



ANNUAL FINANCIAL REPORT

Cocke County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
COCKE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

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.

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Summary of Audit Findings

Annual Financial Report
Cocke County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Cocke County as of and for the year ended June 30, 2023.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The offices had deficiencies in budget operations.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The school department had deficiencies in purchasing procedures.
-



OFFICE OF TRUSTEE

- ◆ Bank statements were not accurately reconciled with the general ledger in a timely manner.
- ◆ The monthly trustee's report was not completed and filed in compliance with state statute.



INTRODUCTORY SECTION

Cocke County Officials
June 30, 2023

Officials

Rob Mathis, County Mayor
Dwayne McCallister, Road Superintendent
Manney Moore, Director of Schools
Mitch Fine, Trustee
Macie Reed, Assessor of Property
Shaleé McClure, County Clerk
Kristy Nease, Circuit Court Clerk
Brenda Ramsey, General Sessions Court Clerk
Craig Wild, Clerk and Master
Mark McGaha, Register of Deeds
C.J. Ball, Sheriff
Heather McGaha, Director of Accounts and Budgets
Annette Merica, Purchasing Agent

Board of County Commissioners

Norman Smith, Chairman	Tim Layman
Wilma Ball	Jason McMahan
Gayla Blazer	William Miller
Dan Bright	Tracy Stepp
Jeff Eslinger	Jonathan Templin
Andy Ford	Richard Vassar
Billy Hudson	David Veridal

Highway Commission

Randy Dyke, Chairman	Jerry Holt
Burnett Duncan	Clayton Presnell
Mike Ellison	Eugene Teague
Josh Hall	

Board of Education

Richard Coggins, Chairman	Darla Morgan
Terry Hurst	Otha Rolen
John Johnson	Jimmy Stokely
Rose Lovell	

Audit Committee

Norman Smith, Chairman	Andy Ford
Gayla Blazer	Billy Hudson
Dan Bright	Richard Vassar
Jeff Eslinger	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the 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 Cocke County, Tennessee, as of and for the year ended June 30, 2023, 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 Cocke County, Tennessee, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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 Cocke County School Department, which represent 2.06 percent, 2.32 percent, and 2.81 percent, respectively, of the assets, net position, and revenues of the discretely presented Cocke 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 Cocke 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

Cocke 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.

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 Cocke 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 Cocke 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 Cocke 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 schedule of changes in the county’s net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school’s proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed 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 Cocke County’s basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Cocke County School Department (a discretely presented component unit), 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 General Debt Service Fund, combining and individual fund financial statements of the Cocke 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 23, 2024, on our consideration of Cocke County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cocke County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cocke County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2024

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Coke County, Tennessee
Statement of Net Position
June 30, 2023

	<u>Primary Governmental Activities</u>	<u>Component Unit Coke County School Department</u>
<u>ASSETS</u>		
Cash	\$ 7,783	\$ 2,602,522
Equity in Pooled Cash and Investments	24,432,304	16,965,244
Accounts Receivable	257,540	427,988
Due from Other Governments	1,624,524	3,555,940
Due from Primary Government	0	493,718
Property Taxes Receivable	13,597,707	4,184,363
Allowance for Uncollectible Property Taxes	(567,321)	(175,568)
Prepaid Items	110,464	0
Leases Receivable - Current	0	51,568
Leases Receivable - Long-term	0	280,887
Net Pension Asset - Agent Plan	2,291,648	1,298,588
Net Pension Asset - Teacher Retirement Plan	0	97,679
Net Pension Asset - Teacher Legacy Pension Plan	0	5,372,864
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	461,822
Capital Assets:		
Assets Not Depreciated:		
Land	1,728,543	1,298,032
Construction in Progress	121,322	1,426,001
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	3,335,443	14,111,587
Infrastructure	12,058,468	68,848
Other Capital Assets	5,288,473	4,789,427
Total Assets	<u>\$ 64,286,898</u>	<u>\$ 57,311,510</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 82,047	\$ 0
Pension Changes in Experience	666,310	1,266,729
Pension Changes in Assumptions	1,611,301	4,393,329
Pension Changes in Investment Earnings	85,380	171,044
Pension Changes in Proportion	0	202,620
Pension Contributions After Measurement Date	622,069	1,829,628
OPEB Changes in Experience	5,214	662,835
OPEB Changes in Assumptions	56,228	545,568
OPEB Changes in Proportion	0	344,956
OPEB Contributions After Measurement Date	7,176	321,992
Total Deferred Outflows of Resources	<u>\$ 3,135,725</u>	<u>\$ 9,738,701</u>

LIABILITIES

Accounts Payable	\$ 239,835	\$ 87,798
Accrued Payroll	0	9,673

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Coke County School Department</u>
<u>LIABILITIES (CONT.)</u>		
Accrued Interest Payable	\$ 57,759	\$ 0
Payroll Deductions Payable	4,351	518
Contracts Payable	50,795	0
Retainage Payable	0	24,271
Due to Component Units	493,718	0
Due to Other Governments	4,845,821	0
Other Current Liabilities	5,652	1,422,233
Noncurrent Liabilities:		
Due Within One Year - Debt	2,351,923	0
Due Within One Year - Other	145,585	180,852
Due in More Than One Year - Debt	12,426,808	0
Due in More Than One Year - Other	382,840	6,734,102
Total Liabilities	<u>\$ 21,005,087</u>	<u>\$ 8,459,447</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,542,366	\$ 3,838,045
Deferred Lease Receivable	0	332,455
Pension Changes in Experience	164,983	1,060,686
Pension Changes in Proportion	0	19,800
OPEB Changes in Assumptions	229,725	1,346,170
OPEB Changes in Experience	189,706	579,301
OPEB Changes in Proportion	0	563,799
Total Deferred Inflows of Resources	<u>\$ 13,126,780</u>	<u>\$ 7,740,256</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 13,769,241	\$ 21,693,895
Restricted for:		
General Government	114,243	0
Finance	58,739	0
Administration of Justice	1,476,516	0
Public Safety	69,324	0
Public Health and Welfare	270,454	0
Other Operations	15,888	0
Highways	267,073	0
Debt Service	130,731	0
Education	0	5,141,846
Capital Projects	2,211,908	0
Pensions	2,291,648	7,230,953
Unrestricted	<u>12,614,991</u>	<u>16,783,814</u>
Total Net Position	<u>\$ 33,290,756</u>	<u>\$ 50,850,508</u>

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

Exhibit B

Cocke County, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Total	Unit
						Cocke County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,483,724	\$ 300,030	\$ 1,368,492	\$ 319,347	\$ (495,855)	\$ 0
Finance	1,741,790	1,196,194	0	0	(545,596)	0
Administration of Justice	1,678,249	572,676	233,552	0	(872,021)	0
Public Safety	7,978,763	601,415	643,063	0	(6,734,285)	0
Public Health and Welfare	3,746,697	115,174	951,748	250,000	(2,429,775)	0
Social, Cultural, and Recreational Services	557,747	481,936	2,430	0	(73,381)	0
Agriculture and Natural Resources	91,746	0	0	0	(91,746)	0
Highways	6,607,174	98,777	2,599,277	674,300	(3,234,820)	0
Education	553,278	0	0	0	(553,278)	0
Interest on Long-term Debt	484,936	0	0	0	(484,936)	0
Total Primary Government	\$ 25,924,104	\$ 3,366,202	\$ 5,798,562	\$ 1,243,647	\$ (15,515,693)	\$ 0
Component Unit:						
Cocke County School Department	\$ 51,953,351	\$ 475,397	\$ 14,638,370	\$ 4,291,901	\$ 0	\$ (32,547,683)
Total Component Unit	\$ 51,953,351	\$ 475,397	\$ 14,638,370	\$ 4,291,901	\$ 0	\$ (32,547,683)

(Continued)

Exhibit B

Cocke County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Cocke County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 6,991,068	\$ 2,979,975	
Property Taxes Levied for Development				435,520	0	
Property Taxes Levied for Highway/Public Works				1,760,315	0	
Property Taxes Levied for Public Health and Welfare				1,853,203	0	
Property Taxes Levied for School Transportation				0	1,338,204	
Property Taxes Levied for Debt Service				195,016	0	
Property Taxes for Capital Outlay				692,270	0	
Local Option Sales Taxes				3,508,764	6,230,877	
Hotel/Motel Tax				637,153	0	
Litigation Tax - General				34,577	0	
Litigation Tax - Special Purpose				2,992	0	
Litigation Tax - Jail, Workhouse, Courthouse				144,843	0	
Litigation Tax - Courthouse Security				1,344	0	
Business Tax				478,567	0	
Mineral Severance Tax				105,179	0	
Wholesale Beer Tax				254,299	0	
Mixed Drink Tax				68	0	
Other Local Taxes				62,500	35,528	
Grants and Contributions Not Restricted to Specific Programs				1,822,841	29,453,700	
Unrestricted Investment Income				133,224	9	
Lease Interest				0	2,372	
Miscellaneous				85,782	216,244	
Gain on Sale of Capital Assets				0	3,085	
Total General Revenues				\$ 19,199,525	\$ 40,259,994	
Change in Net Position				\$ 3,683,832	\$ 7,712,311	
Net Position, July 1, 2022				29,606,924	43,138,197	
Net Position, June 30, 2023				\$ 33,290,756	\$ 50,850,508	

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

Exhibit C-1

Cocke County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
<u>ASSETS</u>					
Cash	\$ 5,652	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	7,023,382	396,920	4,655,104	1,393,080	7,527,499
Accounts Receivable	234,329	5,088	0	0	0
Due from Other Governments	590,501	53,315	0	537,194	413,167
Due from Other Funds	20,254	0	0	0	114,150
Property Taxes Receivable	7,424,996	2,497,638	0	2,061,173	213,309
Allowance for Uncollectible Property Taxes	(319,887)	(97,015)	0	(85,055)	(9,063)
Prepaid Items	0	0	0	0	53,932
Total Assets	<u>\$ 14,979,227</u>	<u>\$ 2,855,946</u>	<u>\$ 4,655,104</u>	<u>\$ 3,906,392</u>	<u>\$ 8,312,994</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 87,526	\$ 124,864	\$ 0	\$ 24,759	\$ 500
Payroll Deductions Payable	3,362	444	0	0	0
Contracts Payable	0	0	38,025	0	0
Due to Other Funds	0	0	0	114,150	0
Due to Component Units	0	0	0	0	0
Due to Other Governments	0	0	4,845,821	0	0
Other Current Liabilities	5,652	0	0	0	0
Total Liabilities	<u>\$ 96,540</u>	<u>\$ 125,308</u>	<u>\$ 4,883,846</u>	<u>\$ 138,909</u>	<u>\$ 500</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,819,462	\$ 2,324,623	\$ 0	\$ 1,903,928	\$ 196,281
Deferred Delinquent Property Taxes	254,271	67,652	0	64,260	7,090
Other Deferred/Unavailable Revenue	167,320	0	0	238,617	181,400
Total Deferred Inflows of Resources	<u>\$ 7,241,053</u>	<u>\$ 2,392,275</u>	<u>\$ 0</u>	<u>\$ 2,206,805</u>	<u>\$ 384,771</u>

(Continued)

Exhibit C-1

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

FUND BALANCES	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 0	53,932
Restricted:					
Restricted for General Government	114,243	0	0	0	0
Restricted for Finance	58,739	0	0	0	0
Restricted for Administration of Justice	1,476,516	0	0	0	0
Restricted for Public Safety	29,855	0	0	0	0
Restricted for Public Health and Welfare	202,802	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	0	338,363	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0
Committed for Other Operations	0	0	0	0	0
Committed for Highways/Public Works	0	0	0	1,560,678	0
Committed for Debt Service	0	0	0	0	7,873,791
Assigned:					
Assigned for General Government	28,169	0	0	0	0
Assigned for Finance	18,248	0	0	0	0
Assigned for Administration of Justice	361,498	0	0	0	0
Assigned for Public Safety	173,081	0	0	0	0
Assigned for Public Health and Welfare	13,459	0	0	0	0
Assigned for Agriculture and Natural Resources	7,595	0	0	0	0
Assigned for Other Operations	2,587	0	0	0	0
Assigned for Other Purposes	3,724,042	0	0	0	0
Unassigned	1,430,800	0	(228,742)	0	0
Total Fund Balances	\$ 7,641,634	\$ 338,363	\$ (228,742)	\$ 1,560,678	\$ 7,927,723
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,979,227	\$ 2,855,946	\$ 4,655,104	\$ 3,906,392	\$ 8,312,994

(Continued)

Exhibit C-1

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

	Nonmajor Funds Other	Total Governmental Funds
<u>ASSETS</u>		
Cash	\$ 2,131	\$ 7,783
Equity in Pooled Cash and Investments	3,436,319	24,432,304
Accounts Receivable	18,123	257,540
Due from Other Governments	30,347	1,624,524
Due from Other Funds	0	134,404
Property Taxes Receivable	1,400,591	13,597,707
Allowance for Uncollectible Property Taxes	(56,301)	(567,321)
Prepaid Items	56,532	110,464
	<u>\$ 4,887,742</u>	<u>\$ 39,597,405</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,186	\$ 239,835
Payroll Deductions Payable	545	4,351
Contracts Payable	12,770	50,795
Due to Other Funds	20,254	134,404
Due to Component Units	493,718	493,718
Due to Other Governments	0	4,845,821
Other Current Liabilities	0	5,652
Total Liabilities	<u>\$ 529,473</u>	<u>\$ 5,774,576</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 1,298,072	\$ 12,542,366
Deferred Delinquent Property Taxes	41,142	434,415
Other Deferred/Unavailable Revenue	0	587,337
Total Deferred Inflows of Resources	<u>\$ 1,339,214</u>	<u>\$ 13,564,118</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds Other	Total Governmental Funds
<u>FUND BALANCES</u>		
Nonspendable:		
Prepaid Items	\$ 56,532	\$ 110,464
Restricted:		
Restricted for General Government	0	114,243
Restricted for Finance	0	58,739
Restricted for Administration of Justice	0	1,476,516
Restricted for Public Safety	39,469	69,324
Restricted for Public Health and Welfare	0	202,802
Restricted for Capital Projects	2,439,222	2,439,222
Committed:		
Committed for Public Health and Welfare	0	338,363
Committed for Social, Cultural, and Recreational Services	43,579	43,579
Committed for Other Operations	440,253	440,253
Committed for Highways/Public Works	0	1,560,678
Committed for Debt Service	0	7,873,791
Assigned:		
Assigned for General Government	0	28,169
Assigned for Finance	0	18,248
Assigned for Administration of Justice	0	361,498
Assigned for Public Safety	0	173,081
Assigned for Public Health and Welfare	0	13,459
Assigned for Agriculture and Natural Resources	0	7,595
Assigned for Other Operations	0	2,587
Assigned for Other Purposes	0	3,724,042
Unassigned	0	1,202,058
Total Fund Balances	\$ 3,019,055	\$ 20,258,711
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,887,742	\$ 39,597,405

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

Exhibit C-2

Cocke County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

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)		\$	20,258,711
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.			
Add: land	\$	1,728,543	
Add: construction in progress		121,322	
Add: buildings and improvements net of accumulated depreciation		3,335,443	
Add: infrastructure net of accumulated depreciation		12,058,468	
Add: other capital assets net of accumulated depreciation		<u>5,288,473</u>	22,532,249
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(3,039,133)	
Less: bonds payable		(11,225,000)	
Add: deferred charge on refunding		82,047	
Less: OPEB liability		(260,111)	
Less: landfill postclosure care costs		(74,508)	
Less: compensated absences		(193,806)	
Less: unamortized premium on debt		(514,598)	
Less: accrued interest on bonds and other loans payable		<u>(57,759)</u>	(15,282,868)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,985,060	
Less: deferred inflows of resources related to pensions		(164,983)	
Add: deferred outflows of resources related to OPEB		68,618	
Less: deferred inflows of resources related to OPEB		<u>(419,431)</u>	2,469,264
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			2,291,648
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>1,021,752</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>33,290,756</u></u>

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

Exhibit C-3

Cocke County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 9,824,014	\$ 1,948,126	\$ 0	\$ 1,948,684	\$ 2,748,750
Licenses and Permits	131,918	0	0	0	0
Fines, Forfeitures, and Penalties	158,339	0	0	0	0
Charges for Current Services	561,626	55,402	0	0	0
Other Local Revenues	102,116	59,823	0	137,068	131,774
Fees Received From County Officials	1,414,657	0	0	0	0
State of Tennessee	1,672,795	122,933	0	3,464,172	9,882
Federal Government	1,122,361	0	1,343,265	20,862	0
Other Governments and Citizens Groups	440,671	0	0	2,933	162,987
Total Revenues	\$ 15,428,497	\$ 2,186,284	\$ 1,343,265	\$ 5,573,719	\$ 3,053,393
<u>Expenditures</u>					
Current:					
General Government	\$ 1,378,568	\$ 0	\$ 1,238,025	\$ 0	\$ 0
Finance	1,400,670	0	0	0	0
Administration of Justice	1,640,446	0	0	0	0
Public Safety	7,638,839	0	0	0	0
Public Health and Welfare	298,184	2,490,636	21,500	0	0
Social, Cultural, and Recreational Services	108,729	0	0	0	0
Agriculture and Natural Resources	91,746	0	0	0	0
Other Operations	2,142,191	0	261,682	0	0
Highways	108,739	0	0	6,542,398	0
Debt Service:					
Principal on Debt	9,417	0	0	150,277	2,117,871
Interest on Debt	574	0	0	12,619	567,771
Other Debt Service	0	0	0	0	39,365

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 14,818,103	\$ 2,490,636	\$ 1,521,207	\$ 6,705,294	\$ 2,725,007
Excess (Deficiency) of Revenues Over Expenditures	\$ 610,394	\$ (304,352)	\$ (177,942)	\$ (1,131,575)	\$ 328,386
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 32,219	\$ 9,960	\$ 0	\$ 69,218	\$ 0
Transfers In	0	0	0	0	264,393
Transfers Out	(509,393)	0	0	0	0
Total Other Financing Sources (Uses)	\$ (477,174)	\$ 9,960	\$ 0	\$ 69,218	\$ 264,393
Net Change in Fund Balances	\$ 133,220	\$ (294,392)	\$ (177,942)	\$ (1,062,357)	\$ 592,779
Fund Balance, July 1, 2022	7,508,414	632,755	(50,800)	2,623,035	7,334,944
Fund Balance, June 30, 2023	\$ 7,641,634	\$ 338,363	\$ (228,742)	\$ 1,560,678	\$ 7,927,723

(Continued)

Exhibit C-3

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

	Nonmajor Funds Other	Total Governmental Funds
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 1,260,641	\$ 17,730,215
Licenses and Permits	0	131,918
Fines, Forfeitures, and Penalties	28,632	186,971
Charges for Current Services	358,774	975,802
Other Local Revenues	9,052	439,833
Fees Received From County Officials	0	1,414,657
State of Tennessee	57,342	5,327,124
Federal Government	319,347	2,805,835
Other Governments and Citizens Groups	2,430	609,021
Total Revenues	<u>\$ 2,036,218</u>	<u>\$ 29,621,376</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 2,616,593
Finance	324,310	1,724,980
Administration of Justice	12,448	1,652,894
Public Safety	66,357	7,705,196
Public Health and Welfare	0	2,810,320
Social, Cultural, and Recreational Services	380,492	489,221
Agriculture and Natural Resources	0	91,746
Other Operations	420,979	2,824,852
Highways	0	6,651,137
Debt Service:		
Principal on Debt	134,570	2,412,135
Interest on Debt	54,274	635,238
Other Debt Service	0	39,365

(Continued)

Exhibit C-3

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

	Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
<hr/>		
<u>Expenditures (Cont.)</u>		
Capital Projects	\$ 1,102,376	\$ 1,102,376
Total Expenditures	<u>\$ 2,495,806</u>	<u>\$ 30,756,053</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (459,588)</u>	<u>\$ (1,134,677)</u>
<u>Other Financing Sources (Uses)</u>		
Insurance Recovery	\$ 9,990	\$ 121,387
Transfers In	245,000	509,393
Transfers Out	0	(509,393)
Total Other Financing Sources (Uses)	<u>\$ 254,990</u>	<u>\$ 121,387</u>
Net Change in Fund Balances	\$ (204,598)	\$ (1,013,290)
Fund Balance, July 1, 2022	<u>3,223,653</u>	<u>21,272,001</u>
Fund Balance, June 30, 2023	<u>\$ 3,019,055</u>	<u>\$ 20,258,711</u>

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

Exhibit C-4

Cocke County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,013,290)
(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	\$ 3,058,770	
Less: current-year depreciation expense	<u>(1,559,672)</u>	1,499,098
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(15,623)
(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, 2023	\$ 1,021,752	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(985,114)</u>	36,638
(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	\$ 1,770,000	
Add: principal payments on other loans	642,135	
Add: change in unamortized premium on debt issuances	172,053	
Less: change in deferred charge on refunding	<u>(30,881)</u>	2,553,307
(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	\$ 9,130	
Change in net OPEB liability	106,871	
Change in compensated absences payable	(50,106)	
Change in landfill postclosure care costs	4,851	
Change in net pension liability/asset	(4,035,157)	
Change in deferred outflows related to pensions	306,505	
Change in deferred inflows related to pensions	4,369,508	
Change in deferred outflows related to OPEB	(9,353)	
Change in deferred inflows related to OPEB	<u>(78,547)</u>	<u>623,702</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,683,832</u>

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

Exhibit C-5

Coke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 9,824,014	\$ 0	\$ 0	\$ 9,824,014	\$ 8,607,618	\$ 8,633,858	\$ 1,190,156
Licenses and Permits	131,918	0	0	131,918	131,300	131,300	618
Fines, Forfeitures, and Penalties	158,339	0	0	158,339	118,025	118,025	40,314
Charges for Current Services	561,626	0	0	561,626	494,000	536,330	25,296
Other Local Revenues	102,116	0	0	102,116	20,100	108,588	(6,472)
Fees Received From County Officials	1,414,657	0	0	1,414,657	1,269,500	1,293,252	121,405
State of Tennessee	1,672,795	0	0	1,672,795	1,028,664	1,119,642	553,153
Federal Government	1,122,361	0	0	1,122,361	435,000	1,670,913	(548,552)
Other Governments and Citizens Groups	440,671	0	0	440,671	228,200	230,200	210,471
Total Revenues	\$ 15,428,497	\$ 0	\$ 0	\$ 15,428,497	\$ 12,332,407	\$ 13,842,108	\$ 1,586,389
Expenditures							
General Government							
County Commission	\$ 94,207	\$ (305)	\$ 0	\$ 93,902	\$ 105,634	\$ 115,048	\$ 21,146
Board of Equalization	1,530	0	0	1,530	5,680	5,680	4,150
Beer Board	5,868	0	0	5,868	6,750	6,750	882
Other Boards and Committees	1,018	(225)	0	793	3,500	3,500	2,707
County Mayor/Executive	227,090	(1,197)	2,405	228,298	205,832	235,491	7,193
County Attorney	42,259	0	0	42,259	40,000	40,000	(2,259)
Election Commission	310,845	(5,055)	1,820	307,610	326,492	326,492	18,882
Register of Deeds	260,475	(4,968)	4,126	259,633	272,713	272,713	13,080
Development	14,725	0	0	14,725	13,750	14,720	(5)
County Buildings	262,273	(24,004)	18,595	256,864	430,500	362,000	105,136
Other General Administration	105,518	0	0	105,518	100,000	103,000	(2,518)
Preservation of Records	52,760	0	1,224	53,984	59,644	59,644	5,660
Finance							
Accounting and Budgeting	252,944	(1,535)	1,278	252,687	297,446	267,787	15,100
Property Assessor's Office	408,925	(451)	1,836	410,310	448,456	448,456	38,146
Reappraisal Program	18,541	0	0	18,541	17,614	17,614	(927)
County Trustee's Office	94,038	(1,047)	197	93,188	101,810	101,810	8,622

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 568,183	\$ (1,886)	\$ 14,928	\$ 581,225	\$ 603,523	\$ 603,523	\$ 22,298
Data Processing	58,039	(27)	9	58,021	58,264	58,264	243
<u>Administration of Justice</u>							
Circuit Court	450,476	(12,744)	589	438,321	489,552	489,552	51,231
General Sessions Court	482,734	(3,867)	141	479,008	502,461	502,461	23,453
Drug Court	8,907	0	0	8,907	50,000	50,000	41,093
Chancery Court	311,338	(702)	140	310,776	321,432	321,432	10,656
Juvenile Court	44,880	(6)	0	44,874	48,895	48,895	4,021
District Attorney General	110,717	(902)	0	109,815	121,726	131,726	21,911
Judicial Commissioners	30,314	(1,057)	1,400	30,657	34,205	34,205	3,548
Other Administration of Justice	182,561	(230,400)	359,228	311,389	0	350,000	38,611
Victim Assistance Programs	18,519	0	0	18,519	30,000	30,000	11,481
<u>Public Safety</u>							
Sheriff's Department	3,237,617	(19,631)	63,137	3,281,123	3,179,121	3,477,486	196,363
Special Patrols	487,374	0	0	487,374	511,950	511,950	24,576
Administration of the Sexual Offender Registry	5,550	0	0	5,550	0	16,200	10,650
Jail	2,284,679	(11,696)	65,221	2,338,204	2,296,663	2,638,461	300,257
Juvenile Services	225,682	(6,778)	8,522	227,426	249,049	249,049	21,623
Fire Prevention and Control	961,563	(26,129)	17,718	953,152	981,684	1,015,484	62,332
Civil Defense	171,077	(18,477)	8,334	160,934	171,052	189,292	28,358
Inspection and Regulation	3,689	0	0	3,689	6,228	6,228	2,539
County Coroner/Medical Examiner	99,495	0	0	99,495	81,000	93,000	(6,495)
Other Public Safety	162,113	(9,549)	10,148	162,712	153,519	179,519	16,807
<u>Public Health and Welfare</u>							
Local Health Center	262,874	(19,777)	13,439	256,536	347,318	362,318	105,782
Rabies and Animal Control	32,110	(278)	19	31,851	57,637	37,037	5,186
General Welfare Assistance	3,200	0	0	3,200	11,500	13,300	10,100
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	3,600	0	0	3,600	3,600	3,600	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Libraries	\$ 88,494	\$ 0	\$ 0	\$ 88,494	\$ 70,795	\$ 70,795	\$ (17,699)
Other Social, Cultural, and Recreational	16,635	0	0	16,635	245,000	0	(16,635)
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	54,786	(930)	7,595	61,451	124,530	126,530	65,079
Soil Conservation	36,960	0	0	36,960	36,960	36,960	0
<u>Other Operations</u>							
Industrial Development	386,276	0	0	386,276	386,276	386,276	0
Housing and Urban Development	521,436	0	0	521,436	0	500,000	(21,436)
Veterans' Services	94,717	(832)	190	94,075	95,570	98,070	3,995
Other Charges	843,262	0	0	843,262	904,000	892,470	49,208
Contributions to Other Agencies	281,609	(17,000)	0	264,609	413,000	413,000	148,391
Employee Benefits	1,760	0	0	1,760	72,216	72,216	70,456
Miscellaneous	13,131	(706)	0	12,425	5,000	5,000	(7,425)
<u>Highways</u>							
Litter and Trash Collection	108,739	0	2,398	111,137	117,343	115,343	4,206
<u>Principal on Debt</u>							
General Government	9,417	0	0	9,417	0	9,417	0
<u>Interest on Debt</u>							
General Government	574	0	0	574	0	574	0
<u>Other Debt Service</u>							
General Government	0	0	0	0	9,991	0	0
Total Expenditures	\$ 14,818,103	\$ (422,161)	\$ 604,637	\$ 15,000,579	\$ 15,226,881	\$ 16,520,338	\$ 1,519,759
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 610,394	\$ 422,161	\$ (604,637)	\$ 427,918	\$ (2,894,474)	\$ (2,678,230)	\$ 3,106,148
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 32,219	\$ 0	\$ 0	\$ 32,219	\$ 0	\$ 39,206	\$ (6,987)
Transfers Out	(509,393)	0	0	(509,393)	(275,000)	(540,498)	31,105
Total Other Financing Sources	\$ (477,174)	\$ 0	\$ 0	\$ (477,174)	\$ (275,000)	\$ (501,292)	\$ 24,118
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ 7,508,414	(422,161)	(604,637)	(49,256)	(3,169,474)	(3,179,522)	3,130,266
Fund Balance, June 30, 2023	\$ 7,641,634	\$ 0	\$ (604,637)	\$ 7,036,997	\$ 4,109,685	\$ 4,099,637	\$ 2,937,360

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

Exhibit C-6

Coke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,948,126	\$ 0	\$ 0	\$ 1,948,126	\$ 1,853,485	\$ 1,896,485	\$ 51,641
Charges for Current Services	55,402	0	0	55,402	16,500	37,500	17,902
Other Local Revenues	59,823	0	0	59,823	30,000	46,000	13,823
State of Tennessee	122,933	0	0	122,933	74,000	113,086	9,847
Total Revenues	<u>\$ 2,186,284</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,186,284</u>	<u>\$ 1,973,985</u>	<u>\$ 2,093,071</u>	<u>\$ 93,213</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 1,007,841	\$ (231,400)	\$ 28,186	\$ 804,627	\$ 801,621	\$ 821,205	\$ 16,578
Convenience Centers	1,482,795	0	0	1,482,795	1,147,711	1,452,158	(30,637)
Total Expenditures	<u>\$ 2,490,636</u>	<u>\$ (231,400)</u>	<u>\$ 28,186</u>	<u>\$ 2,287,422</u>	<u>\$ 1,949,332</u>	<u>\$ 2,273,363</u>	<u>\$ (14,059)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (304,352)</u>	<u>\$ 231,400</u>	<u>\$ (28,186)</u>	<u>\$ (101,138)</u>	<u>\$ 24,653</u>	<u>\$ (180,292)</u>	<u>\$ 79,154</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 9,960	\$ 0	\$ 0	\$ 9,960	\$ 0	\$ 9,900	\$ 60
Transfers Out	0	0	0	0	(195,045)	0	0
Total Other Financing Sources	<u>\$ 9,960</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,960</u>	<u>\$ (195,045)</u>	<u>\$ 9,900</u>	<u>\$ 60</u>
Net Change in Fund Balance	<u>\$ (294,392)</u>	<u>\$ 231,400</u>	<u>\$ (28,186)</u>	<u>\$ (91,178)</u>	<u>\$ (170,392)</u>	<u>\$ (170,392)</u>	<u>\$ 79,214</u>
Fund Balance, July 1, 2022	<u>632,755</u>	<u>(231,400)</u>	<u>0</u>	<u>401,355</u>	<u>199,230</u>	<u>199,230</u>	<u>202,125</u>
Fund Balance, June 30, 2023	<u>\$ 338,363</u>	<u>\$ 0</u>	<u>\$ (28,186)</u>	<u>\$ 310,177</u>	<u>\$ 28,838</u>	<u>\$ 28,838</u>	<u>\$ 281,339</u>

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

Exhibit C-7

Cocke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 1,343,265	\$ 0	\$ 1,343,265	\$ 0	\$ 1,873,182	\$ (529,917)
Total Revenues	\$ 1,343,265	\$ 0	\$ 1,343,265	\$ 0	\$ 1,873,182	\$ (529,917)
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 1,238,025	\$ 351,975	\$ 1,590,000	\$ 0	\$ 1,590,000	\$ 0
<u>Public Health and Welfare</u>						
Convenience Centers	21,500	0	21,500	0	21,500	0
<u>Other Operations</u>						
Contributions to Other Agencies	261,682	0	261,682	0	261,682	0
Total Expenditures	\$ 1,521,207	\$ 351,975	\$ 1,873,182	\$ 0	\$ 1,873,182	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (177,942)	\$ (351,975)	\$ (529,917)	\$ 0	\$ 0	\$ (529,917)
Net Change in Fund Balance	\$ (177,942)	\$ (351,975)	\$ (529,917)	\$ 0	\$ 0	\$ (529,917)
Fund Balance, July 1, 2022	(50,800)	0	(50,800)	0	0	(50,800)
Fund Balance, June 30, 2023	\$ (228,742)	\$ (351,975)	\$ (580,717)	\$ 0	\$ 0	\$ (580,717)

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

Exhibit C-8

Cocke County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,948,684	\$ 0	\$ 0	\$ 1,948,684	\$ 1,905,528	\$ 1,924,028	\$ 24,656
Other Local Revenues	137,068	0	0	137,068	6,500	124,075	12,993
State of Tennessee	3,464,172	0	0	3,464,172	3,544,262	3,544,262	(80,090)
Federal Government	20,862	0	0	20,862	20,000	20,000	862
Other Governments and Citizens Groups	2,933	0	0	2,933	1,500	1,500	1,433
Total Revenues	\$ 5,573,719	\$ 0	\$ 0	\$ 5,573,719	\$ 5,477,790	\$ 5,613,865	\$ (40,146)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 349,259	\$ (218)	\$ 70	\$ 349,111	\$ 360,481	\$ 360,481	\$ 11,370
Highway and Bridge Maintenance	4,727,373	(472,251)	18,957	4,274,079	4,810,724	5,205,649	931,570
Operation and Maintenance of Equipment	741,684	(35,455)	11,358	717,587	1,049,968	1,049,968	332,381
Quarry Operations	382,413	(46,714)	5,178	340,877	493,555	393,555	52,678
Other Charges	341,669	0	0	341,669	367,500	367,500	25,831
<u>Principal on Debt</u>							
Highways and Streets	150,277	0	0	150,277	0	150,277	0
<u>Interest on Debt</u>							
Highways and Streets	12,619	0	0	12,619	0	12,702	83
<u>Other Debt Service</u>							
General Government	0	0	0	0	162,979	0	0
Total Expenditures	\$ 6,705,294	\$ (554,638)	\$ 35,563	\$ 6,186,219	\$ 7,245,207	\$ 7,540,132	\$ 1,353,913
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,131,575)	\$ 554,638	\$ (35,563)	\$ (612,500)	\$ (1,767,417)	\$ (1,926,267)	\$ 1,313,767
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 69,218	\$ 0	\$ 0	\$ 69,218	\$ 0	\$ 46,000	\$ 23,218
Transfers In	0	0	0	0	0	114,150	(114,150)
Total Other Financing Sources	\$ 69,218	\$ 0	\$ 0	\$ 69,218	\$ 0	\$ 160,150	\$ (90,932)
Net Change in Fund Balance	\$ (1,062,357)	\$ 554,638	\$ (35,563)	\$ (543,282)	\$ (1,767,417)	\$ (1,766,117)	\$ 1,222,835
Fund Balance, July 1, 2022	2,623,035	(554,638)	0	2,068,397	3,382,684	3,382,684	(1,314,287)
Fund Balance, June 30, 2023	\$ 1,560,678	\$ 0	\$ (35,563)	\$ 1,525,115	\$ 1,615,267	\$ 1,616,567	\$ (91,452)

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

Exhibit D-1

Cocke County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,003,849
Due from Other Governments	1,200,931
Property Taxes Receivable	401,354
Allowance for Uncollectible Property Taxes	<u>(18,599)</u>
Total Assets	<u>\$ 4,587,535</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,218,851</u>
Total Liabilities	<u>\$ 1,218,851</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 364,835</u>
Total Deferred Inflows of Resources	<u>\$ 364,835</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 3,003,849</u>
Total Net Position	<u><u>\$ 3,003,849</u></u>

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

Cocke County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,558,197
ADA - Educational Funds Collected for Cities	1,510,743
Fines/Fees and Other Collections	<u>5,284,868</u>
Total Additions	<u>\$ 12,353,808</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 5,558,197
Payments to City School Systems	1,510,743
Payments to State	3,738,979
Payments to Individuals and Others	<u>2,381,613</u>
Total Deductions	<u>\$ 13,189,532</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (835,724)
Net Position, July 1, 2022	<u>3,839,573</u>
Net Position, June 30, 2023	<u><u>\$ 3,003,849</u></u>

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

COCKE COUNTY, TENNESSEE
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COCKE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

Blended Component Units – The Cocke County Parks and Recreation Board operates and maintains the parks and recreation facilities and conducts related programs. The Cocke County Board of Sanitation has supervision and control of the solid waste collection and disposal systems operated by the county. By-laws have been developed for those boards, as well as the operating procedures for the Parks and Recreation Board, and financial activity relating to parks and recreation, as well as sanitation, are reported through special revenue funds of the primary government.

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

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

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

The Industrial Development Board of the City of Newport and Cocke County was created by city of Newport and Cocke County. The board oversees industrial development by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational, and agricultural enterprises to locate in or remain in the city of Newport and Cocke County. Tax Increment Financing fees, sales of property, and contributions from both the city and county provide the majority of the revenues for the board. The board is composed of 15 members, seven appointed by the city and eight by the county. The financial statements of the Industrial Development Board of the City of Newport and Cocke County were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

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

Industrial Development Board of the
City of Newport and Cocke County
433 Prospect Avenue
Newport, TN 37821

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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between

functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Cocke County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Cocke County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Cocke County issues all debt for the discretely presented Cocke County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023. Other significant transactions between the primary government and the school department during the year include: \$162,987 paid from the General Purpose School Fund to the county's General Debt Service Fund; \$268,258 paid from the General Purpose School Fund to the county General Fund for School Resource Officers; and \$1,200,000 paid from the county's Other Special Revenue Fund to the school department's General Purpose School Fund for the purchase of a building and land.

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

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus 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 for the primary government and a private purpose trust fund of the

discretely presented school department. Trust funds are distinguished from custodial funds by the existence of a trust agreement or similar arrangement.

Cocke County reports the following major governmental funds:

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

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

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.

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

Additionally, Cocke County reports the following fund types:

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

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 Cocke County, and the city school system’s share of educational revenues.

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

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

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

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

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

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

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. 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 Cocke County School Department. Each fund’s portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Cocke 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. Cocke County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund

loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.28 percent of total taxes levied.

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

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

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

Lease receivables and deferred inflows of resources 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 and deferred inflow are 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 balance in the Due to Other Governments account on the Statement of Net Position for the primary government totaling

\$4,845,821 represents American Rescue Plan Act funds received in advance. The balance in the Other Current Liabilities account totaling \$5,652 on the Statement of Net Position for the primary government represents the remaining balance in the health insurance, retirement, and payroll tax clearing account. The balance in the Other Current Liabilities account totaling \$1,422,233 on the Statement of Net Position for the discretely presented Cocke County School Department represents the remaining balances in the teacher's insurance and payroll tax clearing account.

Retainage payable in the discretely presented school department's School Federal Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the School Federal Projects Fund.

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial

statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 or more for buildings, improvements, and infrastructure; \$5,000 or more for machinery and other equipment; and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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. These items are for deferred charge on refunding; pension and OPEB changes in experience, assumptions, and proportions; pension changes in investment earnings; and pension and OPEB contributions after the measurement date. 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 lease receivables, pension and OPEB changes in experience and proportion, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

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

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

8. Long-term Debt and Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported

as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$6,906,524 of restricted net position for the primary government, of which \$1,718,822 is restricted by enabling legislation.

As of June 30, 2023, Cocke County had \$4,460,178 in outstanding debt for capital purposes for the discretely presented Cocke County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public-school systems in the county (City of Newport School System) based on an average daily attendance proration. This debt is a liability of Cocke County, but the capital assets acquired are reported in the financial statements of the school department and the City of Newport School System. Also, Cocke County had \$1,156,062 in outstanding non-capital debt which funded construction of waterline extensions owned by a local utility, as discussed in Note IV.F. Therefore, Cocke County has incurred

liabilities, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund includes fund balance assigned for encumbrances (\$604,637) and fund balance appropriated for use in the 2023-24 year budget totaling (\$3,724,042). Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for encumbrances (\$722,621), employee termination benefits (\$180,852), other postemployment benefits (\$494,576), future projects (\$133,246),

and fund balance appropriated for use in the 2023-24 budget (\$3,123,537).

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.

10. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists:

General Fund – Maintain a balance of at least \$200,000 in unassigned fund balance.

General Debt Service Fund – Begin each fiscal year with balance in cash or investments in a calculated amount adequate to meet cash flow needs, budgeting contingencies, emergency contingencies, variable rate volatility contingencies plus future forecasted needs.

E. Pension Plans

Primary Government

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary

net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Cocke County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Cocke County School Department

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

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

Primary Government

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

Discretely Presented Cocke County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2023, Cocke County and the discretely presented Cocke County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 604,637
Solid Waste/Sanitation	28,186
Other Special Revenue	351,975
Highway/Public Works	35,563
Nonmajor Governmental Funds	26,315
School Department:	
Major Funds:	
General Purpose School	722,621
School Federal Projects	1,139,604
School Transportation	561,766

B. Fund Deficit/Budgetary Basis Fund Deficit

The Other Special Revenue Fund had a deficit in unassigned fund balance of \$228,742 due to grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL 21.027). The grant expenditures can only be reported in April of each year. Cocke County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

The Other Special Revenue Fund also reported a budgetary basis deficit of \$580,717 at June 30, 2023. This resulted from the recognition of budgeted expenditures for outstanding encumbrances in the amount of \$351,975. These encumbrances were recorded to reflect outstanding commitments which will be funded by federal grants in the subsequent fiscal year.

The School Federal Projects Fund of the discretely presented school department had a deficit unassigned fund balance of \$23,676 at June 30, 2023. This deficit occurred due to a delay in processing a grant reimbursement request submitted by school department personnel. The fund deficit was liquidated when the grant funds were received after year end.

C. Cash Shortage – Prior Year

Former Clerk and Master – Charles Chesteen

The audit of the Constitutional Officers – Custodial Fund for the 1996-97 year reported details of a \$101,822 cash shortage in the Office of Clerk and Master.

The former clerk and master, Charles Chesteen, pled guilty to theft and conversion of office funds and was ordered to pay restitution totaling \$101,822. His surety bond company paid the office \$50,000, and over the past 26 years, Mr. Chesteen has paid a total of \$25,582 toward liquidating the remaining shortage, leaving a balance due the office of \$26,240. Mr. Chesteen passed away November 12, 2021. Due to the uncertainty of collection, the Cocke County Commission voted during the current year to liquidate the remaining cash shortage using monies from the county's General Fund. Any restitution collected will be reported as revenue when received.

D. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
County Attorney	\$ 2,259
Development	5
Other General Administration	2,518
Reappraisal Program	927
County Coroner/Medical Examiner	6,495
Libraries	17,699
Other Social, Cultural, and Recreational	16,635
Housing and Urban Development	21,436
Miscellaneous	7,425
Solid Waste/Sanitation:	
Convenience Centers	30,637
Industrial/Economic Development:	
Contributions to Other Agencies	38,500
Interest on Debt:	
General Government	183
Public Utility Projects	38
Other General Government Projects	5,000
General Debt Service:	
Interest on Debt:	
Highways and Streets	10
Other Debt Service:	
General Government	33

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of 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 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 the school department’s investment in the TCRS Stabilization Trust as discussed below, the county had no pooled and nonpooled investments as of June 30, 2023.

TCRS Stabilization Trust

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

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

On June 30, 2023, the Cocke 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	\$ 143,165
Developed Market International Equity	N/A	N/A	64,655
Emerging Market International Equity	N/A	N/A	18,473
U.S. Fixed Income	N/A	N/A	92,364
Real Estate	N/A	N/A	46,182
Short-term Securities	N/A	N/A	4,619
NAV - Private Equity and Strategic Lending	N/A	N/A	92,364
 Total			 \$ 461,822

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/2020/ag20045.pdf>.

B. Lease Receivable

Discretely Presented Cocke County School Department

On January 29, 2013, the Cocke County School Department entered into a 20-year lease agreement for the use of school department property for the placement of solar panels. The school department receives annual payments of \$17,500. The school department recognized \$16,075 in lease revenue and \$1,425 in interest revenue during the current fiscal year related to this lease. The lease receivable was discounted using an annual interest rate of .8 percent. As of June 30, 2023, the long-term lease receivable balance was \$151,818. Lease receivable – current, in the amount of \$16,204, is reported for the amount due within one year.

The Cocke County School Department reports deferred inflows of resources associated with this lease that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$168,022.

The future receipts of the lease receivable include:

Year Ending June 30	Property Lease		
	Principal	Interest	Total
2024	\$ 16,204	\$ 1,296	\$ 17,500
2025	16,334	1,166	17,500
2026	16,465	1,035	17,500
2027	16,598	902	17,500
2028	16,731	769	17,500
2029-2033	85,690	1,810	87,500
Total	<u>\$ 168,022</u>	<u>\$ 6,978</u>	<u>\$ 175,000</u>

On October 1, 2022, the Cocke County School Department purchased a building for future office space. Upon purchasing this building, the school department became the owner of an existing lease agreement with a separate entity for the use of office space. As of October 1, 2022, the remaining term was 5.33 years, and the school department will receive annual payments of \$36,550. An initial lease receivable was recorded in the amount of \$190,898 during the current fiscal year. The school department recognized \$26,465 in lease revenue and \$947 in interest revenue during the current fiscal year related to this lease. The lease receivable was discounted using an annual interest rate of .8 percent. As of June 30, 2023, the long-term lease receivable balance was \$129,069. Lease receivable – current, in the amount of \$35,364, is reported for the amount due within one year.

The Coker County School Department reports deferred inflows of resources associated with this lease that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$164,433.

The future receipts of the lease receivable include:

Year Ending June 30	Office Space Lease		
	Principal	Interest	Total
2024	\$ 35,364	\$ 1,186	\$ 36,550
2025	35,648	902	36,550
2026	35,934	616	36,550
2027	36,223	327	36,550
2028	21,264	57	21,321
Total	<u>\$ 164,433</u>	<u>\$ 3,088</u>	<u>\$ 167,521</u>

C. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,475,183	\$ 253,360	\$ 0	\$ 1,728,543
Construction in Progress	1,625,594	0	1,504,272	121,322
Total Capital Assets Not Depreciated	\$ 3,100,777	\$ 253,360	\$ 1,504,272	\$ 1,849,865
Capital Assets Depreciated:				
Buildings and Improvements	\$ 4,468,786	\$ 1,276,924	\$ 0	\$ 5,745,710
Infrastructure	38,804,947	475,182	0	39,280,129
Other Capital Assets	10,515,197	2,557,576	316,467	12,756,306
Total Capital Assets Depreciated	\$ 53,788,930	\$ 4,309,682	\$ 316,467	\$ 57,782,145
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,277,992	\$ 132,275	\$ 0	\$ 2,410,267
Infrastructure	26,491,542	730,119	0	27,221,661
Other Capital Assets	7,071,399	697,278	300,844	7,467,833
Total Accumulated Depreciation	\$ 35,840,933	\$ 1,559,672	\$ 300,844	\$ 37,099,761
Total Capital Assets Depreciated, Net	\$ 17,947,997	\$ 2,750,010	\$ 15,623	\$ 20,682,384
Governmental Activities Capital Assets, Net	\$ 21,048,774	\$ 3,003,370	\$ 1,519,895	\$ 22,532,249

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

Governmental Activities:

General Government	\$ 96,390
Finance	5,000
Administration of Justice	3,302
Public Safety	186,265
Public Health and Welfare	215,001
Social, Cultural, and Recreational Services	15,082
Highways/Public Works	<u>1,038,632</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,559,672</u>

Net Investment in Capital Assets

Capital Assets	\$ 22,532,249
Add:	
Unspent debt proceeds	252,568
Less:	
Outstanding principal of capital debt and other capital borrowings	(8,647,893)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(367,683)</u>
Net Investment in Capital Assets	<u>\$ 13,769,241</u>

Discretely Presented Cocke County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 601,292	\$ 950,100	\$ 253,360	\$ 1,298,032
Construction in Progress	796,058	1,426,001	796,058	1,426,001
Total Capital Assets Not Depreciated	\$ 1,397,350	\$ 2,376,101	\$ 1,049,418	\$ 2,724,033
Capital Assets Depreciated:				
Buildings and Improvements	\$ 40,520,670	\$ 4,440,835	\$ 946,640	\$ 44,014,865
Infrastructure	99,599	0	0	99,599
Other Capital Assets	13,225,766	1,312,649	173,818	14,364,597
Total Capital Assets Depreciated	\$ 53,846,035	\$ 5,753,484	\$ 1,120,458	\$ 58,479,061
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 28,885,629	\$ 1,017,649	\$ 0	\$ 29,903,278
Infrastructure	27,597	3,154	0	30,751
Other Capital Assets	9,100,206	643,567	168,603	9,575,170
Total Accumulated Depreciation	\$ 38,013,432	\$ 1,664,370	\$ 168,603	\$ 39,509,199
Total Capital Assets Depreciated, Net	\$ 15,832,603	\$ 4,089,114	\$ 951,855	\$ 18,969,862
Governmental Activities Capital Assets, Net	\$ 17,229,953	\$ 6,465,215	\$ 2,001,273	\$ 21,693,895

During the year the Cocke County School Department purchased a building and subsequently sold a portion to Cocke County for \$1,200,000. Increases in land and buildings and improvements include the total purchase while the amount for decreases reflects the sale to the county.

For the year ended June 30, 2023, Cocke County contributed \$548,818 to the school department to purchase school buses. Part of this contribution, \$493,718, was not paid as of June 30, 2023, and is included in the Due to/Due from Component Units/Primary Government balance in Note IV.E. The school department has issued a purchase order for these buses. This \$493,718 contribution will be included in the additions to Other Capital Assets in the subsequent fiscal year upon the liquidation of the outstanding purchase order.

The related revenues and expenditures are reflected in the primary government's General Capital Projects Fund and the school department's School Transportation Fund.

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

Governmental Activities:

Instruction	\$ 1,062,820
Support Services	504,089
Operation of Non-instructional Services	<u>97,461</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 1,664,370</u></u>

D. Construction Commitments

Primary Government

At June 30, 2023, the Other Special Revenue Fund had uncompleted construction contracts of approximately \$351,975 for the renovation of the future county annex building. Funding for the future expenditures is being provided by a federal grant.

At June 30, 2023, the General Capital Projects Fund had uncompleted construction contracts of approximately \$11,204 for the Phase I expansion of the Class III landfill. Funding has been provided for these future expenditures.

At June 30, 2023, the Other Capital Projects Fund - Library had uncompleted construction contracts of approximately \$13,540 for the construction of a community library in the Parrottsville community. Funding has been provided for these future expenditures.

Discretely Presented Coke County School Department

At June 30, 2023, the School Federal Projects Fund had uncompleted construction contracts of \$753,651 for various projects at various county schools. Funding for the future expenditures is expected to be provided from federal grant revenues.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 20,254
General Debt Service	Highway/Public Works	114,150

The entire amount due to the General Debt Service Fund (\$114,150) from the Highway/Public Works Fund resulted from an interfund loan. See Note IV.J. for further details of this loan.

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
School Transportation	General Capital Projects	\$ 493,718

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Debt Service Fund	Nonmajor Governmental Funds	
General Fund	\$ 264,393	\$ 0	Tax credit bond rebate
"	0	245,000	Operations
Total	\$ 264,393	\$ 245,000	

Discretely Presented Cocke County School Department

Transfer Out	Transfer In		Purpose
	General Purpose School Fund		
School Federal Projects Fund	\$ 36,615		Indirect cost
Total	\$ 36,615		

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

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Cocke County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General

obligation bonds outstanding were issued for original terms of up to 15 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, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Cocke County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Cocke County had no outstanding capital outlay notes at June 30, 2023. Other loans outstanding were issued for original terms of up to 39 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, 2023, will be retired from the Highway/Public Works Fund, General Debt Service Fund, and Industrial/Economic Development Fund.

General obligation bonds and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	1.05 to 2%	5-1-36	\$ 2,490,000	\$ 2,235,000
General Obligation Bonds - Refunding	1 to 5	6-1-30	12,315,000	8,990,000
Direct Borrowing and Direct Placement:				
Other Loans - City of Newport	2.15 to 4.38	5-1-45	1,802,417	1,156,062
Other Loans	0 to 3.35 (1)	9-15-27	6,337,593	1,883,071

(1) The effective interest rate for the Qualified School Construction Bonds Other Loan is zero after rebate.

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

Description	Amount of Loan Agreement	Outstanding Principal 6-30-23	Interest Rates
<u>City of Newport-Newport Utilities</u>			
River Crest (A)	\$ 1,024,000	\$ 765,557	4.13%
River Crest (B)	300,000	222,441	4.38
Hartford	478,417	168,064	2.15
Total City of Newport - Newport Utilities		\$ 1,156,062	

Under the agreements, the county must pay its incremental tax revenues (excess of current taxes over base year amounts), from properties within the developments, toward the retirement of these obligations. The River Crest and Hartford agreements require minimum payments to the city each year regardless of whether the tax increments are sufficient to meet those requirements.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, including interest payments are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,795,000	\$ 255,345	\$ 2,050,345
2025	1,810,000	212,395	2,022,395
2026	1,835,000	168,945	2,003,945
2027	1,845,000	124,845	1,969,845
2028	1,895,000	80,295	1,975,295
2029-2033	1,490,000	110,735	1,600,735
2034-2036	555,000	19,600	574,600
Total	\$ 11,225,000	\$ 972,160	\$ 12,197,160

The minimum annual requirements to amortize the loans payable outstanding as of June 30, 2023, to the city of Newport for the River Crest and Hartford projects, including interest payments, are presented in the following table.

Year Ending June 30	Other Loans - Direct Placement - City of Newport		
	Principal	Interest	Total
2024	\$ 54,911	\$ 44,529	\$ 99,440
2025	56,688	42,763	99,451
2026	58,517	40,936	99,453
2027	60,422	39,043	99,465
2028	62,382	37,083	99,465
2029-2033	223,161	157,179	380,340
2034-2038	235,623	112,857	348,480
2039-2043	289,207	59,273	348,480
2044-2045	115,151	1,906	117,057
Total	\$ 1,156,062	\$ 535,569	\$ 1,691,631

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

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 502,012	\$ 8,755	\$ 510,767
2025	505,961	4,807	510,768
2026	437,506	1,514	439,020
2027	404,799	108	404,907
2028	32,793	0	32,793
Total	\$ 1,883,071	\$ 15,184	\$ 1,898,255

There is \$ 7,927,723 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$312, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$411, based on the 2020 federal census.

The school department committed to provide one-half of the principal and administrative fees associated with the Qualified School Construction Bonds other loan issue. For the year ended June 30, 2023, the General Purpose School Fund contributed \$162,987 to the General Debt Service Fund. As of June 30, 2023, the balance on the Qualified School Construction Bonds other loan was \$1,458,526.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement - City of Newport	Other Loans - Direct Placement
Balance, July 1, 2022	\$ 12,995,000	\$ 1,209,118	\$ 2,472,150
Reductions	(1,770,000)	(53,056)	(589,079)
Balance, June 30, 2023	<u>\$ 11,225,000</u>	<u>\$ 1,156,062</u>	<u>\$ 1,883,071</u>
Balance Due Within One Year	<u>\$ 1,795,000</u>	<u>\$ 54,911</u>	<u>\$ 502,012</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 14,264,133
Less: Balance Due Within One Year - Debt	(2,351,923)
Add: Unamortized Premium on Debt	<u>514,598</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 12,426,808</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Compensated Absences
Balance, July 1, 2022	\$ 79,359	\$ 366,982	\$ 143,700
Additions	0	55,525	262,962
Reductions	(4,851)	(162,396)	(212,856)
Balance, June 30, 2023	<u>\$ 74,508</u>	<u>\$ 260,111</u>	<u>\$ 193,806</u>
Balance Due Within One Year	<u>\$ 9,920</u>	<u>\$ 0</u>	<u>\$ 135,665</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 528,425
Less: Balance Due Within One Year - Other	<u>(145,585)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 382,840</u>

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

Discretely Presented Cocke County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Cocke County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits
	<u> </u>	<u> </u>
Balance, July 1, 2022	\$ 163,628	\$ 7,137,817
Additions	103,344	612,935
Reductions	<u>(86,120)</u>	<u>(1,016,650)</u>
Balance, June 30, 2023	<u>\$ 180,852</u>	<u>\$ 6,734,102</u>
Balance Due Within One Year	<u>\$ 180,852</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 6,914,954
Less: Balance Due Within One Year - Other	<u>(180,852)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,734,102</u>

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

H. Pledges of Future Revenues

As discussed in Note IV.F., Cocke County has pledged incremental real and personal property tax revenues from certain developments (River Crest and Hartford) toward the retirement of loan agreements entered into between the county and the city of Newport. The principal amount of these outstanding loans at June 30, 2023, was \$1,156,062. The details of the county’s commitment and the annual principal and interest requirements are discussed in that note.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cocke County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state’s Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$132,998. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Internal Financing

In-lieu of issuing debt with financial institutions, Cocke County often chooses to internally finance various projects with idle funds. Internally, reported notes receivable from idle funds due to the General Debt Service Fund from the Highway/Public Works Fund are reflected below:

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Highway/Public Works: Highway Equipment	\$ 114,150	0 %	4-13-23	6-30-24
	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
Highway/Public Works: Highway Equipment	\$ 0	\$ 114,150	\$ 0	\$ 114,150

The county commission also approved the issuance of \$4,500,000 in internal financing from the General Debt Service Fund to the discretely presented Cocke County School Department to fund the purchase of real property. However, no draws were ever made on that approved financing.

V. OTHER INFORMATION

A. Risk Management

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

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

The discretely presented Cocke County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the 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. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and

important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, 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 including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

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

D. Changes in Administration

On August 31, 2022, Crystal Ottinger left the Office of County Mayor and was succeeded by Rob Mathis, Frankie Cody left the Office of General Sessions Court Clerk and was succeeded by Brenda Ramsey, Armando Fontes left the Office of Sheriff and was succeeded by C.J. Ball, and Rob Mathis left the Office of Trustee and was succeeded by Mitch Fine.

On December 31, 2022, Angie Shelton left the Office of Assessor of Property and was succeeded by Macie Reed.

On April 17, 2023, Annette Merica was appointed as the county's purchasing agent.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Cocke County closed its sanitary landfill in 2000. The \$74,508 reported as postclosure care liability at June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District, Cocke, Grainger, Jefferson, and Sevier counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Cocke County made no contributions to the DTF for the year ended June 30, 2023, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

The Stokely Memorial Library is a joint venture between Cocke County and the City of Newport. The library board is comprised of nine members. The county appoints four of the board members, the Nolichucky Regional Board appoints two members, the city of Newport appoints three members. Cocke County has control over budgeting and financing of the joint venture only to

the extent of representation by the four board members appointed. Contributions from Cocke County and the city of Newport provide the major funding for this entity. Cocke County contributed \$88,494 to the operations of the library during the year ended June 30, 2023. Complete financial statements for the library can be obtained from its administrative office at the following address:

Administrative Office:

Stokely Memorial Library
383 East Broadway
Newport, TN 37821

Discretely Presented Cocke County School Department

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

Administrative Office:

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

G. Jointly Governed Organization

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, 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's manager as an ex-officio member, is in charge of the daily operations of the center.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Cocke County and non-certified employees of the discretely presented Cocke County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.83 percent, the non-certified employees of the discretely presented school department comprise 36.17 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	320
Inactive Employees Entitled to But Not Yet Receiving Benefits	451
Active Employees	526
Total	<u>1,297</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 to the plan. Cocke County makes employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contribution for Cocke County was \$1,031,904 based on a rate of 6.74 percent of covered payroll for general employees and 10.24 percent of covered payroll for public safety officers. The minimum rate established by the Board of Trustees was 4.43 percent of covered payroll for general employees and 7.93 percent for public safety officers. By law, employer contributions are required to be paid. The TCRS may intercept Cocke County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Cocke County's net pension liability (asset) was measured as of June 30, 2022, 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, 2022, 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, 2022, 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 Cocke County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 56,451,494	\$ 67,399,418	\$ (10,947,924)
Changes for the Year:			
Service Cost	\$ 1,581,611	\$ 0	\$ 1,581,611
Interest	3,826,882	0	3,826,882
Differences Between Expected and Actual Experience	1,183,936	0	1,183,936
Contributions-Employer	0	1,092,871	(1,092,871)
Contributions-Employees	0	752,536	(752,536)
Net Investment Income	0	(2,561,597)	2,561,597
Benefit Payments, Including Refunds of Employee Contributions	(2,677,100)	(2,677,100)	0
Administrative Expense	0	(49,069)	49,069
Net Changes	\$ 3,915,329	\$ (3,442,359)	\$ 7,357,688
Balance, June 30, 2022	\$ 60,366,823	\$ 63,957,059	\$ (3,590,236)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.83%	\$ 38,532,143	\$ 40,823,791	\$ (2,291,648)
School Department	36.17%	21,834,680	23,133,268	(1,298,588)
Total		\$ 60,366,823	\$ 63,957,059	\$ (3,590,236)

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

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

Net Pension Liability (Asset) \$ 4,294,204 \$ (3,590,236) \$ (10,125,937)

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, 2023, Cocke County recognized pension expense (negative pension expense) of \$655,679.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, Cocke County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,043,882	\$ 258,472
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	133,762	0
Changes in Assumptions	2,524,363	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,031,904	N/A
Total	<u>\$ 4,733,911</u>	<u>\$ 258,472</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” 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	\$ 2,985,060	\$ 164,983
School Department	1,748,851	93,489
Total	\$ 4,733,911	\$ 258,472

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
2024	\$ 566,026
2025	693,343
2026	531,114
2027	1,653,053
2028	0
Thereafter	0

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

Discretely Presented Cocke County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Cocke County and non-certified employees of the discretely presented Cocke County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.83 percent and the non-certified employees of the discretely presented school

department comprise 36.17 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cocke County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <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, 2023, to the Teacher Retirement Plan were \$180,382, which is 2.87 percent of covered payroll. In addition, employer contributions of \$68,387, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$97,679) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .322452 percent. The proportion as of June 30, 2021, was .335927 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the Cocke County School Department recognized pension expense (negative pension expense) of \$139,354.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 5,341	\$ 59,346
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	30,789	0
Changes in Assumptions	114,426	0
Changes in Proportion of Net Pension Liability (Asset)	27,136	17,410
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>180,382</u>	<u>N/A</u>
Total	<u>\$ 358,074</u>	<u>\$ 76,756</u>

The school department's employer contributions of \$180,382, 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, 2024. 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
2024	\$ 3,550
2025	3,864
2026	(1,195)
2027	52,432
2028	6,965
Thereafter	35,319

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

Actuarial Assumptions. The total pension liability as of the June 30, 2022, 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, 2022, 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 Real Estate	6.57		20	
	1.20		20	
	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 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 percent) or one percentage point higher (7.75 percent) 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) \$ 512,758 \$ (97,679) \$ (543,486)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cocke County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <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 Cocke County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$1,239,411, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$5,372,864) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .438099 percent. The proportion measured at June 30, 2021, was .447586 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$114,628.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 883,816	\$ 907,851
Changes in Assumptions	3,365,841	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	91,873	0
Changes in Proportion of Net Pension Liability (Asset)	175,484	2,390
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>1,239,411</u>	<u>N/A</u>
Total	<u>\$ 5,756,425</u>	<u>\$ 910,241</u>

The school department's employer contributions of \$1,239,411 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 604,249
2025	1,063,248
2026	(896,518)
2027	2,835,793
2028	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 as of June 30, 2022, 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, 2022, 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	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 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 percent) or one percentage point higher (7.75 percent) 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) \$ 10,641,792 \$ (5,372,864) \$ (18,712,009)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pension footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$313,662 and teachers contributed \$183,904 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

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

Retirees of Cocke County and the Cocke County Highway Department are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Cocke County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and the school department’s total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2022, 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	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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 rates for non-teachers are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. Post-retirement rates for teachers are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

Local Government OPEB Plans (Primary Government)

Plan Description. Employees of Cocke County are provided with pre-65 retiree health insurance benefits through the Local Government Plans (LGPs) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs.

Benefits Provided. Cocke County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGPs. 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 LGPs, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Cocke County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	County	Highway Department	Total
Inactive Employees Currently Receiving Benefit Payments	1	0	1
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0	0	0
Active Employees Eligible for Benefits	161	48	209
Total	162	48	210

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the county paid \$7,176 (General County - \$6,429, Highway Department - \$747) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	County	Highway Department	Total OPEB Liability
Balance July 1, 2021	\$ 264,486	\$ 102,496	\$ 366,982
Changes for the Year:			
Service Cost	\$ 33,743	\$ 12,872	\$ 46,615
Interest	6,424	2,486	8,910
Difference between Expected and Actuarial Experience	(2,448)	(20,813)	(23,261)
Changes in Assumption and Other Inputs	(101,915)	(34,981)	(136,896)
Benefit Payments	(1,671)	(568)	(2,239)
Net Changes	\$ (65,867)	\$ (41,004)	\$ (106,871)
Balance June 30, 2022	\$ 198,619	\$ 61,492	\$ 260,111

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized OPEB expense (negative OPEB expense) of (\$11,795) (General County – (\$10,948), Highway Department – (\$847)). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County	Highway Department	Total
Deferred Outflows of Resources:			
Difference Between Expected and Actual Experience	\$ 0	\$ 5,214	\$ 5,214
Changes in Assumptions/Inputs	45,476	10,752	56,228
Benefits Paid after the Measurement Date of June 30, 2022	6,429	747	7,176
Total Deferred Outflows of Resources	<u>\$ 51,905</u>	<u>\$ 16,713</u>	<u>\$ 68,618</u>

	County	Highway Department	Total
Deferred Inflows of Resources:			
Difference Between Expected and Actual Experience	\$ 147,556	\$ 42,150	\$ 189,706
Changes in Assumptions/Inputs	174,521	55,204	229,725
Total Deferred Inflows of Resources	<u>\$ 322,077</u>	<u>\$ 97,354</u>	<u>\$ 419,431</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following fiscal period.

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

Year Ending June 30	General County	Highway Department	Total Amount
2024	\$ (51,115)	\$ (16,205)	\$ (67,320)
2025	(51,115)	(16,205)	(67,320)
2026	(51,115)	(15,486)	(66,601)
2027	(45,918)	(9,877)	(55,795)
2028	(36,044)	(12,281)	(48,325)
Thereafter	(41,294)	(11,334)	(52,628)

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

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

<u>Discount Rate</u>	Current		
	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
County	\$ 215,084	\$ 198,619	\$ 183,349
Highway Department	66,031	61,492	57,214
Total OPEB Liability	<u>\$ 281,115</u>	<u>\$ 260,111</u>	<u>\$ 240,563</u>

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease	Trend Rates	1% Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%
County	\$ 175,974	\$ 198,619	\$ 225,444
Highway Department	54,770	61,492	69,309
Total OPEB Liability	<u>\$ 230,744</u>	<u>\$ 260,111</u>	<u>\$ 294,753</u>

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

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

Benefits Provided. The Cocke County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants 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. Cocke County School Department provides a direct subsidy ranging from \$426 to \$586 per month for noncertified retirees age 60 with 10 years of service based on insurance coverage selected. The school department also provides a direct subsidy ranging from \$260 to \$327 per month for certified retirees with at least 30 years of service or age 60 with 10 years of service based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees Currently Receiving Benefits	32
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>396</u>
Total	<u><u>428</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$321,992 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	Cocke County	State of	Total OPEB
	School Department	TN	
	70.7321%	29.2679%	Liability
Balance July 1, 2021	\$ 7,137,817	\$ 2,793,418	\$ 9,931,235
Changes for the Year:			
Service Cost	\$ 406,289	\$ 168,117	\$ 574,406
Interest	157,825	65,306	223,131
Difference between Expected and Actuarial Experience	48,838	20,209	69,047
Changes in Proportion	(113,246)	113,246	0
Changes in Assumption and Other Inputs	(653,848)	(270,551)	(924,399)
Benefit Payments	(249,574)	(103,270)	(352,844)
Net Changes	\$ (403,715)	\$ (6,944)	\$ (410,659)
Balance June 30, 2022	\$ 6,734,102	\$ 2,786,474	\$ 9,520,576

The Cocke County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Cocke County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$218,824 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Cocke County School Department's proportionate share of the collective OPEB liability was 70.7321 percent and the State of Tennessee's share was 29.2679 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$660,175, including the state's share of the expense. At June 30, 2023, 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	\$ 662,835	\$ 579,301
Changes of Assumptions/Inputs	545,568	1,346,170
Changes in Proportion	344,956	563,799
Benefits Paid After the Measurement Date of June 30, 2022	<u>321,992</u>	<u>0</u>
Total	<u>\$ 1,875,351</u>	<u>\$ 2,489,270</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following fiscal period.

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
2024	\$ (122,763)
2025	(122,763)
2026	(122,763)
2027	(111,529)
2028	(127,679)
Thereafter	(328,414)

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the Collective Total OPEB Liability	\$ 7,226,342	\$ 6,734,102	\$ 6,267,552
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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 7.37 to 3.5%	Curent Rate 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 6,058,095	\$ 6,734,102	\$ 7,518,217
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J. Termination Benefits

To reward a teacher for long and meritorious service, the Cocke County Board of Education pays a one-time amount of \$8,000 at the end of 30 years of service or thereafter to each retiring teacher who has a minimum of 15 years of service in the Cocke County School System. Those eligible to receive the benefit, may elect to receive payment in a lump sum upon retirement or in a lump sum the following January 1 of the subsequent year of that teacher's retirement, or 50 percent upon retirement and 50 percent on the following January 1 of the subsequent year of that teacher's retirement. As of June 30, 2023, 21 employees are eligible for the benefit. The estimated cost of the cash payments, reported in the government-wide Statement of Net Position, by function, is \$180,852. The entire balance is expected to be paid within one year.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$50,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Cocke County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

M. Subsequent Events

On July 31, 2023, the county issued capital outlay notes totaling \$1,400,000 to purchase fire department equipment and property adjacent to the existing landfill.

On July 17, 2023, the county commission approved to enter into an Energy Efficient Schools Initiative (EESI) loan totaling \$2,776,817 at 0.5% interest for the school department.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 942,835	\$ 1,024,253	\$ 1,022,988	\$ 1,085,653	\$ 1,185,550	\$ 1,241,934	\$ 1,259,720	\$ 1,297,085	\$ 1,581,611
Interest	2,618,321	2,687,687	2,842,895	2,916,181	3,148,817	3,316,237	3,446,947	3,598,798	3,826,882
Differences Between Actual and Expected Experience	(1,154,782)	1,299	(1,214,080)	1,301,631	1,781	(540,809)	(375,776)	161,223	1,183,936
Changes in Assumptions	0	0	0	1,032,170	0	0	0	4,207,273	0
Benefit Payments, Including Refunds of Employee Contributions	(1,484,294)	(1,641,519)	(1,643,544)	(1,831,116)	(1,940,857)	(2,225,720)	(2,238,769)	(2,308,774)	(2,677,100)
Net Change in Total Pension Liability	\$ 922,080	\$ 2,071,720	\$ 1,008,259	\$ 4,504,519	\$ 2,395,291	\$ 1,791,642	\$ 2,092,122	\$ 6,955,605	\$ 3,915,329
Total Pension Liability, Beginning	34,710,256	35,632,336	37,704,056	38,712,315	43,216,834	45,612,125	47,403,767	49,495,889	56,451,494
Total Pension Liability, Ending (a)	\$ 35,632,336	\$ 37,704,056	\$ 38,712,315	\$ 43,216,834	\$ 45,612,125	\$ 47,403,767	\$ 49,495,889	\$ 56,451,494	\$ 60,366,823
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,395,492	\$ 1,308,654	\$ 1,337,267	\$ 894,367	\$ 884,486	\$ 914,866	\$ 969,131	\$ 1,055,915	\$ 1,092,871
Contributions - Employee	548,948	546,195	564,122	609,190	603,065	640,772	662,747	738,298	752,536
Net Investment Income	5,506,973	1,203,056	1,075,115	4,700,278	3,792,199	3,639,133	2,570,948	13,878,686	(2,561,597)
Benefit Payments, Including Refunds of Employee Contributions	(1,484,294)	(1,641,519)	(1,643,544)	(1,831,116)	(1,940,857)	(2,225,720)	(2,238,769)	(2,308,774)	(2,677,100)
Administrative Expense	(17,854)	(23,099)	(34,808)	(38,713)	(43,751)	(41,256)	(42,468)	(43,666)	(49,069)
Other	0	0	1,301	977	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,949,265	\$ 1,393,287	\$ 1,299,453	\$ 4,334,983	\$ 3,295,142	\$ 2,927,795	\$ 1,921,589	\$ 13,320,459	\$ (3,442,359)
Plan Fiduciary Net Position, Beginning	32,957,445	38,906,710	40,299,997	41,599,450	45,934,433	49,229,575	52,157,370	54,078,959	67,399,418
Plan Fiduciary Net Position, Ending (b)	\$ 38,906,710	\$ 40,299,997	\$ 41,599,450	\$ 45,934,433	\$ 49,229,575	\$ 52,157,370	\$ 54,078,959	\$ 67,399,418	\$ 63,957,059
Net Pension Liability (Asset), Ending (a - b)	\$ (3,274,374)	\$ (2,595,941)	\$ (2,887,135)	\$ (2,717,599)	\$ (3,617,450)	\$ (4,753,603)	\$ (4,583,070)	\$ (10,947,924)	\$ (3,590,236)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.19%	106.89%	107.46%	106.29%	107.93%	110.03%	109.26%	119.39%	105.95%
Covered Payroll	\$ 10,978,842	\$ 10,924,107	\$ 11,215,445	\$ 12,045,811	\$ 12,031,550	\$ 12,509,870	\$ 13,239,898	\$ 14,546,652	\$ 15,007,610
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(29.82)%	(23.76)%	(25.74)%	(22.56)%	(30.07)%	(38)%	(34.62)%	(75.26)%	(23.92)%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,395,492	\$ 1,308,654	\$ 1,337,267	\$ 574,585	\$ 583,696	\$ 602,119	\$ 661,965	\$ 727,277	\$ 746,196	\$ 711,683
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,395,492)	(1,308,654)	(1,337,267)	(894,367)	(884,486)	(914,866)	(969,131)	(1,055,915)	(1,092,871)	(1,031,904)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (319,782)	\$ (300,790)	\$ (312,747)	\$ (307,166)	\$ (328,638)	\$ (346,675)	\$ (320,221)
Covered Payroll	\$ 10,978,842	\$ 10,924,107	\$ 11,215,445	\$ 12,045,811	\$ 12,031,550	\$ 12,509,870	\$ 13,239,898	\$ 14,546,652	\$ 15,007,610	\$ 14,233,669
Contributions as a Percentage of Covered Payroll	12.71%	11.98%	11.92%	7.42%	7.35%	7.31%	7.32%	7.26%	7.28%	7.25%

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 32,106	\$ 74,167	\$ 91,438	\$ 113,833	\$ 65,143	\$ 75,942	\$ 97,933	\$ 110,681	\$ 180,382
Less: Contributions in Relation to the Contractually Required Contribution	(32,106)	(74,167)	(91,438)	(113,833)	(65,143)	(75,942)	(97,933)	(110,681)	(180,382)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 802,633	\$ 1,854,185	\$ 2,254,414	\$ 2,812,645	\$ 3,357,799	\$ 3,741,507	\$ 4,848,197	\$ 5,506,519	\$ 6,285,028
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.06%	4.05%	1.94%	2.03%	2.02%	2.01%	2.87%

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 (SRT).

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%
 2023: Pension - 2.87%, SRT - 1.13%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,598,249	\$ 1,556,534	\$ 1,511,756	\$ 1,465,369	\$ 1,466,880	\$ 1,670,843	\$ 1,630,969	\$ 1,508,717	\$ 1,485,008	\$ 1,239,411
Less: Contributions in Relation to the Contractually Required Contribution	(1,598,249)	(1,556,534)	(1,511,756)	(1,465,369)	(1,466,880)	(1,670,843)	(1,630,969)	(1,508,717)	(1,485,008)	(1,239,411)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,998,294	\$ 17,218,327	\$ 16,722,978	\$ 16,244,991	\$ 16,188,086	\$ 15,973,624	\$ 15,343,065	\$ 14,850,827	\$ 14,417,553	\$ 14,262,504
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.02%	9.06%	10.46%	10.63%	10.16%	10.30%	8.69%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.386305%	0.421399%	0.348288%	0.325654%	0.317318%	0.296492%	0.335927%	0.322452%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (15,541)	\$ (43,869)	\$ (91,891)	\$ (147,693)	\$ (179,122)	\$ (168,598)	\$ (363,880)	\$ (97,679)
Covered Payroll	\$ 802,633	\$ 1,854,185	\$ 2,254,414	\$ 2,812,645	\$ 3,357,799	\$ 3,741,507	\$ 4,848,197	\$ 5,506,519
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.08)%	(5.25)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
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%	104.55%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.458556%	0.459951%	0.463266%	0.458559%	0.461353%	0.476378%	0.460994%	0.447586%	0.438099%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (74,513)	\$ 188,412	\$ 2,895,154	\$ (150,032)	\$ (1,623,461)	\$ (4,898,025)	\$ (3,515,420)	\$ (19,305,444)	\$ (5,372,864)
Covered Payroll	\$ 17,998,294	\$ 17,218,327	\$ 16,722,978	\$ 16,244,991	\$ 16,188,086	\$ 15,973,624	\$ 15,343,065	\$ 14,850,827	\$ 14,417,553
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.92)%	(10.03)%	(30.66)%	(22.91)%	(130)%	(37.27)%
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%	104.42%

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

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

Cocke County Plan (General Employees)

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 29,930	\$ 28,828	\$ 34,262	\$ 35,195	\$ 45,947	\$ 33,743
Interest	10,632	13,452	15,633	13,166	9,751	6,424
Differences Between Actual and Expected Experience	0	(18,581)	(123,485)	(28,983)	(80,143)	(2,448)
Changes in Assumptions or Other Inputs	(20,405)	29,245	17,783	37,455	(105,506)	(101,915)
Benefit Payments	(4,346)	(6,271)	(2,539)	(1,209)	(1,680)	(1,671)
Net Change in Total OPEB Liability	\$ 15,811	\$ 46,673	\$ (58,346)	\$ 55,624	\$ (131,631)	\$ (65,867)
Total OPEB Liability, Beginning	336,355	352,166	398,839	340,493	396,117	264,486
Total OPEB Liability, Ending	\$ 352,166	\$ 398,839	\$ 340,493	\$ 396,117	\$ 264,486	\$ 198,619
Covered Employee Payroll	\$ 6,071,548	\$ 6,071,548	\$ 6,268,394	\$ 6,526,229	\$ 6,508,184	\$ 6,848,608
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.80%	6.57%	5.43%	6.07%	4.06%	2.90%

Highway Department Plan

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 10,253	\$ 9,770	\$ 12,221	\$ 12,279	\$ 15,486	\$ 12,872
Interest	2,811	3,713	4,854	3,690	3,046	2,486
Differences Between Actual and Expected Experience	0	4,923	(48,550)	5,342	(5,251)	(20,813)
Changes in Assumptions or Other Inputs	(4,355)	9,577	3,307	9,053	(32,580)	(34,981)
Benefit Payments	0	(396)	(936)	(720)	(1,068)	(568)
Net Change in Total OPEB Liability	\$ 8,709	\$ 27,587	\$ (29,104)	\$ 29,644	\$ (20,367)	\$ (41,004)
Total OPEB Liability, Beginning	86,027	94,736	122,323	93,219	122,863	102,496
Total OPEB Liability, Ending	\$ 94,736	\$ 122,323	\$ 93,219	\$ 122,863	\$ 102,496	\$ 61,492
Covered Employee Payroll	\$ 1,270,142	\$ 1,270,142	\$ 1,342,049	\$ 1,397,246	\$ 1,440,374	\$ 1,437,234
Net OPEB Liability as a Percentage of Covered Employee Payroll	7.46%	9.63%	6.95%	8.79%	7.12%	4.28%

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%
2022	3.54%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%
For the 2023 plan year - from 7.36% to 8.37%

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

Exhibit E-8

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 526,453	\$ 490,283	\$ 655,227	\$ 528,124	\$ 595,055	\$ 574,406
Interest	271,254	325,636	413,853	355,968	240,829	223,131
Changes in Benefit Terms	0	(189,350)	(906,049)	0	(22,151)	0
Differences Between Actual and Expected Experience	0	1,809,920	(149,110)	(845,962)	(257,550)	69,047
Changes in Assumptions or Other Inputs	(381,208)	205,182	(714,211)	1,047,962	(748,173)	(924,399)
Benefit Payments	(488,161)	(557,381)	(489,530)	(436,827)	(355,996)	(352,844)
Net Change in Total OPEB Liability	\$ (71,662)	\$ 2,084,290	\$ (1,189,820)	\$ 649,265	\$ (547,986)	\$ (410,659)
Total OPEB Liability, Beginning	9,007,148	8,935,486	11,019,776	9,829,956	10,479,221	9,931,235
Total OPEB Liability, Ending	\$ 8,935,486	\$ 11,019,776	\$ 9,829,956	\$ 10,479,221	\$ 9,931,235	\$ 9,520,576
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,543,549	\$ 2,269,942	\$ 2,323,016	\$ 2,643,143	\$ 2,793,418	\$ 2,786,474
Employer Proportionate Share of the Total OPEB Liability	6,391,937	8,749,834	7,506,940	7,836,078	7,137,817	6,734,102
Covered Employee Payroll	\$ 23,952,663	\$ 25,643,933	\$ 26,485,698	\$ 26,517,762	\$ 26,619,490	\$ 27,427,237
Net OPEB Liability as a Percentage of Covered Employee Payroll	26.69%	34.12%	28.34%	29.55%	26.81%	24.55%

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%
2022	3.54%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%
For the 2023 plan year - from 7.36% to 8.37%

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

COCKE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, 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	2.25%
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 Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.125%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

Exhibit F-1

Cocke County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds					Capital Projects Funds
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 2,131	\$ 2,131	\$ 0
Equity in Pooled Cash and Investments	427,663	39,469	46,310	0	513,442	1,687,002
Accounts Receivable	0	0	0	18,123	18,123	0
Due from Other Governments	10,630	0	0	0	10,630	19,717
Property Taxes Receivable	476,483	0	0	0	476,483	924,108
Allowance for Uncollectible Property Taxes	(20,274)	0	0	0	(20,274)	(36,027)
Prepaid Items	56,532	0	0	0	56,532	0
Total Assets	\$ 951,034	\$ 39,469	\$ 46,310	\$ 20,254	\$ 1,057,067	\$ 2,594,800
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 2,186	\$ 0	\$ 2,186	\$ 0
Payroll Deductions Payable	0	0	545	0	545	0
Contracts Payable	0	0	0	0	0	12,770
Due to Other Funds	0	0	0	20,254	20,254	0
Due to Component Units	0	0	0	0	0	493,718
Total Liabilities	\$ 0	\$ 0	\$ 2,731	\$ 20,254	\$ 22,985	\$ 506,488
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 438,361	\$ 0	\$ 0	\$ 0	\$ 438,361	\$ 859,711
Deferred Delinquent Property Taxes	15,888	0	0	0	15,888	25,254
Total Deferred Inflows of Resources	\$ 454,249	\$ 0	\$ 0	\$ 0	\$ 454,249	\$ 884,965
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 56,532	\$ 0	\$ 0	\$ 0	\$ 56,532	\$ 0
Restricted:						
Restricted for Public Safety	0	39,469	0	0	39,469	0
Restricted for Capital Projects	0	0	0	0	0	1,203,347
Committed:						
Committed for Social, Cultural, and Recreational Services	0	0	43,579	0	43,579	0
Committed for Other Operations	440,253	0	0	0	440,253	0
Total Fund Balances	\$ 496,785	\$ 39,469	\$ 43,579	\$ 0	\$ 579,833	\$ 1,203,347
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 951,034	\$ 39,469	\$ 46,310	\$ 20,254	\$ 1,057,067	\$ 2,594,800

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,131
Equity in Pooled Cash and Investments	124,947	71,473	1,039,455	2,922,877	3,436,319
Accounts Receivable	0	0	0	0	18,123
Due from Other Governments	0	0	0	19,717	30,347
Property Taxes Receivable	0	0	0	924,108	1,400,591
Allowance for Uncollectible Property Taxes	0	0	0	(36,027)	(56,301)
Prepaid Items	0	0	0	0	56,532
Total Assets	\$ 124,947	\$ 71,473	\$ 1,039,455	\$ 3,830,675	\$ 4,887,742
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,186
Payroll Deductions Payable	0	0	0	0	545
Contracts Payable	0	0	0	12,770	12,770
Due to Other Funds	0	0	0	0	20,254
Due to Component Units	0	0	0	493,718	493,718
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 506,488	\$ 529,473
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 859,711	\$ 1,298,072
Deferred Delinquent Property Taxes	0	0	0	25,254	41,142
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 884,965	\$ 1,339,214
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,532
Restricted:					
Restricted for Public Safety	0	0	0	0	39,469
Restricted for Capital Projects	124,947	71,473	1,039,455	2,439,222	2,439,222
Committed:					
Committed for Social, Cultural, and Recreational Services	0	0	0	0	43,579
Committed for Other Operations	0	0	0	0	440,253
Total Fund Balances	\$ 124,947	\$ 71,473	\$ 1,039,455	\$ 2,439,222	\$ 3,019,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 124,947	\$ 71,473	\$ 1,039,455	\$ 3,830,675	\$ 4,887,742

Exhibit F-2

Cocke County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					Capital Projects Funds
	Industrial / Economic Development	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 533,122	\$ 0	\$ 0	\$ 0	\$ 533,122	\$ 727,519
Fines, Forfeitures, and Penalties	0	28,632	0	0	28,632	0
Charges for Current Services	0	0	50,641	308,133	358,774	0
Other Local Revenues	0	0	905	0	905	8,147
State of Tennessee	22,144	0	0	0	22,144	35,198
Federal Government	0	0	0	0	0	319,347
Other Governments and Citizens Groups	0	0	2,430	0	2,430	0
Total Revenues	\$ 555,266	\$ 28,632	\$ 53,976	\$ 308,133	\$ 946,007	\$ 1,090,211
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 324,310	\$ 324,310	\$ 0
Administration of Justice	0	0	0	12,448	12,448	0
Public Safety	0	66,357	0	0	66,357	0
Social, Cultural, and Recreational Services	0	0	379,132	0	379,132	0
Other Operations	406,258	0	0	0	406,258	14,721
Debt Service:						
Principal on Debt	53,056	0	0	0	53,056	81,514
Interest on Debt	50,820	0	0	0	50,820	3,454
Capital Projects	15,038	0	0	0	15,038	1,083,368
Total Expenditures	\$ 525,172	\$ 66,357	\$ 379,132	\$ 336,758	\$ 1,307,419	\$ 1,183,057
Excess (Deficiency) of Revenues Over Expenditures	\$ 30,094	\$ (37,725)	\$ (325,156)	\$ (28,625)	\$ (361,412)	\$ (92,846)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 9,990	\$ 0	\$ 9,990	\$ 0
Transfers In	0	0	245,000	0	245,000	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 254,990	\$ 0	\$ 254,990	\$ 0
Net Change in Fund Balances	\$ 30,094	\$ (37,725)	\$ (70,166)	\$ (28,625)	\$ (106,422)	\$ (92,846)
Fund Balance, July 1, 2022	466,691	77,194	113,745	28,625	686,255	1,296,193
Fund Balance, June 30, 2023	\$ 496,785	\$ 39,469	\$ 43,579	\$ 0	\$ 579,833	\$ 1,203,347

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 727,519	\$ 1,260,641
Fines, Forfeitures, and Penalties	0	0	0	0	28,632
Charges for Current Services	0	0	0	0	358,774
Other Local Revenues	0	0	0	8,147	9,052
State of Tennessee	0	0	0	35,198	57,342
Federal Government	0	0	0	319,347	319,347
Other Governments and Citizens Groups	0	0	0	0	2,430
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 1,090,211	\$ 2,036,218
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 324,310
Administration of Justice	0	0	0	0	12,448
Public Safety	0	0	0	0	66,357
Social, Cultural, and Recreational Services	0	0	1,360	1,360	380,492
Other Operations	0	0	0	14,721	420,979
Debt Service:					
Principal on Debt	0	0	0	81,514	134,570
Interest on Debt	0	0	0	3,454	54,274
Capital Projects	0	3,970	0	1,087,338	1,102,376
Total Expenditures	\$ 0	\$ 3,970	\$ 1,360	\$ 1,188,387	\$ 2,495,806
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (3,970)	\$ (1,360)	\$ (98,176)	\$ (459,588)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,990
Transfers In	0	0	0	0	245,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 254,990
Net Change in Fund Balances	\$ 0	\$ (3,970)	\$ (1,360)	\$ (98,176)	\$ (204,598)
Fund Balance, July 1, 2022	124,947	75,443	1,040,815	2,537,398	3,223,653
Fund Balance, June 30, 2023	\$ 124,947	\$ 71,473	\$ 1,039,455	\$ 2,439,222	\$ 3,019,055

Exhibit F-3

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 533,122	\$ 424,439	\$ 424,439	\$ 108,683
State of Tennessee	22,144	13,761	13,761	8,383
Total Revenues	<u>\$ 555,266</u>	<u>\$ 438,200</u>	<u>\$ 438,200</u>	<u>\$ 117,066</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 367,758	\$ 0	\$ 367,758	\$ 0
Contributions to Other Agencies	38,500	0	0	(38,500)
<u>Principal on Debt</u>				
General Government	53,056	105,000	104,363	51,307
<u>Interest on Debt</u>				
General Government	50,820	50,000	50,637	(183)
<u>Capital Projects</u>				
Public Utility Projects	10,038	10,000	10,000	(38)
Other General Government Projects	5,000	0	0	(5,000)
Total Expenditures	<u>\$ 525,172</u>	<u>\$ 165,000</u>	<u>\$ 532,758</u>	<u>\$ 7,586</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 30,094</u>	<u>\$ 273,200</u>	<u>\$ (94,558)</u>	<u>\$ 124,652</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (367,758)	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (367,758)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 30,094	\$ (94,558)	\$ (94,558)	\$ 124,652
Fund Balance, July 1, 2022	466,691	455,971	455,971	10,720
Fund Balance, June 30, 2023	<u>\$ 496,785</u>	<u>\$ 361,413</u>	<u>\$ 361,413</u>	<u>\$ 135,372</u>

Exhibit F-4

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 28,632	\$ 0	\$ 0	\$ 28,632	\$ 4,800	\$ 24,633	\$ 3,999
Total Revenues	\$ 28,632	\$ 0	\$ 0	\$ 28,632	\$ 4,800	\$ 24,633	\$ 3,999
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 53,857	\$ (1,950)	\$ 90	\$ 51,997	\$ 13,500	\$ 53,981	\$ 1,984
Drug Enforcement	12,500	(168)	1,301	13,633	15,200	15,050	1,417
Total Expenditures	\$ 66,357	\$ (2,118)	\$ 1,391	\$ 65,630	\$ 28,700	\$ 69,031	\$ 3,401
Excess (Deficiency) of Revenues Over Expenditures	\$ (37,725)	\$ 2,118	\$ (1,391)	\$ (36,998)	\$ (23,900)	\$ (44,398)	\$ 7,400
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,498	\$ (20,498)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,498	\$ (20,498)
Net Change in Fund Balance	\$ (37,725)	\$ 2,118	\$ (1,391)	\$ (36,998)	\$ (23,900)	\$ (23,900)	\$ (13,098)
Fund Balance, July 1, 2022	77,194	(2,118)	0	75,076	73,973	73,973	1,103
Fund Balance, June 30, 2023	\$ 39,469	\$ 0	\$ (1,391)	\$ 38,078	\$ 50,073	\$ 50,073	\$ (11,995)

Exhibit F-5

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 50,641	\$ 0	\$ 0	\$ 50,641	\$ 35,000	\$ 35,000	\$ 15,641
Other Local Revenues	905	0	0	905	0	0	905
Other Governments and Citizens Groups	2,430	0	0	2,430	0	0	2,430
Total Revenues	\$ 53,976	\$ 0	\$ 0	\$ 53,976	\$ 35,000	\$ 35,000	\$ 18,976
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Other Social, Cultural, and Recreational	\$ 379,132	\$ (38,398)	\$ 2,859	\$ 343,593	\$ 377,433	\$ 387,333	\$ 43,740
Total Expenditures	\$ 379,132	\$ (38,398)	\$ 2,859	\$ 343,593	\$ 377,433	\$ 387,333	\$ 43,740
Excess (Deficiency) of Revenues Over Expenditures	\$ (325,156)	\$ 38,398	\$ (2,859)	\$ (289,617)	\$ (342,433)	\$ (352,333)	\$ 62,716
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 9,990	\$ 0	\$ 0	\$ 9,990	\$ 0	\$ 9,900	\$ 90
Transfers In	245,000	0	0	245,000	245,000	245,000	0
Total Other Financing Sources	\$ 254,990	\$ 0	\$ 0	\$ 254,990	\$ 245,000	\$ 254,900	\$ 90
Net Change in Fund Balance	\$ (70,166)	\$ 38,398	\$ (2,859)	\$ (34,627)	\$ (97,433)	\$ (97,433)	\$ 62,806
Fund Balance, July 1, 2022	113,745	(38,398)	0	75,347	157,700	157,700	(82,353)
Fund Balance, June 30, 2023	\$ 43,579	\$ 0	\$ (2,859)	\$ 40,720	\$ 60,267	\$ 60,267	\$ (19,547)

Exhibit F-6

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 727,519	\$ 0	\$ 0	\$ 727,519	\$ 686,964	\$ 686,964	\$ 40,555
Other Local Revenues	8,147	0	0	8,147	0	0	8,147
State of Tennessee	35,198	0	0	35,198	30,000	55,000	(19,802)
Federal Government	319,347	0	0	319,347	0	0	319,347
Total Revenues	\$ 1,090,211	\$ 0	\$ 0	\$ 1,090,211	\$ 716,964	\$ 741,964	\$ 348,247
<u>Expenditures</u>							
<u>Other Operations</u>							
Other Charges	\$ 14,721	\$ 0	\$ 0	\$ 14,721	\$ 20,000	\$ 20,000	\$ 5,279
<u>Principal on Debt</u>							
General Government	81,514	0	0	81,514	0	81,514	0
<u>Interest on Debt</u>							
General Government	3,454	0	0	3,454	0	3,454	0
<u>Capital Projects</u>							
General Administration Projects	0	0	0	0	25,000	25,000	25,000
Public Safety Projects	268,872	0	575	269,447	55,000	280,000	10,553
Public Health and Welfare Projects	265,678	(213,239)	21,490	73,929	644,480	644,480	570,551
Social, Cultural, and Recreation Projects	0	0	0	0	55,000	55,000	55,000
Highway and Street Capital Projects	0	0	0	0	30,000	30,000	30,000
Education Capital Projects	548,818	0	0	548,818	550,000	550,000	1,182
Total Expenditures	\$ 1,183,057	\$ (213,239)	\$ 22,065	\$ 991,883	\$ 1,379,480	\$ 1,689,448	\$ 697,565
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (92,846)	\$ 213,239	\$ (22,065)	\$ 98,328	\$ (662,516)	\$ (947,484)	\$ 1,045,812
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2022	\$ 1,296,193	(213,239)	0	1,082,954	1,088,480	1,088,480	(5,526)
Fund Balance, June 30, 2023	\$ 1,203,347	\$ 0	\$ (22,065)	\$ 1,181,282	\$ 425,964	\$ 140,996	\$ 1,040,286

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,748,750	\$ 1,981,593	\$ 1,981,593	\$ 767,157
Other Local Revenues	131,774	50,000	50,000	81,774
State of Tennessee	9,882	10,000	10,000	(118)
Other Governments and Citizens Groups	162,987	150,000	150,000	12,987
Total Revenues	<u>\$ 3,053,393</u>	<u>\$ 2,191,593</u>	<u>\$ 2,191,593</u>	<u>\$ 861,800</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 590,700	\$ 405,887	\$ 590,700	\$ 0
Highways and Streets	704,030	827,086	704,030	0
Education	823,141	884,899	823,270	129
<u>Interest on Debt</u>				
General Government	75,695	75,700	75,700	5
Highways and Streets	132,273	132,263	132,263	(10)
Education	359,803	359,809	359,809	6
<u>Other Debt Service</u>				
General Government	34,905	35,000	34,872	(33)
Education	4,460	4,500	4,500	40
Total Expenditures	<u>\$ 2,725,007</u>	<u>\$ 2,725,144</u>	<u>\$ 2,725,144</u>	<u>\$ 137</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 328,386</u>	<u>\$ (533,551)</u>	<u>\$ (533,551)</u>	<u>\$ 861,937</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 264,393	\$ 470,045	\$ 470,045	\$ (205,652)
Total Other Financing Sources	<u>\$ 264,393</u>	<u>\$ 470,045</u>	<u>\$ 470,045</u>	<u>\$ (205,652)</u>
Net Change in Fund Balance	\$ 592,779	\$ (63,506)	\$ (63,506)	\$ 656,285
Fund Balance, July 1, 2022	<u>7,334,944</u>	<u>7,606,444</u>	<u>7,606,444</u>	<u>(271,500)</u>
Fund Balance, June 30, 2023	<u>\$ 7,927,723</u>	<u>\$ 7,542,938</u>	<u>\$ 7,542,938</u>	<u>\$ 384,785</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 - Newport Fund – The City School ADA - Newport Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned to the system on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk, circuit court clerk, general sessions court clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, litigants, heirs, and others.

Exhibit H-1

Cocke County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	<u>Custodial Funds</u>			
	<u>Cities -</u>	<u>City</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>School</u>	<u>tional</u>	
	<u>Tax</u>	<u>ADA -</u>	<u>Officers -</u>	<u>Total</u>
		<u>Newport</u>	<u>Custodial</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 3,003,849	\$ 3,003,849
Due from Other Governments	1,001,356	199,575	0	1,200,931
Property Taxes Receivable	0	401,354	0	401,354
Allowance for Uncollectible Property Taxes	0	(18,599)	0	(18,599)
Total Assets	<u>\$ 1,001,356</u>	<u>\$ 582,330</u>	<u>\$ 3,003,849</u>	<u>\$ 4,587,535</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 1,001,356	\$ 217,495	\$ 0	\$ 1,218,851
Total Liabilities	<u>\$ 1,001,356</u>	<u>\$ 217,495</u>	<u>\$ 0</u>	<u>\$ 1,218,851</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 364,835	\$ 0	\$ 364,835
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 364,835</u>	<u>\$ 0</u>	<u>\$ 364,835</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 3,003,849	\$ 3,003,849
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,003,849</u>	<u>\$ 3,003,849</u>

Exhibit H-2

Cocke County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>			
	Cities - Sales Tax	City School ADA - Newport	Constitu- tional Officers - Custodial	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 5,558,197	\$ 0	\$ 0	\$ 5,558,197
ADA - Educational Funds Collected for Cities	0	1,510,743	0	1,510,743
Fines/Fees and Other Collections	0	0	5,284,868	5,284,868
Total Additions	\$ 5,558,197	\$ 1,510,743	\$ 5,284,868	\$ 12,353,808
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 5,558,197	\$ 0	\$ 0	\$ 5,558,197
Payments to City School Systems	0	1,510,743	0	1,510,743
Payments to State	0	0	3,738,979	3,738,979
Payments to Individuals and Others	0	0	2,381,613	2,381,613
Total Deductions	\$ 5,558,197	\$ 1,510,743	\$ 6,120,592	\$ 13,189,532
Change in Net Position	\$ 0	\$ 0	\$ (835,724)	\$ (835,724)
Net Position July 1, 2022	0	0	3,839,573	3,839,573
Net Position June 30, 2023	\$ 0	\$ 0	\$ 3,003,849	\$ 3,003,849

Cocke County School Department

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

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

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

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

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

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.

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

Exhibit I-1

Cocke County, Tennessee
Statement of Activities
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 27,459,829	\$ 0	\$ 4,270,167	\$ 3,743,083	\$ (19,446,579)
Support Services	16,852,442	118,411	4,345,856	548,818	(11,839,357)
Operation of Non-instructional Services	7,641,080	356,986	6,022,347	0	(1,261,747)
Total Governmental Activities	\$ 51,953,351	\$ 475,397	\$ 14,638,370	\$ 4,291,901	\$ (32,547,683)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,979,975
Property Taxes Levied for School Transportation					1,338,204
Local Option Sales Taxes					6,230,877
Other Local Taxes					35,528
Grants and Contributions Not Restricted to Specific Programs					29,453,700
Unrestricted Investment Income					9
Lease Interest					2,372
Miscellaneous					216,244
Gain on Disposal of Assets					3,085
Total General Revenues					\$ 40,259,994
Change in Net Position					\$ 7,712,311
Net Position, July 1, 2022					43,138,197
Net Position, June 30, 2023					\$ 50,850,508

Exhibit I-2

Cocke County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Cocke County School Department
June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	School Transportation	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 1,422,233	\$ 0	\$ 0	\$ 1,180,289	\$ 2,602,522
Equity in Pooled Cash and Investments	12,252,757	1,363,750	1,029,466	2,319,271	16,965,244
Accounts Receivable	351,357	0	47,961	28,670	427,988
Due from Other Governments	2,522,441	661,116	0	372,383	3,555,940
Due from Primary Government	0	0	493,718	0	493,718
Property Taxes Receivable	2,736,809	0	1,447,554	0	4,184,363
Allowance for Uncollectible Property Taxes	(126,825)	0	(48,743)	0	(175,568)
Leases Receivable - Current	51,568	0	0	0	51,568
Restricted Assets	461,822	0	0	0	461,822
Leases Receivable - Long-term	280,887	0	0	0	280,887
	<hr/>				
Total Assets	\$ 19,953,049	\$ 2,024,866	\$ 2,969,956	\$ 3,900,613	\$ 28,848,484
<u>LIABILITIES</u>					
Accounts Payable	\$ 22,385	\$ 0	\$ 400	\$ 65,013	\$ 87,798
Accrued Payroll	3,600	0	6,073	0	9,673
Payroll Deductions Payable	518	0	0	0	518
Retainage Payable	0	24,271	0	0	24,271
Other Current Liabilities	1,422,233	0	0	0	1,422,233
Total Liabilities	\$ 1,448,736	\$ 24,271	\$ 6,473	\$ 65,013	\$ 1,544,493

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	School Transportation	Other Governmental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,487,785	\$ 0	\$ 1,350,260	\$ 0	\$ 3,838,045
Deferred Delinquent Property Taxes	108,776	0	46,092	0	154,868
Deferred Leases Receivable	332,455	0	0	0	332,455
Other Deferred/Unavailable Revenue	689,640	24,271	0	0	713,911
Total Deferred Inflows of Resources	<u>\$ 3,618,656</u>	<u>\$ 24,271</u>	<u>\$ 1,396,352</u>	<u>\$ 0</u>	<u>\$ 5,039,279</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 113,968	\$ 0	\$ 1,192,278	\$ 3,835,600	\$ 5,141,846
Restricted for Hybrid Retirement Stabilization Funds	461,822	0	0	0	461,822
Committed:					
Committed for Education	0	2,000,000	374,853	0	2,374,853
Assigned:					
Assigned for Education	4,654,832	0	0	0	4,654,832
Unassigned	9,655,035	(23,676)	0	0	9,631,359
Total Fund Balances	<u>\$ 14,885,657</u>	<u>\$ 1,976,324</u>	<u>\$ 1,567,131</u>	<u>\$ 3,835,600</u>	<u>\$ 22,264,712</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,953,049</u>	<u>\$ 2,024,866</u>	<u>\$ 2,969,956</u>	<u>\$ 3,900,613</u>	<u>\$ 28,848,484</u>

Exhibit I-3

Cocke County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Cocke County School Department
June 30, 2023

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)		\$ 22,264,712
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,298,032	
Add: construction in progress	1,426,001	
Add: buildings and improvements net of accumulated depreciation	14,111,587	
Add: infrastructure net of accumulated depreciation	68,848	
Add: other capital assets net of accumulated depreciation	<u>4,789,427</u>	21,693,895
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: termination benefits payable	\$ (180,852)	
Less: OPEB liability	<u>(6,734,102)</u>	(6,914,954)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 7,863,350	
Less: deferred inflows of resources related to pensions	(1,080,486)	
Add: deferred outflows of resources related to OPEB	1,875,351	
Less: deferred inflows of resources related to OPEB	<u>(2,489,270)</u>	6,168,945
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,298,588	
Add: net pension asset - teacher retirement plan	97,679	
Add: net pension asset - teacher legacy pension plan	<u>5,372,864</u>	6,769,131
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>868,779</u>
Net position of governmental activities (Exhibit A)		<u>\$ 50,850,508</u>

Exhibit I-4

Cocke County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 9,212,793	\$ 0	\$ 1,437,975	\$ 0	\$ 10,650,768
Licenses and Permits	1,012	0	0	0	1,012
Charges for Current Services	30,234	0	88,177	164,054	282,465
Other Local Revenues	2,944,454	0	84,061	1,733,892	4,762,407
State of Tennessee	28,183,299	0	668,799	0	28,852,098
Federal Government	748,395	10,849,892	0	3,874,735	15,473,022
Other Governments and Citizens Groups	0	0	548,818	0	548,818
Total Revenues	<u>\$ 41,120,187</u>	<u>\$ 10,849,892</u>	<u>\$ 2,827,830</u>	<u>\$ 5,772,681</u>	<u>\$ 60,570,590</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 22,258,895	\$ 4,464,345	\$ 0	\$ 0	\$ 26,723,240
Support Services	12,072,433	2,397,863	3,100,804	0	17,571,100
Operation of Non-Instructional Services	2,166,036	0	0	5,766,372	7,932,408
Capital Outlay	2,111,726	3,974,745	0	0	6,086,471
Debt Service:					
Other Debt Service	162,987	0	0	0	162,987
Total Expenditures	<u>\$ 38,772,077</u>	<u>\$ 10,836,953</u>	<u>\$ 3,100,804</u>	<u>\$ 5,766,372</u>	<u>\$ 58,476,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,348,110</u>	<u>\$ 12,939</u>	<u>\$ (272,974)</u>	<u>\$ 6,309</u>	<u>\$ 2,094,384</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 114,016	\$ 0	\$ 0	\$ 0	\$ 114,016
Transfers In	36,615	0	0	0	36,615
Transfers Out	0	(36,615)	0	0	(36,615)
Total Other Financing Sources (Uses)	<u>\$ 150,631</u>	<u>\$ (36,615)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 114,016</u>
Net Change in Fund Balances	\$ 2,498,741	\$ (23,676)	\$ (272,974)	\$ 6,309	\$ 2,208,400
Fund Balance, July 1, 2022	12,386,916	2,000,000	1,840,105	3,829,291	20,056,312
Fund Balance, June 30, 2023	<u>\$ 14,885,657</u>	<u>\$ 1,976,324</u>	<u>\$ 1,567,131</u>	<u>\$ 3,835,600</u>	<u>\$ 22,264,712</u>

Exhibit I-5

Coke County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Coke County School Department
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,208,400
(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	\$ 7,333,527	
Less: current-year depreciation expense	<u>(1,664,370)</u>	5,669,157
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(1,205,215)
(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, 2023	\$ 868,779	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(654,319)</u>	214,460
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in termination benefits	\$ (17,224)	
Change in OPEB liability	403,715	
Change in net pension assets/liability	(17,521,312)	
Change in deferred outflows related to pensions	(1,053,928)	
Change in deferred inflows related to pensions	19,537,332	
Change in deferred outflows related to OPEB	(218,731)	
Change in deferred inflows related to OPEB	<u>(304,343)</u>	<u>825,509</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 7,712,311</u>

Exhibit I-6

Cocke County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cocke County School Department
June 30, 2023

	Special Revenue Funds		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,180,289	\$ 1,180,289
Equity in Pooled Cash and Investments	2,319,271	0	2,319,271
Accounts Receivable	28,670	0	28,670
Due from Other Governments	372,383	0	372,383
Total Assets	\$ 2,720,324	\$ 1,180,289	\$ 3,900,613
<u>LIABILITIES</u>			
Accounts Payable	\$ 65,013	\$ 0	\$ 65,013
Total Liabilities	\$ 65,013	\$ 0	\$ 65,013
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 2,655,311	\$ 1,180,289	\$ 3,835,600
Total Fund Balances	\$ 2,655,311	\$ 1,180,289	\$ 3,835,600
Total Liabilities and Fund Balances	\$ 2,720,324	\$ 1,180,289	\$ 3,900,613

Exhibit I-7

Coke County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coke County School Department
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 164,054	\$ 0	\$ 164,054
Other Local Revenues	58,993	1,674,899	1,733,892
Federal Government	3,874,735	0	3,874,735
Total Revenues	<u>\$ 4,097,782</u>	<u>\$ 1,674,899</u>	<u>\$ 5,772,681</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 4,168,387	\$ 1,597,985	\$ 5,766,372
Total Expenditures	<u>\$ 4,168,387</u>	<u>\$ 1,597,985</u>	<u>\$ 5,766,372</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (70,605)</u>	<u>\$ 76,914</u>	<u>\$ 6,309</u>
Net Change in Fund Balances	\$ (70,605)	\$ 76,914	\$ 6,309
Fund Balance, July 1, 2022	<u>2,725,916</u>	<u>1,103,375</u>	<u>3,829,291</u>
Fund Balance, June 30, 2023	<u>\$ 2,655,311</u>	<u>\$ 1,180,289</u>	<u>\$ 3,835,600</u>

Exhibit I-8

Coke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coke County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,212,793	\$ 0	\$ 0	\$ 9,212,793	\$ 6,859,005	\$ 6,859,005	\$ 2,353,788
Licenses and Permits	1,012	0	0	1,012	1,000	1,000	12
Charges for Current Services	30,234	0	0	30,234	35,000	35,000	(4,766)
Other Local Revenues	2,944,454	0	0	2,944,454	44,775	2,015,853	928,601
State of Tennessee	28,183,299	0	0	28,183,299	27,478,576	33,515,341	(5,332,042)
Federal Government	748,395	0	0	748,395	577,875	866,133	(117,738)
Total Revenues	\$ 41,120,187	\$ 0	\$ 0	\$ 41,120,187	\$ 34,996,231	\$ 43,292,332	\$ (2,172,145)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 18,036,931	\$ (14,800)	\$ 14,800	\$ 18,036,931	\$ 19,982,553	\$ 20,850,843	\$ 2,813,912
Alternative Instruction Program	322,848	0	0	322,848	371,722	371,822	48,974
Special Education Program	2,090,123	0	0	2,090,123	2,530,714	2,516,664	426,541
Career and Technical Education Program	1,808,993	(56,099)	113,346	1,866,240	1,866,632	6,383,862	4,517,622
Student Body Education Program	0	0	0	0	900	900	900
<u>Support Services</u>							
Attendance	263,455	0	0	263,455	300,254	300,354	36,899
Health Services	155,280	0	4,076	159,356	177,260	211,943	52,587
Other Student Support	1,377,612	0	0	1,377,612	1,711,825	1,762,125	384,513
Regular Instruction Program	1,137,257	0	895	1,138,152	1,232,677	1,295,828	157,676
Special Education Program	682,792	0	0	682,792	834,300	849,050	166,258
Career and Technical Education Program	118,690	0	0	118,690	200,946	200,946	82,256
Technology	450,797	0	14,497	465,294	480,417	480,517	15,223
Other Programs	132,998	0	0	132,998	0	132,998	0
Board of Education	457,279	0	5,983	463,262	616,159	588,394	125,132
Director of Schools	418,678	0	1,732	420,410	470,588	470,688	50,278
Office of the Principal	2,553,041	0	5,387	2,558,428	2,699,811	2,705,411	146,983
Fiscal Services	395,971	0	0	395,971	436,351	446,451	50,480
Operation of Plant	3,051,909	(44)	30,939	3,082,804	3,343,858	3,534,699	451,895

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 688,827	\$ 0	\$ 0	\$ 688,827	\$ 680,600	\$ 705,125	\$ 16,298
Transportation	187,847	(41,884)	329,313	475,276	4,287	520,037	44,761
<u>Operation of Non-Instructional Services</u>							
Food Service	91,808	0	0	91,808	92,272	92,387	579
Community Services	1,781,303	(10,000)	0	1,771,303	528,885	2,070,766	299,463
Early Childhood Education	292,925	0	0	292,925	304,252	304,252	11,327
<u>Capital Outlay</u>							
Regular Capital Outlay	2,111,726	(3,300)	201,653	2,310,079	600,000	3,298,634	988,555
<u>Principal on Debt</u>							
Education	0	0	0	0	188,000	0	0
<u>Other Debt Service</u>							
Education	162,987	0	0	162,987	0	188,000	25,013
Total Expenditures	\$ 38,772,077	\$ (126,127)	\$ 722,621	\$ 39,368,571	\$ 39,655,263	\$ 50,282,696	\$ 10,914,125
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 2,348,110	\$ 126,127	\$ (722,621)	\$ 1,751,616	\$ (4,659,032)	\$ (6,990,364)	\$ 8,741,980
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 114,016	\$ 0	\$ 0	\$ 114,016	\$ 20,000	\$ 140,600	\$ (26,584)
Transfers In	36,615	0	0	36,615	100,000	215,731	(179,116)
Transfers Out	0	0	0	0	(115,800)	(115,800)	115,800
Total Other Financing Sources	\$ 150,631	\$ 0	\$ 0	\$ 150,631	\$ 4,200	\$ 240,531	\$ (89,900)
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ 2,498,741	\$ 126,127	\$ (722,621)	\$ 1,902,247	\$ (4,654,832)	\$ (6,749,833)	\$ 8,652,080
	12,386,916	(126,127)	0	12,260,789	11,159,669	11,159,669	1,101,120
Fund Balance, June 30, 2023							
	\$ 14,885,657	\$ 0	\$ (722,621)	\$ 14,163,036	\$ 6,504,837	\$ 4,409,836	\$ 9,753,200

Exhibit I-9

Coke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coke County School Department
School Federal Projects Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 10,849,892	\$ 0	\$ 0	\$ 10,849,892	\$ 3,881,015	\$ 24,535,329	\$ (13,685,437)
Total Revenues	\$ 10,849,892	\$ 0	\$ 0	\$ 10,849,892	\$ 3,881,015	\$ 24,535,329	\$ (13,685,437)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,169,823	\$ (25,822)	\$ 0	\$ 3,144,001	\$ 1,751,859	\$ 5,168,817	\$ 2,024,816
Special Education Program	1,096,936	0	0	1,096,936	831,265	1,425,494	328,558
Career and Technical Education Program	197,586	0	0	197,586	115,401	231,035	33,449
<u>Support Services</u>							
Health Services	612,549	0	0	612,549	0	778,706	166,157
Other Student Support	407,043	0	0	407,043	174,812	817,465	410,422
Regular Instruction Program	865,583	(40,000)	0	825,583	592,104	1,317,122	491,539
Special Education Program	164,223	0	0	164,223	128,565	219,848	55,625
Career and Technical Education Program	4,099	0	0	4,099	5,000	4,099	0
Technology	7,169	0	0	7,169	0	7,169	0
Fiscal Services	23,628	0	43,606	67,234	0	67,234	0
Transportation	313,569	(5,000)	0	308,569	244,950	401,992	93,423
<u>Capital Outlay</u>							
Regular Capital Outlay	3,974,745	(158,010)	1,095,998	4,912,733	0	14,031,249	9,118,516
Total Expenditures	\$ 10,836,953	\$ (228,832)	\$ 1,139,604	\$ 11,747,725	\$ 3,843,956	\$ 24,470,230	\$ 12,722,505
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,939	\$ 228,832	\$ (1,139,604)	\$ (897,833)	\$ 37,059	\$ 65,099	\$ (962,932)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (36,615)	\$ 0	\$ 0	\$ (36,615)	\$ (37,059)	\$ (65,099)	\$ 28,484
Total Other Financing Sources	\$ (36,615)	\$ 0	\$ 0	\$ (36,615)	\$ (37,059)	\$ (65,099)	\$ 28,484
Net Change in Fund Balance	\$ (23,676)	\$ 228,832	\$ (1,139,604)	\$ (934,448)	\$ 0	\$ 0	\$ (934,448)
Fund Balance, July 1, 2022	2,000,000	(228,832)	0	1,771,168	0	0	1,771,168
Fund Balance, June 30, 2023	\$ 1,976,324	\$ 0	\$ (1,139,604)	\$ 836,720	\$ 0	\$ 0	\$ 836,720

Exhibit I-10

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cocke County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 164,054	\$ 0	\$ 164,054	\$ 188,680	\$ 188,680	\$ (24,626)
Other Local Revenues	58,993	0	58,993	20,100	20,100	38,893
Federal Government	3,874,735	0	3,874,735	3,527,172	3,745,252	129,483
Total Revenues	\$ 4,097,782	\$ 0	\$ 4,097,782	\$ 3,735,952	\$ 3,954,032	\$ 143,750
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 4,168,387	\$ (52,850)	\$ 4,115,537	\$ 3,735,952	\$ 4,326,032	\$ 210,495
Total Expenditures	\$ 4,168,387	\$ (52,850)	\$ 4,115,537	\$ 3,735,952	\$ 4,326,032	\$ 210,495
Excess (Deficiency) of Revenues Over Expenditures	\$ (70,605)	\$ 52,850	\$ (17,755)	\$ 0	\$ (372,000)	\$ 354,245
Net Change in Fund Balance	\$ (70,605)	\$ 52,850	\$ (17,755)	\$ 0	\$ (372,000)	\$ 354,245
Fund Balance, July 1, 2022	2,725,916	(52,850)	2,673,066	2,154,197	2,154,197	518,869
Fund Balance, June 30, 2023	\$ 2,655,311	\$ 0	\$ 2,655,311	\$ 2,154,197	\$ 1,782,197	\$ 873,114

Exhibit I-11

Cocke County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cocke County School Department
School Transportation Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,437,975	\$ 0	\$ 0	\$ 1,437,975	\$ 1,440,277	\$ 1,440,277	\$ (2,302)
Charges for Current Services	88,177	0	0	88,177	50,000	50,000	38,177
Other Local Revenues	84,061	0	0	84,061	44,100	44,100	39,961
State of Tennessee	668,799	0	0	668,799	660,385	660,385	8,414
Other Governments and Citizens Groups	548,818	0	0	548,818	620,000	620,000	(71,182)
Total Revenues	\$ 2,827,830	\$ 0	\$ 0	\$ 2,827,830	\$ 2,814,762	\$ 2,814,762	\$ 13,068
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 28,611	\$ 0	\$ 0	\$ 28,611	\$ 34,000	\$ 34,000	\$ 5,389
Transportation	3,072,193	(566,285)	561,766	3,067,674	3,500,055	3,500,055	432,381
Total Expenditures	\$ 3,100,804	\$ (566,285)	\$ 561,766	\$ 3,096,285	\$ 3,534,055	\$ 3,534,055	\$ 437,770
Excess (Deficiency) of Revenues Over Expenditures	\$ (272,974)	\$ 566,285	\$ (561,766)	\$ (268,455)	\$ (719,293)	\$ (719,293)	\$ 450,838
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Net Change in Fund Balance	\$ (272,974)	\$ 566,285	\$ (561,766)	\$ (268,455)	\$ (699,293)	\$ (699,293)	\$ 430,838
Fund Balance, July 1, 2022	1,840,105	(566,285)	0	1,273,820	1,198,855	1,198,855	74,965
Fund Balance, June 30, 2023	\$ 1,567,131	\$ 0	\$ (561,766)	\$ 1,005,365	\$ 499,562	\$ 499,562	\$ 505,803

Exhibit I-12

Cocke County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Cocke County School Department
Fiduciary Fund
June 30, 2023

	<u>Private - Purpose Trust Fund</u> <u>Endowment Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 392,604
Total Assets	<u>\$ 392,604</u>
<u>NET POSITION</u>	
Funds Held in Trust for Scholarships	<u>\$ 392,604</u>
Total Net Position	<u><u>\$ 392,604</u></u>

Exhibit I-13

Coke County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Coke County School Department
Fiduciary Fund
For the Year Ended June 30, 2023

	Private - Purpose Trust Fund <hr/> Endowment Fund <hr/>
<u>ADDITIONS</u>	
Investment Income	\$ 0
Total Additions	<hr/> \$ 0
<u>DEDUCTIONS</u>	
Education:	
Scholarships:	\$ 0
Total Deductions	<hr/> \$ 0
Change in Net Position	\$ 0
Net Position, July 1, 2022	<hr/> 392,604
Net Position, June 30, 2023	<hr/> <hr/> \$ 392,604

MISCELLANEOUS SCHEDULES

Exhibit J-1

Cocke County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
OTHER LOANS PAYABLE								
<u>Payable through Industrial/Economic Development Fund</u>								
City of Newport - River Crest Project (A)	\$ 1,024,000	4.13	%	2-14-06	5-1-45	\$ 778,514	\$ 12,957	\$ 765,557
City of Newport - River Crest Project (B)	300,000	4.38		2-14-06	5-1-45	227,755	5,314	222,441
City of Newport - Hwy 25E Projects	497,197	4.5		7-13-06	(1)	9,563	9,563	0
City of Newport - Hartford Project	478,417	2.15		2-14-08	12-31-27	193,286	25,222	168,064
Total Payable through Industrial/ Economic Development Fund						<u>\$ 1,209,118</u>	<u>\$ 53,056</u>	<u>\$ 1,156,062</u>
<u>Payable through General Debt Service Fund</u>								
Qualified School Construction Bonds	5,575,000	0	(2)	10-7-10	9-15-27	\$ 1,806,397	\$ 347,871	\$ 1,458,526
Total Payable through General Debt Service Fund						<u>\$ 1,806,397</u>	<u>\$ 347,871</u>	<u>\$ 1,458,526</u>
<u>Payable through General Fund</u>								
Fire Department Air Compressor	35,713	2.98		2-27-19	8-1-22	\$ 9,417	\$ 9,417	\$ 0
Total Payable through General Fund						<u>\$ 9,417</u>	<u>\$ 9,417</u>	<u>\$ 0</u>
<u>Payable through Highway/Public Works Fund</u>								
Excavator	329,039	3.35		5-27-20	6-15-25	\$ 203,683	\$ 65,649	\$ 138,034
Excavator - 2021	433,554	1.92		7-7-21	7-10-26	371,139	84,628	286,511
Total Payable through Highway/Public Works Fund						<u>\$ 574,822</u>	<u>\$ 150,277</u>	<u>\$ 424,545</u>
<u>Payable through General Capital Projects Fund</u>								
Sheriff's Department Vehicles	316,409	2.9		7-12-19	10-17-22	\$ 81,514	\$ 81,514	\$ 0
Total Payable through General Capital Projects Fund						<u>\$ 81,514</u>	<u>\$ 81,514</u>	<u>\$ 0</u>
Total Other Loans Payable						<u>\$ 3,681,268</u>	<u>\$ 642,135</u>	<u>\$ 3,039,133</u>

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2016	\$ 9,705,000	2 %	8-19-16	5-1-23	\$ 350,000	\$ 350,000	\$ 0
General Obligation Refunding Bonds, Series 2019	1,630,000	4 to 5	10-4-19	6-1-30	1,250,000	130,000	1,120,000
General Obligation Refunding Bonds, Series 2020	3,660,000	1 to 3	9-30-20	6-1-30	1,980,000	285,000	1,695,000
General Obligation Refunding Bonds, Series 2021	7,025,000	2	5-14-21	5-1-28	7,025,000	850,000	6,175,000
General Obligation Bonds, Series 2021	2,490,000	1.05 to 2	5-14-21	5-1-36	2,390,000	155,000	2,235,000
Total Payable through General Debt Service Fund					<u>\$ 12,995,000</u>	<u>\$ 1,770,000</u>	<u>\$ 11,225,000</u>
Total Bonds Payable					<u>\$ 12,995,000</u>	<u>\$ 1,770,000</u>	<u>\$ 11,225,000</u>

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

Exhibit J-2

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

Year Ending June 30	Other Loans - City of Newport		
	Principal	Interest	Total
2024	\$ 54,911	\$ 44,529	\$ 99,440
2025	56,688	42,763	99,451
2026	58,517	40,936	99,453
2027	60,422	39,043	99,465
2028	62,382	37,083	99,465
2029	66,504	35,052	101,556
2030	36,791	32,905	69,696
2031	38,330	31,366	69,696
2032	39,933	29,763	69,696
2033	41,603	28,093	69,696
2034	43,343	26,353	69,696
2035	45,156	24,540	69,696
2036	47,045	22,651	69,696
2037	49,015	20,681	69,696
2038	51,064	18,632	69,696
2039 - 2045	404,358	61,179	465,537
Total	\$ 1,156,062	\$ 535,569	\$ 1,691,631

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 502,012	\$ 8,755	\$ 510,767
2025	505,961	4,807	510,768
2026	437,506	1,514	439,020
2027	404,799	108	404,907
2028	32,793	0	32,793
Total	\$ 1,883,071	\$ 15,184	\$ 1,898,255

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2024	\$ 1,795,000	\$ 255,345	\$ 2,050,345
2025	1,810,000	212,395	2,022,395
2026	1,835,000	168,945	2,003,945
2027	1,845,000	124,845	1,969,845
2028	1,895,000	80,295	1,975,295
2029	480,000	38,995	518,995
2030	480,000	27,510	507,510
2031	175,000	17,048	192,048
2032	175,000	14,860	189,860
2033	180,000	12,322	192,322
2034	180,000	9,713	189,713
2035	185,000	6,562	191,562
2036	190,000	3,325	193,325
Total	\$ 11,225,000	\$ 972,160	\$ 12,197,160

Coke County, Tennessee
Schedule of Leases Receivable
Discretely Presented Coke County School Department
June 30, 2023

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate		Balance 7-1-22	Additions	Deductions	Balance 6-30-23
<u>DISCRETELY PRESENTED COCKE COUNTY SCHOOL DEPARTMENT</u>										
<u>General Purpose School Fund</u>										
Solar Sites	Distributed Solar Holdings LLC	\$ 200,044	1-29-13	7-29-33	0.8 %		\$ 184,097	\$ 0	\$ 16,075	\$ 168,022
Plaza Building Office Space Rental	Amedisys	190,898	10-1-22	1-1-28	0.8		0	190,898	26,465	164,433
Total Leases Receivable							<u>\$ 184,097</u>	<u>\$ 190,898</u>	<u>\$ 42,540</u>	<u>\$ 332,455</u>

Exhibit J-4

Cocke County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Cocke County School Department
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Sports and Recreation	Operations	\$ 245,000
"	General Debt Service	Tax credit bond rebate	<u>264,393</u>
Total Transfers Primary Government			<u>\$ 509,393</u>
<u>DISCRETELY PRESENTED COCKE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 36,615</u>
Total Transfers Discretely Presented Cocke County School Department			<u>\$ 36,615</u>

Cocke County, Tennessee
 Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Cocke County School Department
 For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
County Mayor - Crystal Ottinger (7/1/22-8/31/22)	Section 8-24-102, TCA	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation			
County Mayor - Rob Mathis (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Total County Mayor compensation			
Road Superintendent	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Director of Schools	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			
Perfect attendance			
Personal days paid			
Chief executive officer training supplement			
Total compensation			
Trustee - Rob Mathis (7/1/22-8/31/22)	Section 8-24-102, TCA	1,500,000	Auto Owners Insurance Company
Base salary/Total compensation			
Trustee - Mitch Fine (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Total Trustee compensation			
Assessor of Property - Angie Shelton (7/1/22-12/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Assessor of Property - Macie Reed (1/1/23-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Total Assessor of Property compensation			
County Clerk	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Circuit Court Clerk	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
General Sessions Court Clerk - Frankie Cody (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
General Sessions Court Clerk - Brenda Ramsey (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Total General Sessions Court Clerk compensation			
Clerk and Master	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
Special commissioner fees			
Total compensation			
Register of Deeds	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Sheriff - Armando Fontes (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
Law enforcement training supplement			
Total compensation			
Sheriff - CJ Ball (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
Law enforcement training supplement			
Total compensation			
Total Sheriff compensation			
Director of Accounts and Budgets	County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Purchasing Agent - Annette Merica (4/17/23-6/30/23) (2)	County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

(1) Official is under the employee fidelity insurance coverage.

(2) Position vacant from 3-12-22 to 4-16-23.

Exhibit J-6

Cocke County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,623,920	\$ 1,762,351	\$ 413,873	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	214,672	57,654	13,539	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	94,479	18,282	4,605	0	0	0
Interest and Penalty	40,269	10,792	2,534	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,854	759	178	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	156,403	53,315	10,054	0	0	0
Payments in-Lieu-of Taxes - Other	97,687	25,991	6,104	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	906,041	0	77,777	0	0	0
Hotel/Motel Tax	637,153	0	0	0	0	0
Litigation Tax - General	34,577	0	0	0	0	0
Litigation Tax - Special Purpose	2,992	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	144,843	0	0	0	0	0
Litigation Tax - Courthouse Security	1,344	0	0	0	0	0
Business Tax	478,567	0	0	0	0	0
Mixed Drink Tax	68	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	62,500	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	71,346	18,982	4,458	0	0	0
Wholesale Beer Tax	254,299	0	0	0	0	0
Total Local Taxes	\$ 9,824,014	\$ 1,948,126	\$ 533,122	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	125,489	0	0	0	0	0
<u>Permits</u>						
Beer Permits	5,270	0	0	0	0	0
Total Licenses and Permits	<u>\$ 131,918</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,951	0	0	0	0	0
Drug Court Fees	8,880	0	0	0	0	0
Jail Fees	2,572	0	0	0	0	0
DUI Treatment Fines	166	0	0	0	0	0
Data Entry Fee - Circuit Court	3,605	0	0	0	0	0
Courtroom Security Fee	84	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	35,785	0	0	0	0	0
Officers Costs	35,706	0	0	0	0	0
Game and Fish Fines	1,735	0	0	0	0	0
Drug Control Fines	0	0	0	5,824	0	0
Drug Court Fees	5,301	0	0	0	0	0
Jail Fees	28,365	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,988	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	376	0	0	0	0	0
Data Entry Fee - Juvenile Court	95	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	190	0	0	0	0	0
Data Entry Fee - Chancery Court	1,148	0	0	0	0	0
<u>Other Courts - In-county</u>						
Officers Costs	10	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	16,574	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	20	0	0	22,808	0	0
Total Fines, Forfeitures, and Penalties	\$ 158,339	\$ 0	\$ 0	\$ 22,808	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 51,339	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	4,063	0	0	0	0
Other General Service Charges	304	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	431,295	0	0	0	50,641	0
Copy Fees	1,614	0	0	0	0	0
Archives and Records Management Fee	1,883	0	0	0	0	0
Greenbelt Late Application Fee	450	0	0	0	0	0
Telephone Commissions	59,890	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Additional Fees - Titling and Registration	\$ 35,502	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	11,155	0	0	0	0	0
Data Processing Fee - Sheriff	1,733	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,100	0	0	0	0	0
Data Processing Fee - County Clerk	5,145	0	0	0	0	0
Vehicle Registration Reinstatement Fees	3,555	0	0	0	0	0
Total Charges for Current Services	<u>\$ 561,626</u>	<u>\$ 55,402</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,641</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1,300	0	0	0	0	0
Sale of Materials and Supplies	2,715	59,772	0	0	0	0
Commissary Sales	11,506	0	0	0	0	0
Miscellaneous Refunds	85,533	51	0	0	3	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	902	0
Total Other Local Revenues	<u>\$ 102,116</u>	<u>\$ 59,823</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 905</u>	<u>\$ 0</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 389,546	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 453,788	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	146,693	0	0	0	0	0
General Sessions Court Clerk	186,045	0	0	0	0	0
Clerk and Master	58,979	0	0	0	0	0
Juvenile Court Clerk	4,335	0	0	0	0	0
Register	152,037	0	0	0	0	0
Sheriff	22,234	0	0	0	0	0
Trustee	1,000	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,414,657</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	28,641	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	43,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	151,523	0	0	0	0	0
Other Health and Welfare Grants	250,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	44,235	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	158	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	8,660	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	202,802	0	0	0	0	0
State Revenue Sharing - T.V.A.	354,395	94,292	22,144	0	0	0
State Revenue Sharing - Telecommunications	50,498	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	47,158	0	0	0	0	0
Contracted Prisoner Boarding	434,089	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	61,913	0	0	0	0	0
Total State of Tennessee	\$ 1,672,795	\$ 122,933	\$ 22,144	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	12,445	0	0	0	0	0
Other Federal through State	349,763	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	0	0	0	0	0	0
Tax Credit Bond Rebate	264,393	0	0	0	0	0
COVID-19 Grant #6	0	0	0	0	0	1,343,265
Other Direct Federal Revenue	495,760	0	0	0	0	0
Total Federal Government	\$ 1,122,361	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,343,265

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Sports and Recreation	Other Special Revenue
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 271,433	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	2,430	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	169,238	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 440,671	\$ 0	\$ 0	\$ 0	\$ 2,430	\$ 0
Total	\$ 15,428,497	\$ 2,186,284	\$ 555,266	\$ 28,632	\$ 53,976	\$ 1,343,265

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,674,017	\$ 184,580	\$ 657,861	\$ 11,316,602
Trustee's Collections - Prior Year	0	54,764	8,063	21,522	370,214
Circuit Clerk/Clerk and Master Collections - Prior Years	0	17,366	2,743	7,320	144,795
Interest and Penalty	0	10,252	1,424	4,028	69,299
Payments in-Lieu-of Taxes - T.V.A.	0	721	80	283	4,875
Payments in-Lieu-of Taxes - Local Utilities	0	43,666	4,502	19,717	287,657
Payments in-Lieu-of Taxes - Other	0	24,688	2,724	9,702	166,896
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	2,542,645	0	3,526,463
Hotel/Motel Tax	0	0	0	0	637,153
Litigation Tax - General	0	0	0	0	34,577
Litigation Tax - Special Purpose	0	0	0	0	2,992
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	144,843
Litigation Tax - Courthouse Security	0	0	0	0	1,344
Business Tax	0	0	0	0	478,567
Mixed Drink Tax	0	0	0	0	68
Mineral Severance Tax	0	105,179	0	0	105,179
Other County Local Option Taxes	0	0	0	0	62,500
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	18,031	1,989	7,086	121,892
Wholesale Beer Tax	0	0	0	0	254,299
Total Local Taxes	\$ 0	\$ 1,948,684	\$ 2,748,750	\$ 727,519	\$ 17,730,215

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	1,159
Cable TV Franchise	0	0	0	0	125,489
<u>Permits</u>					
Beer Permits	0	0	0	0	5,270
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	131,918
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	190
Officers Costs	0	0	0	0	5,951
Drug Court Fees	0	0	0	0	8,880
Jail Fees	0	0	0	0	2,572
DUI Treatment Fines	0	0	0	0	166
Data Entry Fee - Circuit Court	0	0	0	0	3,605
Courtroom Security Fee	0	0	0	0	84
<u>General Sessions Court</u>					
Fines	0	0	0	0	35,785
Officers Costs	0	0	0	0	35,706
Game and Fish Fines	0	0	0	0	1,735
Drug Control Fines	0	0	0	0	5,824
Drug Court Fees	0	0	0	0	5,301
Jail Fees	0	0	0	0	28,365
DUI Treatment Fines	0	0	0	0	570
Data Entry Fee - General Sessions Court	0	0	0	0	10,988

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	28
Officers Costs	0	0	0	0	376
Data Entry Fee - Juvenile Court	0	0	0	0	95
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	190
Data Entry Fee - Chancery Court	0	0	0	0	1,148
<u>Other Courts - In-county</u>					
Officers Costs	0	0	0	0	10
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	16,574
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	22,828
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	186,971
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	51,339
Solid Waste Disposal Fee	0	0	0	0	4,063
Other General Service Charges	0	0	0	0	304
<u>Fees</u>					
Recreation Fees	0	0	0	0	481,936
Copy Fees	0	0	0	0	1,614
Archives and Records Management Fee	0	0	0	0	1,883
Greenbelt Late Application Fee	0	0	0	0	450
Telephone Commissions	0	0	0	0	59,890

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Additional Fees - Titling and Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,502
Constitutional Officers' Fees and Commissions	295,956	0	0	0	295,956
Special Commissioner Fees/Special Master Fees	12,177	0	0	0	12,177
Data Processing Fee - Register	0	0	0	0	11,155
Data Processing Fee - Sheriff	0	0	0	0	1,733
Sexual Offender Registration Fee - Sheriff	0	0	0	0	9,100
Data Processing Fee - County Clerk	0	0	0	0	5,145
Vehicle Registration Reinstatement Fees	0	0	0	0	3,555
Total Charges for Current Services	\$ 308,133	\$ 0	\$ 0	\$ 0	\$ 975,802
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 131,774	\$ 0	\$ 132,836
Lease/Rentals	0	0	0	0	1,300
Sale of Materials and Supplies	0	95,844	0	0	158,331
Commissary Sales	0	0	0	0	11,506
Miscellaneous Refunds	0	7,630	0	0	93,217
<u>Nonrecurring Items</u>					
Sale of Equipment	0	33,594	0	8,147	42,643
Total Other Local Revenues	\$ 0	\$ 137,068	\$ 131,774	\$ 8,147	\$ 439,833
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 389,546

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>tional</u>	<u>Public</u>	<u>General</u>	<u>General</u>	
	<u>Officers -</u>	<u>Works</u>	<u>Debt</u>	<u>Capital</u>	
	<u>Fees</u>		<u>Service</u>	<u>Projects</u>	<u>Total</u>
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	453,788
Circuit Court Clerk	0	0	0	0	146,693
General Sessions Court Clerk	0	0	0	0	186,045
Clerk and Master	0	0	0	0	58,979
Juvenile Court Clerk	0	0	0	0	4,335
Register	0	0	0	0	152,037
Sheriff	0	0	0	0	22,234
Trustee	0	0	0	0	1,000
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	1,414,657
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	28,641
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	43,200
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	151,523
Other Health and Welfare Grants	0	0	0	0	250,000
<u>Public Works Grants</u>					
Bridge Program	0	475,077	0	0	475,077
State Aid Program	0	199,223	0	0	199,223
Litter Program	0	0	0	0	44,235
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	158

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 0	\$ 19,199	\$ 0	\$ 0	\$ 19,199
Vehicle Certificate of Title Fees	0	0	0	0	8,660
Alcoholic Beverage Tax	0	97,465	0	0	97,465
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	202,802
State Revenue Sharing - T.V.A.	0	89,565	9,882	35,198	605,476
State Revenue Sharing - Telecommunications	0	0	0	0	50,498
State Shared Sports Gaming Privilege Tax	0	0	0	0	47,158
Contracted Prisoner Boarding	0	0	0	0	434,089
Gasoline and Motor Fuel Tax	0	2,559,790	0	0	2,559,790
Petroleum Special Tax	0	23,853	0	0	23,853
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	61,913
Total State of Tennessee	\$ 0	\$ 3,464,172	\$ 9,882	\$ 35,198	\$ 5,327,124
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 319,347	\$ 319,347
Homeland Security Grants	0	0	0	0	12,445
Other Federal through State	0	0	0	0	349,763
<u>Direct Federal Revenue</u>					
Forest Service	0	20,862	0	0	20,862
Tax Credit Bond Rebate	0	0	0	0	264,393
COVID-19 Grant #6	0	0	0	0	1,343,265
Other Direct Federal Revenue	0	0	0	0	495,760
Total Federal Government	\$ 0	\$ 20,862	\$ 0	\$ 319,347	\$ 2,805,835

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 162,987	\$ 0	\$ 434,420
Contracted Services	0	2,933	0	0	2,933
<u>Citizens Groups</u>					
Donations	0	0	0	0	2,430
<u>Other</u>					
Opioid Settlement Funds - Past Remediation	0	0	0	0	169,238
Total Other Governments and Citizens Groups	\$ 0	\$ 2,933	\$ 162,987	\$ 0	\$ 609,021
Total	\$ 308,133	\$ 5,573,719	\$ 3,053,393	\$ 1,090,211	\$ 29,621,376

Exhibit J-7

Cocke County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Cocke County School Department
For the Year Ended June 30, 2023

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,833,635	\$ 0	\$ 0	\$ 1,275,082	\$ 0	\$ 4,108,717
Trustee's Collections - Prior Year	92,701	0	0	41,831	0	134,532
Circuit Clerk/Clerk and Master Collections - Prior Years	29,404	0	0	13,265	0	42,669
Interest and Penalty	17,785	0	0	8,026	0	25,811
Payments in-Lieu-of Taxes - T.V.A.	1,221	0	0	551	0	1,772
Payments in-Lieu-of Taxes - Local Utilities	79,253	0	0	31,061	0	110,314
Payments in-Lieu-of Taxes - Other	41,789	0	0	18,858	0	60,647
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,086,483	0	0	0	0	6,086,483
Other County Local Option Taxes	0	0	0	35,528	0	35,528
<u>Statutory Local Taxes</u>						
Bank Excise Tax	30,522	0	0	13,773	0	44,295
Total Local Taxes	\$ 9,212,793	\$ 0	\$ 0	\$ 1,437,975	\$ 0	\$ 10,650,768
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,012
Total Licenses and Permits	\$ 1,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,012
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 49,461	\$ 0	\$ 0	\$ 49,461
Income from Breakfast	0	0	5,219	0	0	5,219
A la Carte Sales	0	0	109,374	0	0	109,374

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 30,119	\$ 0	\$ 0	\$ 88,177	\$ 0	\$ 118,296
Other Charges for Services	115	0	0	0	0	115
Total Charges for Current Services	\$ 30,234	\$ 0	\$ 164,054	\$ 88,177	\$ 0	\$ 282,465
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 27,537	\$ 0	\$ 9	\$ 0	\$ 0	\$ 27,546
Lease/Rentals	179,859	0	0	0	0	179,859
Lease Interest	2,372	0	0	0	0	2,372
Sale of Materials and Supplies	13,073	0	0	0	0	13,073
Miscellaneous Refunds	76,119	0	58,984	75,761	0	210,864
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	8,300	0	8,300
Sale of Property	1,200,000	0	0	0	0	1,200,000
Damages Recovered from Individuals	1,380	0	0	0	0	1,380
Contributions and Gifts	1,444,114	0	0	0	0	1,444,114
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	1,674,899	1,674,899
Total Other Local Revenues	\$ 2,944,454	\$ 0	\$ 58,993	\$ 84,061	\$ 1,674,899	\$ 4,762,407
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 132,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,998

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 26,382,201	\$ 0	\$ 0	\$ 600,385	\$ 0	\$ 26,982,586
Early Childhood Education	293,368	0	0	0	0	293,368
School Food Service	26,021	0	0	0	0	26,021
Driver Education	25,680	0	0	0	0	25,680
Other State Education Funds	911,785	0	0	0	0	911,785
Career Ladder Program	55,449	0	0	0	0	55,449
Other Vocational	151,930	0	0	0	0	151,930
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	151,607	0	0	68,414	0	220,021
Other State Grants	52,260	0	0	0	0	52,260
Total State of Tennessee	\$ 28,183,299	\$ 0	\$ 0	\$ 668,799	\$ 0	\$ 28,852,098
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,444,445	\$ 0	\$ 0	\$ 2,444,445
USDA - Commodities	0	0	259,672	0	0	259,672
Breakfast	0	0	907,887	0	0	907,887
USDA - Other	0	0	262,731	0	0	262,731
Vocational Education - Basic Grants to States	0	184,054	0	0	0	184,054
Title I Grants to Local Education Agencies	0	2,033,053	0	0	0	2,033,053
Special Education - Grants to States	0	1,185,742	0	0	0	1,185,742
Special Education Preschool Grants	0	43,545	0	0	0	43,545
Rural Education	0	84,724	0	0	0	84,724
21st Century Community Learning Centers	191,724	0	0	0	0	191,724

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0	\$ 234,941	\$ 0	\$ 0	\$ 0	\$ 234,941
COVID-19 Grant #1	0	338,712	0	0	0	338,712
COVID-19 Grant B	0	2,043,345	0	0	0	2,043,345
COVID-19 Grant D	0	181,157	0	0	0	181,157
COVID-19 Grant E	0	58,463	0	0	0	58,463
American Rescue Plan Act Grant #1	0	2,948,690	0	0	0	2,948,690
American Rescue Plan Act Grant #2	0	194,174	0	0	0	194,174
American Rescue Plan Act Grant #3	0	17,342	0	0	0	17,342
American Rescue Plan Act Grant #4	0	5,000	0	0	0	5,000
Other Federal through State	424,148	1,296,950	0	0	0	1,721,098
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	132,523	0	0	0	0	132,523
Total Federal Government	\$ 748,395	\$ 10,849,892	\$ 3,874,735	\$ 0	\$ 0	\$ 15,473,022
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 548,818	\$ 0	\$ 548,818
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 548,818	\$ 0	\$ 548,818
Total	\$ 41,120,187	\$ 10,849,892	\$ 4,097,782	\$ 2,827,830	\$ 1,674,899	\$ 60,570,590

Exhibit J-8

Cocke County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Secretary to Board	\$	1,435	
Board and Committee Members Fees		33,475	
Social Security		2,624	
Pensions		161	
Unemployment Compensation		1	
Audit Services		15,120	
Dues and Memberships		21,898	
Legal Services		1	
Travel		3,802	
Other Contracted Services		15,690	
Total County Commission			\$ 94,207

Board of Equalization

Board and Committee Members Fees	\$	1,530	
Total Board of Equalization			1,530

Beer Board

Board and Committee Members Fees	\$	5,700	
Legal Notices, Recording, and Court Costs		168	
Total Beer Board			5,868

Other Boards and Committees

Board and Committee Members Fees	\$	250	
Evaluation and Testing		768	
Total Other Boards and Committees			1,018

County Mayor/Executive

County Official/Administrative Officer	\$	103,346	
Assistant(s)		32,117	
Secretary(ies)		28,194	
Social Security		12,004	
Pensions		10,897	
Employee and Dependent Insurance		17,010	
Unemployment Compensation		84	
Communication		7,085	
Travel		8,239	
Office Supplies		5,528	
Office Equipment		2,586	
Total County Mayor/Executive			227,090

County Attorney

County Official/Administrative Officer	\$	8,070	
Legal Services		34,189	
Total County Attorney			42,259

Election Commission

County Official/Administrative Officer	\$	80,529	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Deputy(ies)	\$	53,724	
Clerical Personnel		2,836	
Part-time Personnel		2,070	
Overtime Pay		4,329	
Board and Committee Members Fees		3,820	
Election Commission		2,590	
Election Workers		38,752	
Social Security		11,854	
Pensions		9,352	
Employee and Dependent Insurance		24,396	
Unemployment Compensation		159	
Communication		2,386	
Legal Notices, Recording, and Court Costs		7,949	
Maintenance Agreements		25,588	
Maintenance and Repair Services - Equipment		7,572	
Printing, Stationery, and Forms		2,398	
Rentals		13,020	
Travel		3,716	
Other Contracted Services		11,017	
Office Equipment		2,788	
Total Election Commission			\$ 310,845

Register of Deeds

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		34,214	
Clerical Personnel		58,463	
Social Security		13,603	
Pensions		11,298	
Employee and Dependent Insurance		31,794	
Unemployment Compensation		103	
Communication		330	
Data Processing Services		15,157	
Printing, Stationery, and Forms		5,717	
Office Supplies		100	
Furniture and Fixtures		219	
Total Register of Deeds			260,475

Development

Board and Committee Members Fees	\$	3,445	
Social Security		16	
Pensions		14	
Contracts with Government Agencies		11,250	
Total Development			14,725

County Buildings

Maintenance Agreements	\$	23,341	
Maintenance and Repair Services - Buildings		29,086	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	9,877	
Utilities		173,297	
Building Improvements		25,514	
Furniture and Fixtures		978	
Disabilities Act Improvements		180	
Total County Buildings			\$ 262,273

Other General Administration

Postal Charges	\$	49,940	
Printing, Stationery, and Forms		6,230	
Duplicating Supplies		49,348	
Total Other General Administration			105,518

Preservation of Records

Supervisor/Director	\$	32,278	
Social Security		2,435	
Pensions		2,175	
Employee and Dependent Insurance		8,058	
Unemployment Compensation		28	
Communication		211	
Rentals		5,334	
Other Supplies and Materials		618	
Office Equipment		1,623	
Total Preservation of Records			52,760

Finance

Accounting and Budgeting

Supervisor/Director	\$	89,477	
Accountants/Bookkeepers		82,704	
Social Security		13,077	
Pensions		10,695	
Employee and Dependent Insurance		15,744	
Unemployment Compensation		136	
Dues and Memberships		1,640	
Legal Notices, Recording, and Court Costs		1,275	
Maintenance Agreements		31,304	
Printing, Stationery, and Forms		108	
Travel		1,521	
Office Supplies		3,099	
Office Equipment		2,164	
Total Accounting and Budgeting			252,944

Property Assessor's Office

County Official/Administrative Officer	\$	89,477	
Assistant(s)		42,455	
Deputy(ies)		32,214	
Laborers		114,275	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Overtime Pay	\$	885	
Social Security		20,528	
Pensions		17,393	
Employee and Dependent Insurance		47,642	
Unemployment Compensation		177	
Communication		1,415	
Contracts with Private Agencies		161	
Data Processing Services		14,257	
Legal Notices, Recording, and Court Costs		167	
Maintenance and Repair Services - Vehicles		351	
Printing, Stationery, and Forms		777	
Travel		2,207	
Gasoline		1,875	
Office Supplies		4,468	
Uniforms		2,275	
Other Equipment		15,926	
Total Property Assessor's Office			\$ 408,925

Reappraisal Program

Part-time Personnel	\$	12,955	
Overtime Pay		3,434	
Social Security		1,242	
Pensions		880	
Unemployment Compensation		30	
Total Reappraisal Program			18,541

County Trustee's Office

In-service Training	\$	4,693	
Employee and Dependent Insurance		35,650	
Communication		2,351	
Data Processing Services		4,958	
Dues and Memberships		215	
Maintenance Agreements		23,908	
Postal Charges		7,245	
Printing, Stationery, and Forms		5,064	
Office Supplies		4,987	
Office Equipment		4,967	
Total County Trustee's Office			94,038

County Clerk's Office

County Official/Administrative Officer	\$	89,477	
Assistant(s)		40,161	
Deputy(ies)		101,006	
Secretary to Board		550	
Clerical Personnel		125,486	
Part-time Personnel		24,608	
Overtime Pay		2,284	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Social Security	\$	28,048	
Pensions		24,714	
Employee and Dependent Insurance		77,067	
Unemployment Compensation		297	
Communication		4,831	
Maintenance and Repair Services - Office Equipment		31,914	
Printing, Stationery, and Forms		2,247	
Travel		798	
Office Supplies		10,183	
Other Supplies and Materials		4,512	
Total County Clerk's Office			\$ 568,183

Data Processing

Supervisor/Director	\$	42,000	
Social Security		3,115	
Pensions		2,831	
Employee and Dependent Insurance		8,046	
Unemployment Compensation		40	
Office Supplies		2,007	
Total Data Processing			58,039

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		44,054	
Clerical Personnel		144,439	
Part-time Personnel		1,458	
Overtime Pay		3,188	
Jury and Witness Expense		19,845	
Social Security		20,434	
Pensions		18,949	
Employee and Dependent Insurance		52,180	
Unemployment Compensation		160	
Communication		2,433	
Legal Notices, Recording, and Court Costs		1,424	
Maintenance and Repair Services - Office Equipment		27,868	
Printing, Stationery, and Forms		4,452	
Office Supplies		2,022	
Office Equipment		18,093	
Total Circuit Court			450,476

General Sessions Court

County Official/Administrative Officer	\$	89,477	
Judge(s)		157,079	
Deputy(ies)		45,813	
Clerical Personnel		54,941	
Part-time Personnel		24,082	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Overtime Pay	\$	23	
Social Security		28,000	
Pensions		23,410	
Employee and Dependent Insurance		37,791	
Unemployment Compensation		140	
Communication		663	
Data Processing Services		15,805	
Maintenance and Repair Services - Office Equipment		869	
Printing, Stationery, and Forms		1,430	
Travel		754	
Office Supplies		2,457	
Total General Sessions Court			\$ 482,734

Drug Court

Other Charges	\$	8,907	
Total Drug Court			8,907

Chancery Court

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		72,904	
Clerical Personnel		53,785	
Part-time Personnel		4,000	
Social Security		16,537	
Pensions		14,839	
Employee and Dependent Insurance		32,676	
Unemployment Compensation		142	
Communication		1,521	
Data Processing Services		12,375	
Legal Services		1,159	
Maintenance and Repair Services - Office Equipment		496	
Printing, Stationery, and Forms		6,475	
Travel		1,318	
Office Equipment		3,634	
Total Chancery Court			311,338

Juvenile Court

Deputy(ies)	\$	30,226	
Overtime Pay		267	
Social Security		2,148	
Pensions		2,055	
Employee and Dependent Insurance		8,208	
Unemployment Compensation		28	
Communication		516	
Printing, Stationery, and Forms		63	
Office Supplies		1,369	
Total Juvenile Court			44,880

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General

Clerical Personnel	\$	73,687	
Social Security		5,274	
Pensions		4,206	
Employee and Dependent Insurance		14,946	
Unemployment Compensation		80	
Travel		250	
Office Supplies		3,353	
Other Supplies and Materials		8,921	
Total District Attorney General			\$ 110,717

Judicial Commissioners

Other Salaries and Wages	\$	26,400	
Social Security		2,020	
Pensions		1,522	
Unemployment Compensation		15	
Printing, Stationery, and Forms		205	
Office Supplies		152	
Total Judicial Commissioners			30,314

Other Administration of Justice

Contracts with Private Agencies	\$	122,321	
Medical and Dental Services		60,240	
Total Other Administration of Justice			182,561

Victim Assistance Programs

Contracts with Private Agencies	\$	18,519	
Total Victim Assistance Programs			18,519

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	98,425	
Assistant(s)		62,500	
Supervisor/Director		31,996	
Deputy(ies)		436,811	
Detective(s)		242,190	
Captain(s)		85,522	
Lieutenant(s)		195,686	
Sergeant(s)		190,982	
Salary Supplements		30,400	
Dispatchers/Radio Operators		113,459	
Guards		27,040	
Clerical Personnel		50,502	
Attendants		107,825	
Custodial Personnel		25,663	
Part-time Personnel		37,718	
Overtime Pay		248,369	
Other Salaries and Wages		56,682	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

In-service Training	\$	37,326	
Social Security		152,273	
Pensions		178,313	
Employee and Dependent Insurance		277,062	
Unemployment Compensation		1,681	
Communication		68,586	
Maintenance and Repair Services - Equipment		1,274	
Maintenance and Repair Services - Vehicles		94,674	
Printing, Stationery, and Forms		3,500	
Travel		14,939	
Other Contracted Services		6,494	
Gasoline		184,843	
Law Enforcement Supplies		53,954	
Office Supplies		9,033	
Tires and Tubes		7,895	
Uniforms		16,958	
Other Supplies and Materials		10,697	
Motor Vehicles		76,345	
Total Sheriff's Department			\$ 3,237,617

Special Patrols

Guards	\$	353,060	
Overtime Pay		116	
Social Security		26,316	
Pensions		33,339	
Employee and Dependent Insurance		74,256	
Unemployment Compensation		287	
Total Special Patrols			487,374

Administration of the Sexual Offender Registry

Other Charges	\$	5,550	
Total Administration of the Sexual Offender Registry			5,550

Jail

Assistant(s)	\$	39,350	
Supervisor/Director		47,577	
Guards		630,381	
Secretary(ies)		50,585	
Clerical Personnel		28,008	
Cafeteria Personnel		23,272	
Part-time Personnel		42,050	
Overtime Pay		110,200	
In-service Training		9,663	
Social Security		71,790	
Pensions		43,977	
Employee and Dependent Insurance		188,464	
Unemployment Compensation		1,436	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Communication	\$	21,446	
Maintenance and Repair Services - Buildings		26,411	
Maintenance and Repair Services - Equipment		2,109	
Medical and Dental Services		624,614	
Printing, Stationery, and Forms		443	
Rentals		3,336	
Travel		9,130	
Other Contracted Services		66,796	
Custodial Supplies		19,273	
Food Preparation Supplies		5,563	
Food Supplies		161,866	
Law Enforcement Supplies		3,596	
Office Supplies		19,854	
Prisoners Clothing		19,994	
Uniforms		4,750	
Other Charges		5	
Data Processing Equipment		8,118	
Furniture and Fixtures		622	
Total Jail			\$ 2,284,679

Juvenile Services

Youth Service Officer(s)	\$	77,474	
Secretary(ies)		31,458	
Part-time Personnel		13,125	
Overtime Pay		18,379	
Social Security		10,230	
Pensions		8,581	
Employee and Dependent Insurance		24,174	
Unemployment Compensation		111	
Communication		4,776	
Contracts with Government Agencies		5,720	
Dues and Memberships		859	
Legal Services		1,530	
Maintenance and Repair Services - Office Equipment		6,199	
Medical and Dental Services		2,300	
Printing, Stationery, and Forms		373	
Travel		6,246	
Office Supplies		2,000	
Other Supplies and Materials		723	
Office Equipment		11,424	
Total Juvenile Services			225,682

Fire Prevention and Control

County Official/Administrative Officer	\$	47,280	
Captain(s)		116,045	
Lieutenant(s)		53,195	
Salary Supplements		24,000	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Part-time Personnel	\$	26,547	
Overtime Pay		124,420	
Other Salaries and Wages		179,921	
In-service Training		9,352	
Social Security		42,728	
Pensions		47,697	
Employee and Dependent Insurance		112,420	
Unemployment Compensation		666	
Communication		11,254	
Contracts with Government Agencies		1,000	
Maintenance and Repair Services - Buildings		3,715	
Maintenance and Repair Services - Equipment		16,797	
Maintenance and Repair Services - Vehicles		68,947	
Travel		2,019	
Custodial Supplies		970	
Gasoline		27,604	
Uniforms		5,348	
Utilities		19,991	
Other Supplies and Materials		3,717	
Other Charges		3,644	
Building Improvements		1,326	
Other Equipment		10,960	
Total Fire Prevention and Control			\$ 961,563

Civil Defense

Supervisor/Director	\$	52,500
Clerical Personnel		500
Part-time Personnel		15,479
In-service Training		1,825
Social Security		5,200
Pensions		3,539
Employee and Dependent Insurance		24
Life Insurance		30
Unemployment Compensation		54
Communication		14,585
Dues and Memberships		555
Maintenance and Repair Services - Buildings		4,053
Maintenance and Repair Services - Equipment		2,867
Maintenance and Repair Services - Vehicles		13,970
Food Supplies		1,197
Gasoline		8,105
Instructional Supplies and Materials		1,295
Office Supplies		1,454
Uniforms		711
Utilities		3,772
Other Supplies and Materials		22,418
Other Charges		9,762

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Office Equipment	\$	1,006	
Traffic Control Equipment		1,200	
Other Construction		4,976	
Total Civil Defense			\$ 171,077

Inspection and Regulation

Supervisor/Director	\$	3,225	
Social Security		244	
Pensions		217	
Unemployment Compensation		3	
Total Inspection and Regulation			3,689

County Coroner/Medical Examiner

Other Contracted Services	\$	99,495	
Total County Coroner/Medical Examiner			99,495

Other Public Safety

Part-time Personnel	\$	43,510	
In-service Training		994	
Social Security		3,329	
Pensions		26	
Unemployment Compensation		140	
Communication		2,539	
Janitorial Services		2,796	
Lease Payments		17,595	
Maintenance and Repair Services - Buildings		865	
Maintenance and Repair Services - Equipment		11,589	
Maintenance and Repair Services - Vehicles		1,236	
Printing, Stationery, and Forms		3,000	
Rentals		275	
Other Contracted Services		4,500	
Food Supplies		319	
Gasoline		334	
General Construction Materials		1,265	
Uniforms		2,090	
Gravel and Chert		3,365	
Other Supplies and Materials		855	
Other Charges		34,467	
Other Construction		27,024	
Total Other Public Safety			162,113

Public Health and Welfare

Local Health Center

Medical Personnel	\$	64,938	
Clerical Personnel		44,006	
Social Security		7,971	
Pensions		6,580	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Employee and Dependent Insurance	\$	29,479	
Unemployment Compensation		139	
Communication		2,973	
Contracts with Government Agencies		64,296	
Janitorial Services		6,900	
Maintenance and Repair Services - Buildings		7,522	
Pest Control		440	
Travel		1,039	
Natural Gas		1,604	
Office Supplies		1,774	
Utilities		12,168	
Other Supplies and Materials		11,045	
Total Local Health Center			\$ 262,874

Rabies and Animal Control

Supervisor/Director	\$	17,384	
Social Security		1,300	
Pensions		1,780	
Employee and Dependent Insurance		6,770	
Unemployment Compensation		20	
Communication		122	
Maintenance and Repair Services - Vehicles		100	
Gasoline		3,953	
Uniforms		681	
Total Rabies and Animal Control			32,110

General Welfare Assistance

Pauper Burials	\$	3,200	
Total General Welfare Assistance			3,200

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Contributions	\$	88,494	
Total Libraries			88,494

Other Social, Cultural, and Recreational

Laborers	\$	1,413	
Social Security		108	
Unemployment Compensation		6	
Maintenance and Repair Services - Buildings		88	
Utilities		14,670	
Other Charges		350	
Total Other Social, Cultural, and Recreational			16,635

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	29,105	
Other Fringe Benefits		11,781	
Communication		3,929	
Dues and Memberships		185	
Travel		3,076	
Other Supplies and Materials		5,102	
Other Charges		1,608	
Total Agricultural Extension Service			\$ 54,786

Soil Conservation

Part-time Personnel	\$	36,960	
Total Soil Conservation			36,960

Other Operations

Industrial Development

Contracts with Private Agencies	\$	386,276	
Total Industrial Development			386,276

Housing and Urban Development

Other Contracted Services	\$	521,436	
Total Housing and Urban Development			521,436

Veterans' Services

Supervisor/Director	\$	40,228	
Secretary(ies)		24,577	
Social Security		4,719	
Pensions		4,368	
Employee and Dependent Insurance		16,116	
Unemployment Compensation		56	
Communication		209	
Data Processing Services		1,546	
Maintenance and Repair Services - Vehicles		808	
Travel		1,048	
Office Supplies		1,042	
Total Veterans' Services			94,717

Other Charges

Other Contracted Services	\$	247,060	
Liability Insurance		249,296	
Refunds		35,589	
Trustee's Commission		185,465	
Workers' Compensation Insurance		125,852	
Total Other Charges			843,262

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	17,609	
Contributions		264,000	
Total Contributions to Other Agencies			281,609

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Employee and Dependent Insurance	\$ 1,760	
Total Employee Benefits		\$ 1,760

Miscellaneous

Accountants/Bookkeepers	\$ 8,541	
Social Security	645	
Unemployment Compensation	28	
Other Charges	3,917	
Total Miscellaneous		13,131

Highways

Litter and Trash Collection

Supervisor/Director	\$ 55,520	
Social Security	4,073	
Pensions	3,742	
Employee and Dependent Insurance	16,416	
Unemployment Compensation	45	
Gasoline	6,117	
Instructional Supplies and Materials	22,269	
Tires and Tubes	557	
Total Litter and Trash Collection		108,739

Principal on Debt

General Government

Principal on Other Loans	\$ 9,417	
Total General Government		9,417

Interest on Debt

General Government

Interest on Other Loans	\$ 574	
Total General Government		574

Total General Fund \$ 14,818,103

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 45,000	
Laborers	153,284	
Secretary(ies)	14,606	
Overtime Pay	100	
Board and Committee Members Fees	1,700	
Social Security	16,050	
Pensions	14,138	
Employee and Dependent Insurance	48,414	
Unemployment Compensation	232	
Communication	3,094	

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Contracts with Government Agencies	\$	4,725	
Contracts with Private Agencies		84,626	
Engineering Services		76,433	
Other Contracted Services		37,978	
Custodial Supplies		798	
Equipment and Machinery Parts		55,362	
Fertilizer, Lime, and Seed		375	
Gasoline		35,716	
Office Supplies		2,324	
Tires and Tubes		1,628	
Utilities		68,341	
Other Supplies and Materials		7,519	
Trustee's Commission		39,956	
Vehicle and Equipment Insurance		22,660	
Workers' Compensation Insurance		20,488	
Solid Waste Equipment		216,415	
Other Construction		35,879	
Total Sanitation Management			\$ 1,007,841

Convenience Centers

Laborers	\$	336,232	
Overtime Pay		256	
Social Security		25,741	
Unemployment Compensation		748	
Rentals		3,480	
Disposal Fees		1,105,401	
Other Contracted Services		2,990	
Other Supplies and Materials		5,547	
Solid Waste Equipment		2,400	
Total Convenience Centers			1,482,795

Total Solid Waste/Sanitation Fund \$ 2,490,636

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contributions	\$	367,758	
Total Industrial Development			\$ 367,758

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	38,500	
Total Contributions to Other Agencies			38,500

Principal on Debt

General Government

Principal on Other Loans	\$	53,056	
Total General Government			53,056

(Continued)

Exhibit J-8

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

Industrial/Economic Development Fund (Cont.)

Interest on Debt

General Government

Interest on Other Loans	\$ 50,820	
Total General Government		\$ 50,820

Capital Projects

Public Utility Projects

Trustee's Commission	\$ 10,038	
Total Public Utility Projects		10,038

Other General Government Projects

Other Contracted Services	\$ 5,000	
Total Other General Government Projects		<u>5,000</u>

Total Industrial/Economic Development Fund \$ 525,172

Drug Control Fund

Public Safety

Sheriff's Department

In-service Training	\$ 3,500	
Tires and Tubes	592	
Other Supplies and Materials	2,120	
Law Enforcement Equipment	<u>47,645</u>	
Total Sheriff's Department		\$ 53,857

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 7,500	
Other Supplies and Materials	400	
Trustee's Commission	268	
Law Enforcement Equipment	<u>4,332</u>	
Total Drug Enforcement		<u>12,500</u>

Total Drug Control Fund 66,357

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

Supervisor/Director	\$ 37,000
Laborers	94,476
Part-time Personnel	35,337
Overtime Pay	613
Other Per Diem and Fees	21,296
Social Security	11,804
Pensions	7,692
Employee and Dependent Insurance	38,031
Unemployment Compensation	302
Communication	2,522
Maintenance and Repair Services - Buildings	9,601
Maintenance and Repair Services - Equipment	6,425

(Continued)

Exhibit J-8

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

Sports and Recreation Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Custodial Supplies	\$	2,216	
Food Supplies		7,572	
Gasoline		4,711	
Office Supplies		819	
Uniforms		800	
Utilities		4,393	
Software		3,200	
Other Supplies and Materials		499	
Liability Insurance		2,339	
Trustee's Commission		518	
Other Charges		56,869	
Other Equipment		30,097	
Total Other Social, Cultural, and Recreational			\$ 379,132

Total Sports and Recreation Fund \$ 379,132

Other Special Revenue Fund

General Government

County Buildings

Architects	\$	38,025	
Building Purchases		1,200,000	
Total County Buildings			\$ 1,238,025

Public Health and Welfare

Convenience Centers

Solid Waste Equipment	\$	21,500	
Total Convenience Centers			21,500

Other Operations

Contributions to Other Agencies

Contributions	\$	261,682	
Total Contributions to Other Agencies			261,682

Total Other Special Revenue Fund 1,521,207

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	324,310	
Total County Trustee's Office			\$ 324,310

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	15	
Total Circuit Court			15

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 256	
Total General Sessions Court		\$ 256

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 12,177	
Total Chancery Court		<u>12,177</u>

Total Constitutional Officers - Fees Fund \$ 336,758

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 98,425	
Assistant(s)	42,926	
Secretary to Board	550	
Secretary(ies)	46,207	
Clerical Personnel	33,230	
Board and Committee Members Fees	17,075	
Social Security	17,939	
Pensions	17,198	
Employee and Dependent Insurance	29,598	
Unemployment Compensation	518	
Data Processing Services	2,052	
Dues and Memberships	3,523	
Maintenance and Repair Services - Office Equipment	461	
Other Contracted Services	37,834	
Office Supplies	<u>1,723</u>	
Total Administration		\$ 349,259

Highway and Bridge Maintenance

Foremen	\$ 112,212
Equipment Operators	788,793
Overtime Pay	28,849
Social Security	69,083
Pensions	66,678
Employee and Dependent Insurance	241,759
Unemployment Compensation	5,629
Matching Share	4,066
Other Contracted Services	34,405
Asphalt	1,516,208
Asphalt - Cold Mix	58,346
Asphalt - Liquid	440,947
General Construction Materials	17,200
Other Road Materials	29,990
Pipe	100,626
Road Signs	28,027
Other Supplies and Materials	10,626

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Bridge Construction	\$	426,751	
Highway Equipment		545,525	
State Aid Projects		201,653	
Total Highway and Bridge Maintenance			\$ 4,727,373

Operation and Maintenance of Equipment

Foremen	\$	33,166	
Mechanic(s)		123,294	
Overtime Pay		977	
Social Security		11,776	
Pensions		10,674	
Employee and Dependent Insurance		37,141	
Unemployment Compensation		984	
Diesel Fuel		185,777	
Equipment and Machinery Parts		229,842	
Garage Supplies		3,145	
Gasoline		37,787	
Lubricants		17,058	
Propane Gas		4,181	
Tires and Tubes		45,882	
Total Operation and Maintenance of Equipment			741,684

Quarry Operations

Foremen	\$	43,950	
Equipment Operators - Light		216,566	
Social Security		19,308	
Pensions		19,211	
Employee and Dependent Insurance		51,743	
Unemployment Compensation		1,339	
Maintenance and Repair Services - Equipment		30,030	
Fines, Assessments, and Penalties		266	
Total Quarry Operations			382,413

Other Charges

Communication	\$	9,209	
Electricity		30,850	
Trustee's Commission		65,363	
Vehicle and Equipment Insurance		113,619	
Workers' Compensation Insurance		122,628	
Total Other Charges			341,669

Principal on Debt

Highways and Streets

Principal on Other Loans	\$	150,277	
Total Highways and Streets			150,277

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Other Loans	\$ 12,619	
Total Highways and Streets		\$ 12,619

Total Highway/Public Works Fund \$ 6,705,294

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 590,700	
Total General Government		\$ 590,700

Highways and Streets

Principal on Bonds	\$ 704,030	
Total Highways and Streets		704,030

Education

Principal on Bonds	\$ 475,270	
Principal on Other Loans	347,871	
Total Education		823,141

Interest on Debt

General Government

Interest on Bonds	\$ 75,695	
Total General Government		75,695

Highways and Streets

Interest on Bonds	\$ 132,273	
Total Highways and Streets		132,273

Education

Interest on Bonds	\$ 89,527	
Interest on Other Loans	270,276	
Total Education		359,803

Other Debt Service

General Government

Trustee's Commission	\$ 31,905	
Other Debt Service	3,000	
Total General Government		34,905

Education

Other Debt Service	\$ 4,460	
Total Education		4,460

Total General Debt Service Fund 2,725,007

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 14,721	
Total Other Charges		\$ 14,721
 <u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Other Loans	\$ 81,514	
Total General Government		81,514
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Other Loans	\$ 3,454	
Total General Government		3,454
 <u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Motor Vehicles	\$ 199,455	
Other Equipment	69,417	
Total Public Safety Projects		268,872
 <u>Public Health and Welfare Projects</u>		
Solid Waste Equipment	\$ 1,581	
Other Construction	264,097	
Total Public Health and Welfare Projects		265,678
 <u>Education Capital Projects</u>		
Contributions	\$ 548,818	
Total Education Capital Projects		<u>548,818</u>
Total General Capital Projects Fund		\$ 1,183,057
 <u>Jail Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Architects	\$ 3,970	
Total Public Safety Projects		<u>\$ 3,970</u>
Total Jail Capital Projects Fund		3,970
 <u>Other Capital Projects Fund - Library Fund</u>		
<u>Social, Cultural, and Recreational Services</u>		
<u>Other Social, Cultural, and Recreational</u>		
Building Construction	\$ 1,360	
Total Other Social, Cultural, and Recreational		<u>\$ 1,360</u>
Total Other Capital Projects Fund - Library Fund		<u>1,360</u>
Total Governmental Funds - Primary Government		<u>\$ 30,756,053</u>

Exhibit J-9

Cocke County, Tennessee
 Schedule of Detailed Expenditures -
 All Governmental Fund Types
 Discretely Presented Cocke County School Department
 For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 12,599,276	
Career Ladder Program	23,705	
Homebound Teachers	14,020	
Educational Assistants	309,081	
Other Salaries and Wages	197,840	
Certified Substitute Teachers	12,980	
Non-certified Substitute Teachers	222,702	
Social Security	772,291	
Pensions	1,053,711	
Life Insurance	3,536	
Medical Insurance	1,891,439	
Employer Medicare	185,444	
Other Fringe Benefits	151,178	
Other Contracted Services	33,967	
Instructional Supplies and Materials	205,540	
Textbooks - Bound	34,854	
Software	1,000	
Other Supplies and Materials	29,623	
Other Charges	43,012	
Regular Instruction Equipment	251,732	
Total Regular Instruction Program		\$ 18,036,931

Alternative Instruction Program

Teachers	\$ 198,385	
Career Ladder Program	1,000	
Clerical Personnel	32,991	
Non-certified Substitute Teachers	10,267	
Social Security	14,235	
Pensions	19,550	
Life Insurance	64	
Medical Insurance	37,732	
Employer Medicare	3,329	
Instructional Supplies and Materials	2,500	
Other Equipment	2,795	
Total Alternative Instruction Program		322,848

Special Education Program

Teachers	\$ 1,179,252
Career Ladder Program	3,000
Homebound Teachers	12,879
Educational Assistants	160,183
Speech Pathologist	98,909
Certified Substitute Teachers	1,633
Non-certified Substitute Teachers	55,101
Social Security	88,649
Pensions	115,153

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	478	
Medical Insurance		243,536	
Employer Medicare		20,755	
Contracts with Private Agencies		55,402	
Maintenance and Repair Services - Equipment		276	
Instructional Supplies and Materials		26,271	
Other Supplies and Materials		14,626	
Special Education Equipment		14,020	
Total Special Education Program			\$ 2,090,123

Career and Technical Education Program

Teachers	\$	1,150,688	
Career Ladder Program		500	
Other Salaries and Wages		4,000	
Certified Substitute Teachers		638	
Non-certified Substitute Teachers		28,624	
Social Security		70,406	
Pensions		92,236	
Life Insurance		286	
Medical Insurance		160,582	
Employer Medicare		16,595	
Maintenance and Repair Services - Equipment		2,435	
Instructional Supplies and Materials		66,423	
Other Charges		1,000	
Vocational Instruction Equipment		214,580	
Total Career and Technical Education Program			1,808,993

Support Services

Attendance

Supervisor/Director	\$	114,190	
Career Ladder Program		1,000	
Clerical Personnel		74,695	
Social Security		9,209	
Pensions		11,802	
Life Insurance		36	
Medical Insurance		24,283	
Employer Medicare		2,695	
Travel		2,300	
Software		21,156	
Other Supplies and Materials		1,089	
Attendance Equipment		1,000	
Total Attendance			263,455

Health Services

Supervisor/Director	\$	68,114	
Other Salaries and Wages		20,489	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	4,155	
Pensions		5,919	
Life Insurance		38	
Medical Insurance		5,727	
Employer Medicare		1,269	
Travel		5,244	
Other Contracted Services		894	
Drugs and Medical Supplies		1,500	
Other Supplies and Materials		31,831	
Other Charges		8,437	
Other Equipment		1,663	
Total Health Services			\$ 155,280

Other Student Support

Guidance Personnel	\$	690,799	
Guards		36,681	
Other Salaries and Wages		89,435	
Social Security		48,792	
Pensions		67,070	
Life Insurance		219	
Medical Insurance		112,112	
Employer Medicare		11,411	
Contracts with Government Agencies		268,258	
Other Contracted Services		45,000	
Other Supplies and Materials		7,835	
Total Other Student Support			1,377,612

Regular Instruction Program

Supervisor/Director	\$	227,047	
Career Ladder Program		5,500	
Librarians		512,203	
Secretary(ies)		17,566	
Clerical Personnel		18,844	
Educational Assistants		34,671	
Other Salaries and Wages		12,906	
Social Security		46,434	
Pensions		65,736	
Life Insurance		188	
Medical Insurance		115,128	
Employer Medicare		11,424	
Travel		22,437	
Library Books/Media		10,000	
Periodicals		3,660	
Software		9,000	
Other Supplies and Materials		10,768	
In Service/Staff Development		11,745	
Other Equipment		2,000	
Total Regular Instruction Program			1,137,257

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	76,790	
Medical Personnel		117,642	
Secretary(ies)		33,930	
Other Salaries and Wages		242,348	
Social Security		28,551	
Pensions		37,769	
Life Insurance		110	
Medical Insurance		54,775	
Employer Medicare		6,677	
Communication		2,519	
Contracts with Private Agencies		45,704	
Travel		18,989	
Other Contracted Services		900	
In Service/Staff Development		16,088	
Total Special Education Program			\$ 682,792

Career and Technical Education Program

Supervisor/Director	\$	71,990	
Career Ladder Program		1,800	
Other Salaries and Wages		20,546	
Social Security		1,274	
Pensions		1,385	
Employer Medicare		1,336	
Travel		15,907	
Other Supplies and Materials		2,421	
Other Charges		2,031	
Total Career and Technical Education Program			118,690

Technology

Instructional Computer Personnel	\$	59,120	
Other Salaries and Wages		129,940	
Social Security		11,608	
Pensions		12,743	
Life Insurance		48	
Medical Insurance		27,728	
Employer Medicare		2,715	
Internet Connectivity		54,726	
Other Contracted Services		27,594	
Cabling		675	
Software		12,000	
Other Equipment		111,900	
Total Technology			450,797

Other Programs

On-behalf Payments to OPEB	\$	132,998	
Total Other Programs			132,998

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	17,100	
Social Security		1,060	
Life Insurance		19,305	
Unemployment Compensation		77	
Employer Medicare		248	
Audit Services		22,350	
Dues and Memberships		16,844	
Legal Services		2,835	
Travel		17,271	
Liability Insurance		51,339	
Trustee's Commission		174,707	
Workers' Compensation Insurance		111,159	
Other Charges		22,984	
Total Board of Education			\$ 457,279

Director of Schools

County Official/Administrative Officer	\$	139,500	
Assistant(s)		95,350	
Career Ladder Program		1,000	
Secretary(ies)		41,447	
Clerical Personnel		18,845	
Social Security		17,331	
Pensions		24,559	
Life Insurance		39	
Medical Insurance		26,129	
Employer Medicare		4,053	
Communication		29,807	
Postal Charges		1,800	
Travel		11,972	
Other Charges		6,846	
Total Director of Schools			418,678

Office of the Principal

Principals	\$	908,381	
Career Ladder Program		7,000	
Assistant Principals		295,209	
Secretary(ies)		636,768	
Social Security		108,690	
Pensions		146,715	
Life Insurance		519	
Medical Insurance		296,370	
Employer Medicare		25,420	
Communication		12,000	
Travel		8,882	
Other Contracted Services		17,800	
Other Supplies and Materials		81,195	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Other Charges	\$	5,216	
Administration Equipment		2,876	
Total Office of the Principal			\$ 2,553,041

Fiscal Services

Accountants/Bookkeepers	\$	62,327	
Clerical Personnel		77,330	
Other Salaries and Wages		149,828	
Social Security		17,874	
Pensions		14,257	
Life Insurance		59	
Medical Insurance		37,140	
Employer Medicare		4,180	
Data Processing Services		21,982	
Travel		189	
Other Contracted Services		3,571	
Data Processing Supplies		6,398	
Other Supplies and Materials		115	
Administration Equipment		721	
Total Fiscal Services			395,971

Operation of Plant

Custodial Personnel	\$	806,836	
Other Salaries and Wages		5,760	
Social Security		48,639	
Pensions		46,809	
Life Insurance		382	
Medical Insurance		222,442	
Employer Medicare		11,375	
Maintenance and Repair Services - Equipment		390	
Rentals		10,719	
Other Contracted Services		156,551	
Custodial Supplies		113,633	
Electricity		974,692	
Natural Gas		164,458	
Water and Sewer		131,014	
Boiler Insurance		5,457	
Building and Contents Insurance		198,258	
Other Charges		154,494	
Total Operation of Plant			3,051,909

Maintenance of Plant

Supervisor/Director	\$	53,781	
Secretary(ies)		34,557	
Maintenance Personnel		270,799	
Other Salaries and Wages		3,576	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	22,166	
Pensions		24,343	
Life Insurance		104	
Medical Insurance		57,904	
Employer Medicare		5,184	
Other Contracted Services		5,324	
General Construction Materials		10,764	
Other Supplies and Materials		177,090	
Other Charges		940	
Administration Equipment		795	
Maintenance Equipment		21,500	
Total Maintenance of Plant			\$ 688,827

Transportation

Bus Drivers	\$	31,100	
Social Security		1,680	
Pensions		1,827	
Employer Medicare		451	
Diesel Fuel		10,561	
Transportation Equipment		142,228	
Total Transportation			187,847

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	69,070	
Social Security		4,011	
Pensions		6,002	
Life Insurance		12	
Medical Insurance		11,775	
Employer Medicare		938	
Total Food Service			91,808

Community Services

Supervisor/Director	\$	35,999	
Other Salaries and Wages		1,172,990	
Social Security		67,227	
Pensions		63,695	
Life Insurance		244	
Medical Insurance		139,121	
Employer Medicare		16,804	
Travel		13,603	
Food Supplies		708	
Instructional Supplies and Materials		63,598	
Other Supplies and Materials		76,899	
In Service/Staff Development		24,295	
Other Charges		106,120	
Total Community Services			1,781,303

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	2,864	
Teachers		145,955	
Educational Assistants		52,255	
Certified Substitute Teachers		225	
Non-certified Substitute Teachers		3,686	
Social Security		11,814	
Pensions		15,626	
Life Insurance		78	
Medical Insurance		47,704	
Employer Medicare		2,763	
Instructional Supplies and Materials		8,985	
In Service/Staff Development		970	
Total Early Childhood Education			\$ 292,925

Capital Outlay

Regular Capital Outlay

Architects	\$	22,972	
Other Contracted Services		76,956	
Building Improvements		69,676	
Land		1,927,540	
Site Development		14,582	
Total Regular Capital Outlay			2,111,726

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	162,987	
Total Education			162,987

Total General Purpose School Fund \$ 38,772,077

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	405,118
Educational Assistants		350,536
Other Salaries and Wages		1,028,143
Certified Substitute Teachers		112
Non-certified Substitute Teachers		9,600
Social Security		94,808
Pensions		114,721
Life Insurance		499
Medical Insurance		342,608
Employer Medicare		23,928
Maintenance and Repair Services - Equipment		26,888
Instructional Supplies and Materials		462,305
Software		38,644

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	17,481	
Other Charges		3,012	
Regular Instruction Equipment		251,420	
Total Regular Instruction Program			\$ 3,169,823

Special Education Program

Teachers	\$	182,394	
Educational Assistants		453,926	
Non-certified Substitute Teachers		32,109	
Social Security		37,972	
Pensions		40,837	
Life Insurance		386	
Medical Insurance		173,660	
Employer Medicare		8,961	
Contracts with Private Agencies		70,638	
Instructional Supplies and Materials		79,034	
Other Supplies and Materials		1,475	
Special Education Equipment		15,544	
Total Special Education Program			1,096,936

Career and Technical Education Program

Teachers	\$	24,917	
Clerical Personnel		23,672	
Other Salaries and Wages		9,600	
Social Security		1,939	
Pensions		2,343	
Life Insurance		42	
Medical Insurance		7,255	
Employer Medicare		815	
Instructional Supplies and Materials		5,347	
Other Supplies and Materials		17,628	
Vocational Instruction Equipment		104,028	
Total Career and Technical Education Program			197,586

Support Services

Health Services

Medical Personnel	\$	352,736	
Social Security		21,197	
Pensions		25,533	
Life Insurance		153	
Medical Insurance		75,751	
Employer Medicare		4,957	
Health Equipment		6,159	
Other Equipment		126,063	
Total Health Services			612,549

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Supervisor/Director	\$	75,712	
Social Workers		140,984	
Other Salaries and Wages		14,882	
Social Security		13,900	
Pensions		15,932	
Medical Insurance		25,601	
Employer Medicare		3,251	
Communication		1,563	
Travel		30,646	
Other Supplies and Materials		21,723	
In Service/Staff Development		31,017	
Other Charges		31,278	
Other Equipment		554	
Total Other Student Support			\$ 407,043

Regular Instruction Program

Supervisor/Director	\$	158,065	
Instructional Computer Personnel		18,630	
Other Salaries and Wages		251,548	
Certified Substitute Teachers		225	
Non-certified Substitute Teachers		9,188	
Social Security		26,015	
Pensions		37,200	
Life Insurance		66	
Medical Insurance		44,605	
Employer Medicare		6,087	
Travel		4,619	
Other Contracted Services		184,050	
Other Supplies and Materials		10,446	
In Service/Staff Development		66,961	
Other Charges		47,878	
Total Regular Instruction Program			865,583

Special Education Program

Supervisor/Director	\$	66,784	
Medical Personnel		66,055	
Social Security		8,006	
Pensions		5,804	
Life Insurance		17	
Medical Insurance		8,790	
Employer Medicare		1,872	
In Service/Staff Development		6,895	
Total Special Education Program			164,223

Career and Technical Education Program

In Service/Staff Development	\$	4,099	
Total Career and Technical Education Program			4,099

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Technology

Other Salaries and Wages	\$	5,227	
Social Security		324	
Pensions		352	
Medical Insurance		1,190	
Employer Medicare		76	
Total Technology			\$ 7,169

Fiscal Services

Other Contracted Services	\$	23,628	
Total Fiscal Services			23,628

Transportation

Bus Drivers	\$	70,020	
Other Salaries and Wages		91,122	
Social Security		9,681	
Pensions		9,119	
Life Insurance		73	
Medical Insurance		43,530	
Employer Medicare		2,264	
Other Charges		5,000	
Transportation Equipment		82,760	
Total Transportation			313,569

Capital Outlay

Regular Capital Outlay

Architects	\$	460,186	
Building Construction		448,272	
Building Improvements		2,879,699	
Plant Operation Equipment		186,588	
Total Regular Capital Outlay			<u>3,974,745</u>

Total School Federal Projects Fund \$ 10,836,953

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,048,996	
Other Salaries and Wages		153,855	
Social Security		71,292	
Pensions		73,368	
Life Insurance		767	
Medical Insurance		341,856	
Unemployment Compensation		62	
Employer Medicare		16,673	
Communication		4,483	
Maintenance and Repair Services - Equipment		8,067	
Transportation - Other than Students		15,798	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Travel	\$	2,352	
Other Contracted Services		347,586	
Food Supplies		1,227,520	
Office Supplies		3,871	
Uniforms		589	
USDA - Commodities		259,672	
Other Supplies and Materials		195,401	
In Service/Staff Development		2,762	
Food Service Equipment		340,567	
Motor Vehicles		52,850	
Total Food Service			\$ 4,168,387

Total Central Cafeteria Fund \$ 4,168,387

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	28,611	
Total Board of Education			\$ 28,611

Transportation

Supervisor/Director	\$	53,781	
Mechanic(s)		173,067	
Bus Drivers		700,499	
Clerical Personnel		32,156	
Other Salaries and Wages		77,667	
Social Security		60,819	
Pensions		65,380	
Life Insurance		496	
Medical Insurance		286,240	
Employer Medicare		14,444	
Communication		2,085	
Maintenance and Repair Services - Vehicles		68,787	
Medical and Dental Services		7,158	
Rentals		11,708	
Diesel Fuel		271,328	
Garage Supplies		9,597	
Gasoline		53,873	
Lubricants		12,599	
Tires and Tubes		41,923	
Vehicle Parts		384,574	
Software		18,983	
Other Supplies and Materials		7,705	
Vehicle and Equipment Insurance		40,753	
Other Charges		21,603	
Transportation Equipment		654,968	
Total Transportation			3,072,193

Total School Transportation Fund 3,100,804

(Continued)

Exhibit J-9

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

<u>Internal School Fund</u>			
<u>Operation of Non-Instructional Services</u>			
<u>Community Services</u>			
Other Charges	\$	<u>1,597,985</u>	
Total Community Services			<u>\$ 1,597,985</u>
 Total Internal School Fund			 <u>\$ 1,597,985</u>
 Total Governmental Funds - Cocke County School Department			 <u><u>\$ 58,476,206</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cocke County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cocke County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Cocke County School Department, as described in our report on Cocke 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 Cocke 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 Cocke County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cocke County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cocke County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-001, 2023-002, and 2023-004.

Cocke County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2024

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cocke County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cocke County's major federal programs for the year ended June 30, 2023. Cocke County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Cocke County complied, in all material respects, with the 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, 2023.

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 Cocke 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 Cocke 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, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cocke County's 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 Cocke 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 Cocke 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 Cocke 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 Cocke 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 Cocke 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 Cocke County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cocke County's basic financial statements. We issued our report thereon dated January 23, 2024, 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 23, 2024

JEM/tg

Cocke County, Tennessee, and the Cocke County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Award:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 83,449
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	928,576
National School Lunch Program	10.555	N/A	2,768,868 (7)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	211,271 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	259,672 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75746-00	53,946 (6)
Total U.S. Department of Agriculture			<u>\$ 4,305,782</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)	\$ 319,347
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	(4)	356,837
Total U.S. Department of Housing and Urban Development			<u>\$ 676,184</u>
U.S. Department of the Interior:			
Direct Award:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 159,257
Total U.S. Department of the Interior			<u>\$ 159,257</u>
U.S. Department of Justice:			
Direct Award:			
Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	\$ 128,861
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	12,445
Crime Victim Assistance	16.575	(4)	95,691
Total U.S. Department of Justice			<u>\$ 236,997</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 27,999
Total U.S. Department of Transportation			<u>\$ 27,999</u>
U.S. Department of the Treasury:			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,343,265
Total U.S. Department of the Treasury			<u>\$ 1,343,265</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 157,064
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,019,967

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	\$ 1,185,742 (7)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	193,579 (7)
Special Education - Preschool Grants	84.173	N/A	43,545 (7)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	84.173X	17,342 (7)
Career and Technical Education - Basic Grants to States	84.048	N/A	184,054
Twenty-first Century Community Learning Centers	84.287	N/A	250,187
Rural Education	84.358	N/A	91,107
Supporting Effective Instruction State Grants	84.367	N/A	241,324
Comprehensive Literacy Development	84.371	N/A	88,157
Student Support and Academic Enrichment Program	84.424	N/A	178,785
COVID 19 -Governors Emergency Education Relief Fund - Early Literacy Network	84.425C	N/A	40,000 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER II)	84.425D	N/A	299,075 (7)
COVID 19 Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	338,712 (7)
COVID 19 Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,948,467 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Supports (ESSER II)	84.425D	N/A	23,628 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Math Implementation (ESSER II)	84.425D	N/A	71,250 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Literacy Training Stipend (ESSER II)	84.425D	N/A	53,000 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	2,673,887 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	5,000 (7)
Total U.S. Department of Education			<u>\$ 10,103,872</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-23-75746-00	\$ 2,832 (6)
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	812,081
Cooperative Agreement for Emergency Response - Public Health Crisis Response	93.354	N/A	26,332
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-23-75746-00	33,590 (6)
HIV Prevention Activities - Health Department Based	93.940	GG-23-75746-00	1,773 (6)
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-23-75746-00	11,219 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-23-75746-00	2,904 (6)
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	280,070
Temporary Assistance for Needy Families	93.558	N/A	193,610 (7)
Passed-through Save the Children:			
Temporary Assistance for Needy Families	93.558	N/A	204,497 (7)
Total U.S. Department of Health and Human Services			<u>\$ 1,568,908</u>
Total Expenditures of Federal Awards			<u>\$ 18,422,264</u>

(Continued)

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

<u>State Grants</u>		<u>Contract Number</u>	
Litter Program - State Department of Transportation	N/A	(4)	\$ 44,235
Tourism Enhancement Grant - State Department of Economic and Community Development	N/A	(4)	25,735
Evidence Based Programming Grant - State Department of Safety	N/A	(4)	226,074
Solid Waste Grant - State Department of Environment and Conservation	N/A	(4)	28,641
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	9,000
Early Childhood Development - State Department of Education	N/A	(4)	340,118
Coordinated School Health - State Department of Education	N/A	(4)	95,000
Family Resource Center Grant - State Department of Education	N/A	(4)	29,612
Safe Schools Act Grant - State Department of Education	N/A	(4)	98,420
Safe Resource Officer - State Department of Education	N/A	(4)	99,312
Drivers Education - State Department of Education	N/A	(4)	25,680
Innovative School Model Grant - State Department of Education	N/A	(4)	188,674
Law Enforcement Training Program - State Department of Safety	N/A	(4)	43,200
State Mental Health Transport - State Department of Finance and Administration	N/A	(4)	36,178
State Bridge Program - State Department of Transportation	N/A	(4)	475,077
State Aid Program - State Department of Transportation	N/A	(4)	199,223
Adverse Childhood Experiences Initiative Program (ACE) - State Department of Children's Services	N/A	(4)	22,127
Lottery for Education After School Program - Save the Children	N/A	(4)	280,551
Supporting Postsecondary Access in Rural Economies Grant (SPARC) - State Higher Education Commission	N/A	(4)	28,633
Summer Learning Camps - State Department of Education	N/A	(4)	249,231
Special Needs Grant - State Department of Health	N/A	(4)	250,000
Local Health Center - State Department of Health	N/A	GG-23-75746-00	45,259 (6)
 Total State Grants			 <u>\$ 2,839,980</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) Cocke County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Forest Service Schools and Roads Cluster total \$83,449; Child Nutrition Cluster total \$4,168,387;
Highway Safety Cluster total \$27,999; Special Education Cluster total \$1,440,208; Medicaid Cluster total \$33,590.
- (6) Programs with pass-through identifying number GG-23-75746-00 are part of a multi-service contract.
- (7) Total for FAL No. 10.555, \$3,239,811; FAL No. 84.027, \$1,379,321; FAL No. 84.173, \$60,887; FAL No. 84.425, \$5,453,019;
FAL No. 93.558, \$398,107.
- (8) CONSOLIDATED ADMINISTRATION

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 100,801
Supporting Effective Instruction State Grants	84.367	6,383
Rural Education	84.358	6,383
Student Support and Academic Enrichment Program	84.424	319
Total amounts consolidated for administration purposes		<u>\$ 113,886</u>

Cocke County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Cocke County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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COCKE COUNTY

2022	235	2022-001	Cocke County Commission should take action to liquidate the remaining cash shortage of the former clerk and master.	N/A	Corrected
2022	236	2022-002	An investigation of the Cocke County Parks and Recreation Department disclosed deficiencies in internal controls.	N/A	Corrected

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

2022	236	2022-003	The offices had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICE OF SHERIFF

2022	237	2022-004	An investigation of the Cocke County Sheriff's Department disclosed a deputy submitted timesheets to the county and a municipal police department for the same hours worked.	N/A	Corrected
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Prior-year Federal Awards Findings

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

COCKE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Cocke County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Education Agencies
 - * 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
 - * Assistance Listing Number: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2023-001 **THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS**
 (Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations:

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
County Attorney	\$ 2,259
Development	5
Other General Administration	2,518
Reappraisal Program	927
County Coroner/Medical Examiner	6,495
Libraries	17,699
Other Social, Cultural, and Recreational	16,635
Housing and Urban Development	21,436
Miscellaneous	7,425
Solid Waste/Sanitation:	
Convenience Centers	30,637
Industrial/Economic Development:	
Contributions to Other Agencies	38,500
Interest on Debt:	
General Government	183
Public Utility Projects	38
Other General Government Projects	5,000
General Debt Service:	
Interest on Debt:	
Highways and Streets	10
Other Debt Service:	
General Government	33

- B. Salaries exceeded appropriations in 18 of 122 salary line-items of the General Fund by amounts ranging from \$30 to \$8,541, two of seven salary line-items in the Solid Waste/Sanitation Fund by \$256 and \$1,042, one of five salary line-items in the Sports and Recreation Fund by \$376, and two of 14 salary line-items in the Highway/Public Works Fund by \$977 and \$13,429. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed appropriations that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We have been informed of and acknowledge the results of the audit conducted by the Tennessee Comptroller’s Office. We also acknowledge and concur with the single finding presented in this audit and are already working to remedy this deficiency. We are also working diligently to prevent any future findings and/or deficiencies.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-002

THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN PURCHASING PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 30 disbursements totaling \$379,002 from a population of 2,967 vendor checks totaling \$16,313,718. In addition to sampling disbursements, we wanted to obtain reasonable assurance that bids were solicited properly. Therefore, we reviewed certain purchases that were just below or above the \$25,000 bid limit. Our examination revealed that the school department purchased a 2020 Chevrolet Silverado for \$45,000 and did not document the value of the used vehicle at the point of purchase or solicitate competitive bids. Purchasing procedures for the school department are governed by Section 49-2-203(a), *Tennessee Code Annotated (TCA)*, which provides for the Board of Education, through its executive committee, to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000. Since the vehicle was used, Section 12-3-1202, *TCA*, permits the purchase of used

equipment without bidding if the general range of value of the item purchased is documented as not more than five percent higher than the highest value from a listing in a nationally recognized publication. As a result, the best and lowest price may not have been obtained for the purchase of this vehicle. This deficiency was the result of a lack of management oversight and understanding of the requirement for the purchase of used equipment.

RECOMMENDATION

Management should obtain the required documentation on all purchases for used items in compliance with state statutes.

MANAGEMENT'S RESPONSE - DIRECTOR OF SCHOOLS

I, Manney Moore, Cocke County Director of Schools, agree to the findings of the 2023 audit. The Cocke County Board of Education will follow Section 12-3-1202, *TCA* when purchasing used vehicles. The Cocke County Board of Education will obtain documentation to ensure the purchase price is not more than five percent higher than the highest value from a listing in a nationally recognized publication.

OFFICE OF TRUSTEE

FINDING 2023-003

BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER IN A TIMELY MANNER

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

Bank statements were not accurately reconciled with the general ledger in a timely manner from July 2022 through June 2023. While personnel attempted reconciliations, significant differences had not been identified or corrected. Auditors reconciled the accounts and identified several reconciling items. Of the identified differences, the following significant items were noted in the two main accounts utilized by the office. General ledger posting errors between the accounts were made totaling \$1,716,028. Deposits, including credit card payments received, were not posted to the general ledger totaling \$56,545 and receipts totaling \$36,097 were posted but could not be traced to deposits. A net total of \$6,129 credit card deposits were not posted from accumulated unreconciled activity for the year. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly, and any differences should be identified and corrected promptly. The failure to regularly reconcile the bank account with accounting records is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any differences discovered should be identified and corrected promptly.

MANAGEMENT'S RESPONSE - TRUSTEE

We concur with the finding. Our office will take appropriate action immediately.

FINDING 2023-004

THE MONTHLY TRUSTEE'S REPORT WAS NOT COMPLETED AND FILED IN COMPLIANCE WITH STATE STATUTE

(Noncompliance Under Government Auditing Standards)

The Trustee's Office did not file the monthly trustee's report with the director of accounts and budgets and the director of schools in compliance with state statute. Section 67-5-1902, *Tennessee Code Annotated*, states that on or before the tenth day in each month the trustee shall report and make settlement for all taxes collected during the preceding month. We noted only one instance between July 2022 and June 2023 where the monthly trustee's report was filed with the director of accounts and budgets or director of schools by the tenth day of the following month, as required by state statute. The monthly trustee's reports were provided as many as 22 days after the close of the month. It was also noted that several months' reports were filed that were inaccurate. This required multiple revisions and re-submissions after errors and known problems were corrected. We noted corrected reports were provided as many as 45 days after the close of the month. The failure to file accurate and timely monthly trustee's reports diminishes the usefulness of and delays the posting of information by the director of accounts and budgets and the director of schools, which delays the dissemination of financial information to the county commission and the school board. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The trustee should ensure that accurate monthly trustee's reports are filed with the director of accounts and budgets and the director of schools timely in compliance with state statute.

MANAGEMENT'S RESPONSE - TRUSTEE

We concur with the finding. Our office will take appropriate action immediately.

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, 2023.

Cocke County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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

2023-001	The offices had deficiencies in budget operations.	227
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OFFICE OF DIRECTOR OF SCHOOLS

2023-002	The school department had deficiencies in purchasing procedures.	228
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OFFICE OF TRUSTEE

2023-003	Bank statements were not accurately reconciled with the general ledger in a timely manner.	229
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2023-004	The monthly trustee's report was not completed and filed in compliance with state statute.	230
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Fax: (423) 623-8792
Email: rob.mathis@cockecountytn.gov



Courthouse Annex
360 East Main St. Suite 146
Newport, Tennessee 37821

Cocke County Mayor Rob Mathis

Corrective Action Plan

FINDING: THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS

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

Person Responsible for Implementing the Corrective Action:
Heather McGaha, CPA, Finance Director

Anticipated Completion Date of Corrective Action:
12/31/2023

Repeat Finding:
Yes

Planned Corrective Action:
Accounting is now fully staffed with a purchasing agent as of June 2023, this will allow for better monitoring of the budget.

Signature: _____



Corrective Action Plan

FINDING: THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:
Manney Moore, Director

Person Responsible for Implementing the Corrective Action:
Manney Moore, Director

Anticipated Completion Date of Corrective Action:
July 1, 2023

Repeat Finding:
No

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

Planned Corrective Action:

I agree. The Coke County Board of Education will follow Section 12-3-1202, TCA when purchasing used vehicles. The Coke County Board of Education will obtain documentation to insure the purchase price is not more than five percent higher than the highest value from a listing in a nationally recognized publication.

Signature: Manney Moore



COCKE COUNTY, TENNESSEE

MITCH FINE, TRUSTEE

111 COURT AVENUE, ROOM 107 • NEWPORT, TENNESSEE 37821

(423) 623-3037 • FAX: (423) 625-9464

mitchfine@cockecountytn.gov

Corrective Action Plan

FINDING: BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER IN A TIMELY MANNER

Response and Corrective Action Plan Prepared by:
Mitch Fine, Cocke County Trustee

Person Responsible for Implementing the Corrective Action:
Mitch Fine, Trustee/Wendy Grooms Chief Deputy/Bookkeeper

Anticipated Completion Date of Corrective Action:
June 30, 2024

Repeat Finding:
No

Planned Corrective Action:

Additional training has been conducted for accounting personnel. On line viewing access has been activated and should mitigate any timing issues. Office personnel will ensure the bank statements are reconciled as soon as possible to close out the current month. These changes are effective immediately.

Signature: _____

Mitch Fine



COCKE COUNTY, TENNESSEE

MITCH FINE, TRUSTEE

111 COURT AVENUE, ROOM 107 • NEWPORT, TENNESSEE 37821

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mitchfine@cockecountytn.gov

Corrective Action Plan

FINDING: THE MONTHLY TRUSTEE'S REPORT WAS NOT COMPLETED AND FILED IN COMPLIANCE WITH STATE STATUTE

Response and Corrective Action Plan Prepared by:
Mitch Fine, Title Cocke County Trustee

Person Responsible for Implementing the Corrective Action:
Mitch Fine, Trustee/Wendy Grooms, Chief Deputy/Bookkeeper

Anticipated Completion Date of Corrective Action:
June 30, 2024

Repeat Finding:
No

Planned Corrective Action:

Additional training has been conducted for accounting personnel. The changes are effective immediately. Office personnel will be responsible for ensuring reports are completed and handed out to the appropriate offices by the 10th of each month in accordance to Tennessee Code Annotated Section 67-5-1902.

Signature:

Mitch Fine

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coker County.

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

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