601	
Other Equipment		274,192	
Total Technology			\$ 1,120,794

Other Programs

On-behalf Payments to OPEB	\$	313,288	
Total Other Programs			313,288

Board of Education

Secretary to Board	\$	1,800	
Other Salaries and Wages		10,100	
Social Security		616	
Pensions		343	
Life Insurance		19,218	
Medical Insurance		416,109	
Unemployment Compensation		22,600	
Employer Medicare		172	
Audit Services		29,000	
Dues and Memberships		15,384	
Legal Services		38,773	
Liability Insurance		452,227	
Trustee's Commission		229,225	
Workers' Compensation Insurance		332,432	
In Service/Staff Development		16,822	
Other Charges		1,536	
Total Board of Education			1,586,357

Director of Schools

County Official/Administrative Officer	\$	115,000	
Career Ladder Program		1,000	
Secretary(ies)		84,100	
Other Salaries and Wages		18,552	
Social Security		12,835	
Pensions		15,396	
Life Insurance		429	
Medical Insurance		27,381	
Employer Medicare		3,002	
Communication		166,267	
Postal Charges		6,000	
Travel		1,475	
Other Contracted Services		20,112	
Office Supplies		6,736	
Other Supplies and Materials		321	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

In Service/Staff Development	\$	6,709	
Other Charges		3,366	
Total Director of Schools			\$ 488,681

Office of the Principal

Principals	\$	1,262,942	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		6,000	
Assistant Principals		655,170	
Secretary(ies)		591,384	
Other Salaries and Wages		337,020	
Social Security		161,781	
Pensions		259,300	
Life Insurance		9,421	
Medical Insurance		607,378	
Employer Medicare		37,836	
Total Office of the Principal			3,932,232

Fiscal Services

Supervisor/Director	\$	76,305	
Accountants/Bookkeepers		176,707	
Secretary(ies)		37,200	
Social Security		16,743	
Pensions		20,315	
Life Insurance		864	
Medical Insurance		44,931	
Employer Medicare		3,916	
Travel		24	
Other Contracted Services		28,830	
Office Supplies		1,540	
In Service/Staff Development		531	
Total Fiscal Services			407,906

Human Services/Personnel

Supervisor/Director	\$	46,029	
Secretary(ies)		36,000	
Social Security		5,011	
Pensions		7,261	
Life Insurance		216	
Medical Insurance		2,948	
Employer Medicare		1,172	
Advertising		749	
Travel		1,048	
Other Contracted Services		17,520	
Office Supplies		677	
Other Supplies and Materials		1,000	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel (Cont.)

In Service/Staff Development	\$	1,591	
Other Charges		30,810	
Total Human Services/Personnel			\$ 152,032

Operation of Plant

Custodial Personnel	\$	1,268,440	
Other Salaries and Wages		59,164	
Social Security		75,569	
Pensions		92,469	
Life Insurance		7,482	
Medical Insurance		274,196	
Employer Medicare		17,700	
Other Contracted Services		342,273	
Custodial Supplies		131,592	
Electricity		1,308,739	
Natural Gas		219,719	
Water and Sewer		166,754	
Other Supplies and Materials		1,366	
Other Charges		440	
Total Operation of Plant			3,965,903

Maintenance of Plant

Supervisor/Director	\$	69,161	
Secretary(ies)		34,200	
Maintenance Personnel		713,618	
Social Security		47,719	
Pensions		57,890	
Life Insurance		2,808	
Medical Insurance		119,304	
Employer Medicare		11,160	
Communication		11,166	
Lease Payments		14,179	
Maintenance and Repair Services - Equipment		2,368	
Maintenance and Repair Services - Vehicles		1,106	
Other Contracted Services		217,042	
Other Supplies and Materials		136,924	
Administration Equipment		125,506	
Maintenance Equipment		11,912	
Total Maintenance of Plant			1,576,063

Transportation

Bus Drivers	\$	62,457	
Other Salaries and Wages		14,550	
Social Security		4,391	
Pensions		5,184	
Employer Medicare		1,092	

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Contracts with Parents	\$	262	
Diesel Fuel		21,137	
Total Transportation			\$ 109,073

Operation of Non-Instructional ServicesFood Service

Cafeteria Personnel	\$	28,185	
Social Security		1,669	
Pensions		2,030	
Employer Medicare		390	
Total Food Service			32,274

Community Services

Other Salaries and Wages	\$	57,322	
Social Security		3,032	
Pensions		4,012	
Life Insurance		216	
Medical Insurance		19,047	
Employer Medicare		709	
Communication		453	
Travel		888	
Other Supplies and Materials		8,101	
In Service/Staff Development		173	
Total Community Services			93,953

Early Childhood Education

Teachers	\$	182,054	
Clerical Personnel		13,100	
Educational Assistants		39,523	
Other Salaries and Wages		1,500	
Certified Substitute Teachers		2,776	
Non-certified Substitute Teachers		2,100	
Social Security		13,440	
Pensions		19,986	
Life Insurance		1,043	
Medical Insurance		54,640	
Employer Medicare		3,152	
Instructional Supplies and Materials		51,911	
Regular Instruction Equipment		3,914	
Total Early Childhood Education			389,139

Capital OutlayRegular Capital Outlay

Interest on Other Loans	\$	18,443	
Building Improvements		2,505,106	
Total Regular Capital Outlay			2,523,549

(Continued)

Exhibit J-11

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

General Purpose School Fund (Cont.)Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$ 470,299	
Total Education		\$ 470,299

Total General Purpose School Fund \$ 60,608,498

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$ 503,757	
Educational Assistants	330,433	
Other Salaries and Wages	97,967	
Certified Substitute Teachers	122	
Non-certified Substitute Teachers	773	
Social Security	49,634	
Pensions	64,703	
Life Insurance	4,663	
Medical Insurance	125,762	
Employer Medicare	11,756	
Other Contracted Services	40,476	
Instructional Supplies and Materials	681,700	
Textbooks - Electronic	4,485	
Software	17,500	
Other Supplies and Materials	96,426	
Other Charges	737	
Regular Instruction Equipment	787,476	
Total Regular Instruction Program		\$ 2,818,370

Special Education Program

Teachers	\$ 401,828	
Educational Assistants	546,121	
Speech Pathologist	86,658	
Social Security	58,888	
Pensions	83,851	
Life Insurance	6,675	
Medical Insurance	208,911	
Employer Medicare	13,772	
Contracts with Private Agencies	630	
Other Contracted Services	32,683	
Instructional Supplies and Materials	55,677	
Other Supplies and Materials	33,677	
Special Education Equipment	172,244	
Total Special Education Program		1,701,615

Career and Technical Education Program

Teachers	\$ 32,699	
Social Security	594	

(Continued)

Exhibit J-11

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Career and Technical Education Program (Cont.)

Pensions	\$	905	
Life Insurance		144	
Medical Insurance		7,296	
Employer Medicare		426	
Maintenance and Repair Services - Equipment		1,390	
Instructional Supplies and Materials		13,421	
Other Supplies and Materials		7,508	
Vocational Instruction Equipment		142,888	
Total Career and Technical Education Program			\$ 207,271

Support ServicesAttendance

Clerical Personnel	\$	30,600	
Social Security		1,897	
Pensions		2,142	
Life Insurance		144	
Employer Medicare		444	
Total Attendance			35,227

Health Services

Travel	\$	87	
Other Supplies and Materials		24,846	
Health Equipment		58,877	
Total Health Services			83,810

Other Student Support

Bus Drivers	\$	98	
Other Salaries and Wages		68,280	
Social Security		3,222	
Pensions		5,209	
Employer Medicare		951	
Travel		15,680	
Other Supplies and Materials		36,687	
In Service/Staff Development		10,467	
Other Charges		7,525	
Other Equipment		16,161	
Total Other Student Support			164,280

Regular Instruction Program

Supervisor/Director	\$	87,719	
Education Media Personnel		67,001	
Secretary(ies)		33,300	
Other Salaries and Wages		503,993	
In-service Training		10,000	
Social Security		43,200	
Pensions		64,379	

(Continued)

Exhibit J-11

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Life Insurance	\$	1,603	
Medical Insurance		87,676	
Employer Medicare		10,628	
Travel		10,922	
Other Contracted Services		67,077	
Library Books/Media		20,845	
Software		5,000	
Other Supplies and Materials		33,337	
In Service/Staff Development		176,357	
Other Equipment		115,806	
Total Regular Instruction Program			\$ 1,338,843

Special Education Program

Supervisor/Director	\$	35,625	
Psychological Personnel		188	
Medical Personnel		55,604	
Assessment Personnel		52,413	
Other Salaries and Wages		111,634	
In-service Training		1,000	
Social Security		14,819	
Pensions		25,278	
Life Insurance		592	
Medical Insurance		39,057	
Employer Medicare		3,466	
Maintenance and Repair Services - Equipment		98	
Travel		29,178	
Other Contracted Services		6,257	
Other Supplies and Materials		15,892	
In Service/Staff Development		44,428	
Other Charges		1,610	
Other Equipment		9,539	
Total Special Education Program			446,678

Career and Technical Education Program

Other Supplies and Materials	\$	440	
In Service/Staff Development		4,879	
Total Career and Technical Education Program			5,319

Technology

Software	\$	89,793	
Other Supplies and Materials		553	
In Service/Staff Development		6,500	
Other Equipment		170,592	
Total Technology			267,438

(Continued)

Exhibit J-11

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Director of Schools

Other Salaries and Wages	\$	1,500	
Social Security		91	
Pensions		105	
Employer Medicare		21	
Total Director of Schools			\$ 1,717

Office of the Principal

Principals	\$	12,000	
Other Salaries and Wages		26,325	
Social Security		2,376	
Pensions		3,947	
Employer Medicare		556	
Total Office of the Principal			45,204

Fiscal Services

Other Salaries and Wages	\$	4,500	
Social Security		267	
Pensions		315	
Employer Medicare		63	
Total Fiscal Services			5,145

Operation of Plant

Other Contracted Services	\$	54,818	
Other Supplies and Materials		86,935	
Plant Operation Equipment		178,242	
Total Operation of Plant			319,995

Transportation

Bus Drivers	\$	192	
Social Security		12	
Pensions		9	
Employer Medicare		3	
Contracts with Parents		7,222	
Total Transportation			7,438

Operation of Non-Instructional ServicesFood Service

Other Supplies and Materials	\$	5,042	
Total Food Service			5,042

Community Services

Supervisor/Director	\$	1,808	
Teachers		41,598	
Educational Assistants		4,327	
Other Salaries and Wages		262	
Social Security		2,835	

(Continued)

Exhibit J-11

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

School Federal Projects Fund (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

Pensions	\$	4,611	
Employer Medicare		663	
Instructional Supplies and Materials		15,043	
Other Supplies and Materials		6,489	
In Service/Staff Development		1,086	
Other Charges		8,607	
Total Community Services			\$ 87,329

Capital OutlayRegular Capital Outlay

Building Improvements	\$	4,736,596	
Total Regular Capital Outlay			<u>4,736,596</u>

Total School Federal Projects Fund \$ 12,277,317

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	69,161	
Accountants/Bookkeepers		33,300	
Clerical Personnel		68,168	
Cafeteria Personnel		1,128,253	
Other Salaries and Wages		29,164	
Social Security		69,499	
Pensions		92,021	
Life Insurance		12,795	
Medical Insurance		524,736	
Employer Medicare		16,254	
Retirement - Hybrid Stabilization		1,515	
Communication		1,800	
Maintenance and Repair Services - Equipment		48,563	
Travel		1,936	
Other Contracted Services		168,363	
Food Preparation Supplies		174,785	
Food Supplies		1,228,823	
Office Supplies		1,244	
Uniforms		5,286	
USDA - Commodities		302,001	
In Service/Staff Development		641	
Food Service Equipment		36,669	
Total Food Service			<u>\$ 4,014,977</u>

Total Central Cafeteria Fund 4,014,977

(Continued)

Exhibit J-11

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

School Transportation FundSupport ServicesBoard of Education

Trustee's Commission	\$	66,257	
Total Board of Education			\$ 66,257

Transportation

Supervisor/Director	\$	69,161	
Mechanic(s)		299,660	
Bus Drivers		1,514,575	
Clerical Personnel		48,187	
Other Salaries and Wages		101,722	
Social Security		113,745	
Pensions		138,656	
Life Insurance		10,627	
Medical Insurance		294,072	
Employer Medicare		27,831	
Retirement - Hybrid Stabilization		8,979	
Communication		3,084	
Maintenance and Repair Services - Vehicles		14,074	
Medical and Dental Services		6,592	
Travel		85	
Other Contracted Services		43,312	
Gasoline		458,872	
Lubricants		7,914	
Tires and Tubes		66,000	
Vehicle Parts		202,114	
Other Supplies and Materials		4,960	
In Service/Staff Development		2,151	
Other Charges		52,743	
Transportation Equipment		393,687	
Total Transportation			3,882,803

Total School Transportation Fund			\$ 3,949,060
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Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	1,343,963	
Total Community Services			\$ 1,343,963

Total Internal School Fund			1,343,963
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Education Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	6,000	
Trustee's Commission		24,628	
Building Improvements		359,460	
Plant Operation Equipment		9,250	
Total Education Capital Projects			\$ 399,338

Total Education Capital Projects Fund			399,338
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Total Governmental Funds - Hawkins County School Department			\$ 82,593,153
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Exhibit J-12

Hawkins County, Tennessee

Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds

For the Year Ended June 30, 2022

	Cities - Sales Tax Fund	City School ADA - Rogersville Fund	City School ADA - Kingsport Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 668,221	\$ 462,792	\$ 1,131,013
Trustee's Collections - Prior Years	0	31,912	0	31,912
Trustee's Collections - Bankruptcy	0	65	49	114
Circuit/Clerk and Master Collections - Prior Year	0	12,349	9,217	21,566
Interest and Penalty	0	2,624	1,951	4,575
Pick-up Taxes	0	768	571	1,339
Local Option Sales Tax	6,481,524	724,723	473,136	7,679,383
Wheel Tax	0	20,193	14,996	35,189
Bank Excise Tax	0	1,680	1,249	2,929
Marriage Licenses	0	375	278	653
Other Local Revenues	0	180	134	314
Total Additions	\$ 6,481,524	\$ 1,463,090	\$ 964,373	\$ 8,908,987
<u>Deductions</u>				
Remittance of Revenues Collected	\$ 6,417,215	\$ 1,449,843	\$ 954,585	\$ 8,821,643
Trustee's Commissions	64,309	13,247	9,788	87,344
Total Deductions	\$ 6,481,524	\$ 1,463,090	\$ 964,373	\$ 8,908,987
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	0	0	0	0
Net Position, June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 0

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Hawkins County School Department, as described in our report on Hawkins County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hawkins County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hawkins County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hawkins County's internal control.

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkins County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2022-001.

Hawkins County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Hawkins County's response to the finding identified in our audit which is described in the accompanying Schedule of Findings and Questioned Costs. Hawkins County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hawkins County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hawkins County's major federal programs for the year ended June 30, 2022. Hawkins County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hawkins County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hawkins County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hawkins County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hawkins County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hawkins County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Hawkins County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Hawkins County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements. We issued our report thereon dated January 12, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 12, 2023

JEM/tg

Hawkins County, Tennessee, and the Hawkins County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year-Ended June 30, 2022

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
COVID 19 - Pandemic EBT Food Benefits	10.542	N/A	\$ 3,063
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	1,001,265
National School Lunch Program	10.555	N/A	3,571,611 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	302,001 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70626-00	68,325
Total U.S. Department of Agriculture			<u>\$ 4,946,265</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(4)	\$ 150,609
Total U.S. Department of Housing and Urban Development			<u>\$ 150,609</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	AERO-0107102	\$ 215,763
Alcohol Open Container Requirements	20.607	(7)	61,841
Total U.S. Department of Transportation			<u>\$ 277,604</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 48,210
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.01	N/A	2,314,441
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,832,333 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	114,444 (6)
Special Education - Preschool Grants	84.173	N/A	24,315 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.173	84.173X	6,962 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	198,494
Education for Homeless Children and Youth	84.196	N/A	25,719
Twenty-first Century Community Learning Centers	84.287	N/A	87,328
Improving Teacher Quality State Grants	84.367	N/A	332,977
Student Support and Academic Enrichment Program	84.424	N/A	351,893
COVID 19 - Education Stabilization Fund Program - Governor's Emergency Education Relief Fund	84.425C	N/A	8,336 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Tennessee All Corps	84.425D	N/A	123,369 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	472,831 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,104,498 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	4,204,751 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	22,565 (6)
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	3,850
Total U.S. Department of Education			<u>\$ 12,277,316</u>

(Continued)

Hawkins County, Tennessee, and the Hawkins 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 Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-70626-00	\$ 1,550
Family Planning Services	93.217	GG-22-70626-00	11,861
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-22-70626-00	28,171
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70626-00	6,002
Temporary Assistance for Needy Families	93.558	(4)	207,616
Total U.S. Department of Health and Human Services			<u>\$ 255,200</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 41,256
Total U.S. Department of Homeland Security			<u>\$ 41,256</u>
Total Expenditures of Federal Awards			<u>\$ 17,948,250</u>
<u>State Grants</u>		Contract Number	
Family Resource Center - State Department of Education	N/A	(4)	\$ 29,612
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	303,588
Coordinated School Health - State Department of Education	N/A	(4)	118,000
Student Management Grant - State Department of Education	N/A	(4)	9,841
Safe Schools Act Grant - State Department of Education	N/A	(4)	191,945
School Resource Office - State Department of Education	N/A	(4)	210,000
Middle School Start-Up and Expansion Grant - State Department of Education	N/A	(4)	13,915
Supporting Postsecondary Attainment in Rural Counties (SPARC) - Tennessee Department of Education	N/A	(4)	124,703
Summer Learning Camps - State Department of Education	N/A	(4)	574,440
Aging Program - State Office on Aging	N/A	(4)	45,221
Airport Maintenance Programs - State Department of Transportation	N/A	(4)	33,719
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(4)	62,031
Litter Program - State Department of Transportation	N/A	(4)	41,882
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	382,080
Drivers Education - State Department of Education	N/A	(4)	17,986
State Aid Program - State Department of Transportation	N/A	(4)	12,051
Health Department Programs - State Department of Health	N/A	GG-22-70626-00	248,843
Total State Grants			<u>\$ 2,419,857</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hawkins County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$4,874,877; Special Education Cluster total \$1,978,054; Medicaid Cluster total \$28,171.
- (6) Total for FAL No. 10.555, \$3,873,612; FAL No. 84.027, \$1,946,777; FAL No. 84.173, \$31,277; FAL No. 84.425, \$6,936,350.
- (7) Z-22-THS-128 \$18,055; Z-21-THS-126 \$43,786.

Hawkins County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hawkins County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF SHERIFF

2021	244	2021-001	Operations related to telephone and text messaging service contracts had deficiencies.	N/A	Corrected
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OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

2021	245	2021-002	Bids were not solicited for the purchase of apparel for faculty.	N/A	Corrected
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Prior-year Federal Awards Findings

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

HAWKINS COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States; Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund 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

A finding and recommendation, as a result of our audit, is presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. The written response for the finding is paraphrased and presented below. 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 2022-001

A PAYROLL TAX DEPOSIT TO THE INTERNAL REVENUE SERVICE WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTIES TOTALING \$2,521

(Noncompliance Under *Government Auditing Standards*)

Hawkins County maintains a payroll clearing account with the bank to deposit employee payroll taxes due to the Internal Revenue Service (IRS), and the IRS automatically withdraws payment from the account. In December 2020, the county failed to deposit the IRS payment timely, and funds were not available when the IRS attempted withdrawal. As a result, the IRS assessed the county a penalty totaling \$2,460 and related interest, which the county paid on May 13, 2022. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll taxes should be deposited to the payroll clearing bank account and reported to the IRS in a timely manner to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

The Hawkins County Mayor's Office concurs with the reported finding. We issued Covid bonus checks in conjunction with our normal payroll and this took us over the \$100,000 threshold for the first time. Unfortunately, we were not aware of the \$100,000 next day deposit rule and made our payment during the normal acceptable window. We asked for forgiveness and leniency based on our perfect payment history and lack of awareness to the rule but were denied. As soon as our denial letter was issued, we paid the applicable penalty. We have taken action to prevent this from occurring in subsequent years.

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, 2022.

Hawkins County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

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 - CURRENT MAYOR - MARK DEWITTE
AND FINANCE DIRECTOR

2022-001	A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties totaling \$2,521.	248
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Hawkins County Government

Mark DeWitte
County Mayor

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Rogersville, TN 37857

Phone: 423-272-7359
Fax: 423-272-1867
mark.dewitte@hawkinscountyttn.gov

Corrective Action Plan

FINDING: A PAYROLL TAX DEPOSIT TO THE INTERNAL REVENUE SERVICE WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTIES TOTALING \$2,521

Response and Corrective Action Plan Prepared by:
Mark DeWitte – Hawkins County Mayor

Person Responsible for Implementing the Corrective Action:
Eric Buchanan – Finance Director

Anticipated Completion Date of Corrective Action:
7/1/2022 – 6/30/2023

Repeat Finding:
No

Planned Corrective Action:

Issue was addressed with all involved parties of the Accounting Department. We will continue to monitor all tax deposits in an effort to make sure all deposits surpassing the \$100,000 next day deposit rule are followed to insure the best use of tax payer funds.

Signature: _____

A handwritten signature in blue ink, appearing to read "Mark DeWitte", is written over a horizontal line.

Signature: _____

A handwritten signature in blue ink, appearing to read "Eric Buchanan", is written over a horizontal line.

BEST PRACTICE

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

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

HAWKINS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

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

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