



ANNUAL FINANCIAL REPORT

Cocke County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
COCKE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

ROBERT J. ANDERSON, CPA, CGFM
Audit Manager

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

COCKE COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6-7
INTRODUCTORY SECTION		8
Cocke County Officials		9
FINANCIAL SECTION		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	26
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	27-30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	31
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	32-34
Solid Waste/Sanitation Fund	C-6	35
Other Special Revenue Fund	C-7	36
Highway/Public Works Fund	C-8	37
Fiduciary Funds:		
Statement of Net Position	D-1	38
Statement of Changes in Net Position	D-2	39
Index and Notes to the Financial Statements		40-99
REQUIRED SUPPLEMENTARY INFORMATION:		100
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	101
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	102
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Cocke County School Department	E-3	103

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Cocke County School Department	E-4	104
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Retirement Plan of TCRS – Discretely Presented Cocke County School Department	E-5	105
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Cocke County School Department	E-6	106
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans – Primary Government	E-7	107
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Cocke County School Department	E-8	108
Notes to the Required Supplementary Information		109
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		110
Nonmajor Governmental Funds:		111
Combining Balance Sheet	F-1	112-115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	116-119
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
Industrial/Economic Development Fund	F-3	120
Special Purpose Fund	F-4	121
Drug Control Fund	F-5	122
Sports and Recreation Fund	F-6	123
Major Governmental Funds:		124
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Debt Service Fund	G-1	125
General Capital Projects Fund	G-2	126
Fiduciary Funds:		127
Combining Statement of Net Position – Custodial Funds	H-1	128
Combining Statement of Changes in Net Position – Custodial Funds	H-2	129
Component Unit:		
Discretely Presented Cocke County School Department:		130
Statement of Activities	I-1	131
Balance Sheet – Governmental Funds	I-2	132-133
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	134
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	135-136
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	137

	Exhibit	Page(s)
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	139
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	140-141
School Federal Projects Fund	I-9	142
Central Cafeteria Fund	I-10	143
School Transportation Fund	I-11	144
Statement of Fiduciary Net Position	I-12	145
Statement of Changes in Fiduciary Net Position	I-13	146
Miscellaneous Schedules:		147
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	148-149
Schedule of Long-term Debt Requirements by Year	J-2	150-151
Schedule of Leases Receivable - Discretely Presented Cocks County School Department	J-3	152
Schedule of Transfers – Primary Government and Discretely Presented Cocks County School Department	J-4	153
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Cocks County School Department	J-5	154
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	155-175
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Cocks County School Department	J-7	176-179
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	180-200
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Cocks County School Department	J-9	201-213
SINGLE AUDIT SECTION		214
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		215-216
Independent Auditor's 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 Uniform Guidance		217-219
Schedule of Expenditures of Federal Awards and State Grants		220-222
Summary Schedule of Prior-year Findings		223
Schedule of Findings and Questioned Costs		224-234
Management's Corrective Action Plan		235-243
Best Practice		244

Summary of Audit Findings

Annual Financial Report
Cocke County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Cocke County as of and for the year ended June 30, 2024.

Results

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

Our audit resulted in twelve 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:

COCKE COUNTY

- ◆ The county's audit committee did not present a written committee report to the county commission.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The accounting records for various funds had not been properly maintained.
- ◆ The office had deficiencies in budget operations.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ The Tennessee Office of Criminal Justice Program under the State Department of Finance and Administration reported deficiencies related to the administration of the Evidence Based Programming Grant resulting in questioned costs of \$61,464.
- ◆ County management entered into a contract for employee health insurance without proper approval.
- ◆ A retirement deposit due to the Tennessee Consolidated Retirement System was not reported timely resulting in the assessment of a penalty totaling \$13,057.
- ◆ Payroll taxes were overpaid to the Internal Revenue Service.



OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Bank statements for the payroll clearing account were not accurately reconciled.
- ◆ A tax deposit due to the Internal Revenue Service was not reported timely resulting in the assessment of a penalty totaling \$10,191.
- ◆ The Cocke County School Department is currently under investigation.

OFFICE OF GENERAL SESSIONS COURT CLERK

- ◆ The office did not prepare an annual financial report for juvenile court.



INTRODUCTORY SECTION

COCKE COUNTY OFFICIALS

June 30, 2024

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

Billy Hudson, Chairman	Andy Ford
Gayla Blazer	Norman Smith
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, 2024, 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, 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, 2024, 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 1.53 percent, 1.77 percent, and 2.34 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 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.

Change in Accounting Principle

As described in Note V.B., Cocke County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 position 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 and General Capital Projects funds, combining and individual fund financial statements of the Cocke County School Department (a discretely presented component unity), 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 and General Capital Projects funds, 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 November 1, 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

November 1, 2024

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

COCKE COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Government Governmental Activities	Component Unit Cocke County School Department
ASSETS		
Cash	\$ 477,622	\$ 6,400,121
Equity in Pooled Cash and Investments	24,638,522	21,286,376
Accounts Receivable	317,156	355,980
Due from Other Governments	1,469,555	5,187,117
Due from Primary Government	0	87,974
Property Taxes Receivable	14,134,062	3,703,617
Allowance for Uncollectible Property Taxes	(470,636)	(132,944)
Prepaid Items	56,432	5,800
Leases Receivable - Current	0	51,982
Leases Receivable - Long-term	0	228,905
Net Pension Asset - Agent Plan	2,278,918	1,501,636
Net Pension Asset - Teacher Retirement Plan	0	134,100
Net Pension Asset - Teacher Legacy Pension Plan	0	5,181,778
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	582,796
Capital Assets:		
Assets Not Depreciated:		
Land	2,798,886	1,298,032
Construction in Progress	193,774	11,624,344
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	3,224,136	14,537,766
Infrastructure	11,345,622	65,694
Other Capital Assets	5,725,074	5,117,652
Total Assets	<u>\$ 66,189,123</u>	<u>\$ 77,218,726</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	\$ 54,903	\$ 0
Pension Changes in Experience	525,472	1,585,328
Pension Changes in Investment Earnings	306,937	1,135,408
Pension Changes in Assumptions	1,014,457	2,457,705
Pension Changes in Proportion	0	129,473
Pension Contributions After Measurement Date	744,955	1,622,585
OPEB Changes in Experience	0	511,456
OPEB Changes in Assumptions	0	870,205
OPEB Changes in Proportion	0	271,562
OPEB Contributions After Measurement Date	0	359,722
Total Deferred Outflows of Resources	<u>\$ 2,646,724</u>	<u>\$ 8,943,444</u>

(Continued)

COCKE COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Unit Cocke County School Department
LIABILITIES		
Accounts Payable	\$ 327,709	\$ 360,583
Accrued Payroll	984	4,375
Accrued Interest Payable	77,880	0
Payroll Deductions Payable	445,612	0
Due to Component Units	87,974	0
Due to Other Governments	590,130	0
Other Current Liabilities	13,398	5,219,832
Noncurrent Liabilities:		
Due Within One Year - Debt	2,726,007	0
Due Within One Year - Other	78,353	702,135
Due in More Than One Year - Debt	13,229,691	0
Due in More Than One Year - Other	1,115,016	6,811,435
Total Liabilities	<u>\$ 18,692,754</u>	<u>\$ 13,098,360</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 13,161,429	\$ 3,416,942
Deferred Lease Receivable	0	280,887
Pension Changes in Experience	45,304	348,592
Pension Changes in Proportion	0	36,998
OPEB Changes in Experience	0	459,526
OPEB Changes in Assumptions	0	1,078,802
OPEB Changes in Proportion	0	651,481
Total Deferred Inflows of Resources	<u>\$ 13,206,733</u>	<u>\$ 6,273,228</u>
NET POSITION		
Net Investment in Capital Assets	\$ 14,726,171	\$ 32,355,866
Restricted for:		
General Government	162,802	0
Finance	93,858	0
Administration of Justice	1,689,038	0
Public Safety	197,137	0
Public Health and Welfare	485,956	0
Other Operations	15,581	0
Highways	287,539	0
Debt Service	112,612	0
Education	0	4,061,270
Capital Projects	2,427,281	0
Pensions	2,278,918	7,400,310
Unrestricted	<u>14,459,467</u>	<u>22,973,136</u>
Total Net Position	<u>\$ 36,936,360</u>	<u>\$ 66,790,582</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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Cocke County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 4,108,532	\$ 312,261	\$ 4,948,651	\$ 0	\$ 1,152,380	\$ 0
Finance	1,891,576	1,221,253	0	0	(670,323)	0
Administration of Justice	1,743,335	683,088	211,245	0	(849,002)	0
Public Safety	9,833,761	636,842	1,116,902	317,400	(7,762,617)	0
Public Health and Welfare	4,540,181	158,875	761,716	21,000	(3,598,590)	0
Social, Cultural, and Recreational Services	552,523	454,528	0	0	(97,995)	0
Agriculture and Natural Resources	170,186	0	0	0	(170,186)	0
Highways	8,750,807	9,386	2,626,116	2,947,470	(3,167,835)	0
Education	2,349,691	0	0	0	(2,349,691)	0
Interest on Long-term Debt	502,519	0	0	0	(502,519)	0
Total Primary Government	\$ 34,443,111	\$ 3,476,233	\$ 9,664,630	\$ 3,285,870	\$ (18,016,378)	\$ 0
Component Unit:						
Cocke County School Department	\$ 55,622,053	\$ 468,593	\$ 13,709,810	\$ 10,484,295	\$ 0	\$ (30,959,355)
Total Component Unit	\$ 55,622,053	\$ 468,593	\$ 13,709,810	\$ 10,484,295	\$ 0	\$ (30,959,355)

(Continued)

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 Government	Component Unit
					Total Governmental Activities	Cocke County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 7,148,848	\$ 2,623,407
Property Taxes Levied for Development					459,188	0
Property Taxes Levied for Highway/Public Works					1,989,502	0
Property Taxes Levied for Public Health and Welfare					2,418,014	0
Property Taxes Levied for School Transportation					0	1,425,144
Property Taxes Levied for Debt Service					207,444	0
Property Taxes for Capital Outlay					894,488	0
Local Option Sales Taxes					3,182,710	7,209,320
Hotel/Motel Tax					692,732	0
Litigation Tax - General					35,942	0
Litigation Tax - Special Purpose					3,271	0
Litigation Tax - Jail, Workhouse, Courthouse					160,235	0
Litigation Tax - Courthouse Security					713	0
Business Tax					493,783	0
Mineral Severance Tax					132,788	0
Wholesale Beer Tax					256,339	0
Mixed Drink Tax					672	0
Other Local Taxes					76,537	48,076
Grants and Contributions Not Restricted to Specific Programs					1,912,207	35,390,810
Unrestricted Investment Income					755,803	8,201
Lease Interest					0	2,482
Miscellaneous					229,842	268,903
Total General Revenues					\$ 21,051,058	\$ 46,976,343
Special Item - See Note I.D.11					\$ 610,924	\$ 0
Change in Net Position					\$ 3,645,604	\$ 16,016,988
Net Position, July 1, 2023					33,290,756	50,773,594
Net Position, June 30, 2024					\$ 36,936,360	\$ 66,790,582

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, 2024

	Major Funds					
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service	General Capital Projects
ASSETS						
Cash	\$ 369,240	\$ 24,753	\$ 0	\$ 75,024	\$ 0	\$ 0
Equity in Pooled Cash and Investments	5,562,489	722,824	4,229,834	1,355,758	8,280,760	1,537,648
Accounts Receivable	284,456	6,078	0	0	0	0
Due from Other Governments	532,452	0	0	497,963	351,166	87,974
Due from Other Funds	64,584	0	21,000	0	14,150	0
Property Taxes Receivable	8,370,039	2,387,041	0	2,326,879	413,641	228,149
Allowance for Uncollectible Property Taxes	(268,156)	(83,065)	0	(74,688)	(10,810)	(19,002)
Prepaid Items	0	0	0	0	56,432	0
Total Assets	<u>\$ 14,915,104</u>	<u>\$ 3,057,631</u>	<u>\$ 4,250,834</u>	<u>\$ 4,180,936</u>	<u>\$ 9,105,339</u>	<u>\$ 1,834,769</u>
LIABILITIES						
Accounts Payable	\$ 95,006	\$ 96,835	\$ 0	\$ 32,113	\$ 0	\$ 0
Accrued Payroll	0	0	0	984	0	0
Payroll Deductions Payable	347,667	16,264	0	74,662	0	0
Due to Other Funds	21,000	0	0	14,150	0	0
Due to Component Units	0	0	0	0	0	87,974
Due to Other Governments	0	0	590,130	0	0	0
Other Current Liabilities	0	0	0	0	0	0
Total Liabilities	<u>\$ 463,673</u>	<u>\$ 113,099</u>	<u>\$ 590,130</u>	<u>\$ 121,909</u>	<u>\$ 0</u>	<u>\$ 87,974</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 7,828,940	\$ 2,210,935	\$ 0	\$ 2,175,988	\$ 394,975	\$ 174,738
Deferred Delinquent Property Taxes	242,385	82,624	0	67,672	6,976	30,557

(Continued)

COCKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds					
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service	General Capital Projects
DEFERRED INFLOWS OF RESOURCES (Cont.)						
Other Deferred/Unavailable Revenue	\$ 238,317	\$ 0	\$ 0	\$ 240,384	\$ 183,516	\$ 0
Total Deferred Inflows of Resources	<u>\$ 8,309,642</u>	<u>\$ 2,293,559</u>	<u>\$ 0</u>	<u>\$ 2,484,044</u>	<u>\$ 585,467</u>	<u>\$ 205,295</u>
FUND BALANCES						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,432	\$ 0
Restricted:						
Restricted for General Government	162,802	0	0	0	0	0
Restricted for Finance	93,858	0	0	0	0	0
Restricted for Administration of Justice	1,689,038	0	0	0	0	0
Restricted for Public Safety	170,949	0	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	1,541,500
Committed:						
Committed for Public Health and Welfare	0	650,973	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0	0
Committed for Other Operations	0	0	0	0	0	0
Committed for Highways/Public Works	0	0	0	1,574,983	0	0
Committed for Debt Service	0	0	0	0	8,463,440	0
Committed for Other Purposes	0	0	3,660,704	0	0	0
Assigned:						
Assigned for General Government	32,982	0	0	0	0	0
Assigned for Finance	20,487	0	0	0	0	0
Assigned for Administration of Justice	200,124	0	0	0	0	0
Assigned for Public Safety	151,302	0	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds					
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service	General Capital Projects
FUND BALANCES (Cont.)						
Assigned (Cont.):						
Assigned for Public Health and Welfare	\$ 18,195	\$ 0	\$ 0	\$ 0	\$ 0	0
Assigned for Agriculture and Natural Resources	1,341	0	0	0	0	0
Assigned for Other Operations	12,803	0	0	0	0	0
Assigned for Other Purposes	2,942,537	0	0	0	0	0
Unassigned	645,371	0	0	0	0	0
Total Fund Balances	<u>\$ 6,141,789</u>	<u>\$ 650,973</u>	<u>\$ 3,660,704</u>	<u>\$ 1,574,983</u>	<u>\$ 8,519,872</u>	<u>\$ 1,541,500</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,915,104</u>	<u>\$ 3,057,631</u>	<u>\$ 4,250,834</u>	<u>\$ 4,180,936</u>	<u>\$ 9,105,339</u>	<u>\$ 1,834,769</u>

(Continued)

COCKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Nonmajor Funds	
	Other Govern- mental Funds	Total Governmental Funds
ASSETS		
Cash	\$ 8,605	\$ 477,622
Equity in Pooled Cash and Investments	2,949,209	24,638,522
Accounts Receivable	26,622	317,156
Due from Other Governments	0	1,469,555
Due from Other Funds	0	99,734
Property Taxes Receivable	408,313	14,134,062
Allowance for Uncollectible Property Taxes	(14,915)	(470,636)
Prepaid Items	0	56,432
	\$ 3,377,834	\$ 40,722,447
LIABILITIES		
Accounts Payable	\$ 103,755	\$ 327,709
Accrued Payroll	0	984
Payroll Deductions Payable	7,019	445,612
Due to Other Funds	64,584	99,734
Due to Component Units	0	87,974
Due to Other Governments	0	590,130
Other Current Liabilities	13,398	13,398
Total Liabilities	\$ 188,756	\$ 1,565,541
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 375,853	\$ 13,161,429
Deferred Delinquent Property Taxes	15,581	445,795

(Continued)

COCKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue

Total Deferred Inflows of Resources

Nonmajor Funds		
Other Govern- mental Funds	Total Governmental Funds	
\$ 0	\$ 662,217	
<u>\$ 391,434</u>	<u>\$ 14,269,441</u>	

FUND BALANCES

Nonspendable:

Prepaid Items

\$ 0 \$ 56,432

Restricted:

Restricted for General Government

0 162,802

Restricted for Finance

0 93,858

Restricted for Administration of Justice

0 1,689,038

Restricted for Public Safety

26,188 197,137

Restricted for Public Health and Welfare

403,332 403,332

Restricted for Capital Projects

1,161,577 2,703,077

Committed:

Committed for Public Health and Welfare

0 650,973

Committed for Social, Cultural, and Recreational Services

128,847 128,847

Committed for Other Operations

1,077,700 1,077,700

Committed for Highways/Public Works

0 1,574,983

Committed for Debt Service

0 8,463,440

Committed for Other Purposes

0 3,660,704

Assigned:

Assigned for General Government

0 32,982

Assigned for Finance

0 20,487

Assigned for Administration of Justice

0 200,124

Assigned for Public Safety

0 151,302

(Continued)

COCKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Public Health and Welfare

Assigned for Agriculture and Natural Resources

Assigned for Other Operations

Assigned for Other Purposes

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds		
Other Govern- mental Funds	Total Governmental Funds	
\$ 0	\$ 18,195	
0	1,341	
0	12,803	
0	2,942,537	
0	645,371	
<u>\$ 2,797,644</u>	<u>\$ 24,887,465</u>	
<u>\$ 3,377,834</u>	<u>\$ 40,722,447</u>	

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

COCKE COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024

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)		\$ 24,887,465
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Add: land	\$ 2,798,886	
Add: construction in progress	193,774	
Add: buildings and improvements net of accumulated depreciation	3,224,136	
Add: infrastructure net of accumulated depreciation	11,345,622	
Add: other capital assets net of accumulated depreciation	<u>5,725,074</u>	23,287,492
(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	\$ (4,817,719)	
Less: bonds payable	(9,430,000)	
Less: notes payable	(1,343,633)	
Add: deferred charge on refunding	54,903	
Less: landfill postclosure care costs	(1,081,436)	
Less: compensated absences	(111,933)	
Less: unamortized premium on debt	(364,346)	
Less: accrued interest on bonds, notes and other loans	<u>(77,880)</u>	(17,172,044)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,591,821	
Less: deferred inflows of resources related to pensions	<u>(45,304)</u>	2,546,517
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		2,278,918
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,108,012</u>
Net position of governmental activities (Exhibit A)		<u>\$ 36,936,360</u>

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

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds
For the Year Ended June 30, 2024

	Major Funds					
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service	General Capital Projects
Revenues						
Local Taxes	\$ 10,112,922	\$ 2,490,307	\$ 0	\$ 2,190,351	\$ 2,219,725	\$ 921,458
Licenses and Permits	141,089	0	0	0	0	0
Fines, Forfeitures, and Penalties	157,852	0	0	0	0	0
Charges for Current Services	526,216	98,542	0	0	0	0
Other Local Revenues	236,358	60,522	0	70,736	739,832	0
Fees Received From County Officials	1,830,952	0	0	0	0	0
State of Tennessee	2,499,885	186,755	0	5,752,765	10,110	44,282
Federal Government	1,074,843	0	4,550,756	21,044	0	0
Other Governments and Citizens Groups	50,000	0	0	0	161,814	0
Total Revenues	\$ 16,630,117	\$ 2,836,126	\$ 4,550,756	\$ 8,034,896	\$ 3,131,481	\$ 965,740
Expenditures						
Current:						
General Government	\$ 1,785,149	\$ 0	\$ 29,410	\$ 0	\$ 0	\$ 0
Finance	1,865,567	0	0	0	0	0
Administration of Justice	1,732,922	0	0	0	0	0
Public Safety	9,393,767	0	0	0	0	0
Public Health and Welfare	359,611	2,534,574	394,564	0	0	0
Social, Cultural, and Recreational Services	74,395	0	0	0	0	0
Agriculture and Natural Resources	170,186	0	0	0	0	0
Other Operations	1,668,722	0	0	0	0	19,174
Highways	108,332	0	0	7,883,495	0	0
Debt Service:						
Principal on Debt	0	0	0	154,141	2,199,238	0
Interest on Debt	0	0	0	8,755	556,390	0
Other Debt Service	0	0	0	0	40,617	0

(Continued)

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	General Capital Projects
Expenditures (Cont.)						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,008,413
Capital Projects - Donated	0	0	0	0	0	2,345,231
Total Expenditures	<u>\$ 17,158,651</u>	<u>\$ 2,534,574</u>	<u>\$ 423,974</u>	<u>\$ 8,046,391</u>	<u>\$ 2,796,245</u>	<u>\$ 4,372,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (528,534)</u>	<u>\$ 301,552</u>	<u>\$ 4,126,782</u>	<u>\$ (11,495)</u>	<u>\$ 335,236</u>	<u>\$ (3,407,078)</u>
Other Financing Sources (Uses)						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,400,000
Other Loans Issued	0	0	0	0	0	2,345,231
Insurance Recovery	57,692	11,058	0	25,800	0	0
Transfers In	0	0	0	0	256,913	0
Transfers Out	(1,029,003)	0	(237,336)	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (971,311)</u>	<u>\$ 11,058</u>	<u>\$ (237,336)</u>	<u>\$ 25,800</u>	<u>\$ 256,913</u>	<u>\$ 3,745,231</u>
Net Change in Fund Balances	<u>\$ (1,499,845)</u>	<u>\$ 312,610</u>	<u>\$ 3,889,446</u>	<u>\$ 14,305</u>	<u>\$ 592,149</u>	<u>\$ 338,153</u>
Fund Balance, July 1, 2023	<u>7,641,634</u>	<u>338,363</u>	<u>(228,742)</u>	<u>1,560,678</u>	<u>7,927,723</u>	<u>1,203,347</u>
Fund Balance, June 30, 2024	<u><u>\$ 6,141,789</u></u>	<u><u>\$ 650,973</u></u>	<u><u>\$ 3,660,704</u></u>	<u><u>\$ 1,574,983</u></u>	<u><u>\$ 8,519,872</u></u>	<u><u>\$ 1,541,500</u></u>

(Continued)

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	Nonmajor Funds	Total Governmental Funds
	Other Govern- mental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$ 675,804	\$ 18,610,567
Licenses and Permits	0	141,089
Fines, Forfeitures, and Penalties	28,979	186,831
Charges for Current Services	62,306	687,064
Other Local Revenues	17,309	1,124,757
Fees Received From County Officials	0	1,830,952
State of Tennessee	223,109	8,716,906
Federal Government	0	5,646,643
Other Governments and Citizens Groups	286,498	498,312
Total Revenues	<u>\$ 1,294,005</u>	<u>\$ 37,443,121</u>
Expenditures		
Current:		
General Government	\$ 0	\$ 1,814,559
Finance	483	1,866,050
Administration of Justice	5,700	1,738,622
Public Safety	43,610	9,437,377
Public Health and Welfare	0	3,288,749
Social, Cultural, and Recreational Services	449,451	523,846
Agriculture and Natural Resources	0	170,186
Other Operations	705,352	2,393,248
Highways	0	7,991,827
Debt Service:		
Principal on Debt	64,633	2,418,012
Interest on Debt	40,361	605,506
Other Debt Service	0	40,617

(Continued)

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/>		
Expenditures (Cont.)		
Capital Projects	\$ 11,905	\$ 2,020,318
Capital Projects - Donated	0	2,345,231
Total Expenditures	<u>\$ 1,321,495</u>	<u>\$ 36,654,148</u>
Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (27,490)</u>	 <u>\$ 788,973</u>
Other Financing Sources (Uses)		
Notes Issued	\$ 0	\$ 1,400,000
Other Loans Issued	0	2,345,231
Insurance Recovery	0	94,550
Transfers In	1,009,426	1,266,339
Transfers Out	0	(1,266,339)
Total Other Financing Sources (Uses)	<u>\$ 1,009,426</u>	<u>\$ 3,839,781</u>
Net Change in Fund Balances	\$ 981,936	\$ 4,628,754
Fund Balance, July 1, 2023	<u>1,815,708</u>	<u>20,258,711</u>
Fund Balance, June 30, 2024	<u>\$ 2,797,644</u>	<u>\$ 24,887,465</u>

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

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, 2024**

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)		\$ 4,628,754
(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	\$ 2,331,565	
Less: current-year depreciation expense	<u>(1,570,968)</u>	760,597
(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		(5,354)
(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, 2024	\$ 1,108,012	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(1,021,752)</u>	86,260
(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	\$ 1,795,000	
Add: principal payments on other loans	566,645	
Add: principal payments on notes	56,367	
Less: note proceeds	(1,400,000)	
Less: other loan proceeds	(2,345,231)	
Add: change in unamortized premium on debt issuances	150,252	
Less: change in deferred charge on refunding	<u>(27,144)</u>	(1,204,111)
(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	\$ (20,121)	
Change in net OPEB liability	260,111	
Change in compensated absences payable	81,873	
Change in landfill postclosure care costs	(1,006,928)	
Change in net pension liability/asset	(12,730)	
Change in deferred outflows related to pensions	(393,239)	
Change in deferred inflows related to pensions	119,679	
Change in deferred outflows related to OPEB	(68,618)	
Change in deferred inflows related to OPEB	<u>419,431</u>	(620,542)
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,645,604</u>

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

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,112,922	\$ 0	\$ 0	\$ 10,112,922	\$ 8,837,608	\$ 8,855,534	\$ 1,257,388
Licenses and Permits	141,089	0	0	141,089	131,000	131,000	10,089
Fines, Forfeitures, and Penalties	157,852	0	0	157,852	118,025	118,025	39,827
Charges for Current Services	526,216	0	0	526,216	500,000	669,576	(143,360)
Other Local Revenues	236,358	0	0	236,358	17,100	54,866	181,492
Fees Received From County Officials	1,830,952	0	0	1,830,952	1,628,300	1,643,520	187,432
State of Tennessee	2,499,885	0	0	2,499,885	1,100,364	2,439,930	59,955
Federal Government	1,074,843	0	0	1,074,843	460,000	1,605,348	(530,505)
Other Governments and Citizens Groups	50,000	0	0	50,000	322,392	30,400	19,600
Total Revenues	\$ 16,630,117	\$ 0	\$ 0	\$ 16,630,117	\$ 13,114,789	\$ 15,548,199	\$ 1,081,918
Expenditures							
General Government							
County Commission	\$ 107,052	\$ 0	\$ 13,205	\$ 120,257	\$ 104,634	\$ 120,334	\$ 77
Board of Equalization	0	0	0	0	5,680	5,680	5,680
Beer Board	6,395	0	64	6,459	6,750	6,750	291
Other Boards and Committees	1,327	0	0	1,327	3,500	3,500	2,173
County Mayor/Executive	264,999	(2,405)	686	263,280	253,777	261,777	(1,503)
County Attorney	41,406	0	0	41,406	39,500	47,500	6,094
Election Commission	611,023	(1,820)	2,507	611,710	304,759	619,522	7,812
Register of Deeds	291,179	(4,126)	190	287,243	287,570	287,570	327
Development	18,762	0	0	18,762	13,750	19,322	560
County Buildings	259,822	(18,595)	16,131	257,358	352,500	343,500	86,142
Other General Administration	121,834	0	199	122,033	115,000	122,400	367
Preservation of Records	61,350	(1,224)	0	60,126	67,236	67,236	7,110
Finance							
Accounting and Budgeting	283,596	(1,278)	3,107	285,425	312,995	306,895	21,470
Property Assessor's Office	420,124	(1,836)	1,582	419,870	466,771	467,731	47,861
Reappraisal Program	17,017	0	0	17,017	19,392	18,432	1,415
County Trustee's Office	435,232	(197)	10,234	445,269	500,874	501,874	56,605

(Continued)

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Finance (Cont.)							
County Clerk's Office	\$ 645,336	\$ (14,928)	\$ 5,536	\$ 635,944	\$ 631,898	\$ 632,901	\$ (3,043)
Data Processing	64,262	(9)	28	64,281	62,574	62,574	(1,707)
Administration of Justice							
Circuit Court	496,416	(589)	2,436	498,263	512,098	530,024	31,761
General Sessions Court	530,574	(141)	290	530,723	536,101	536,101	5,378
Drug Court	9,468	0	0	9,468	40,000	40,000	30,532
Chancery Court	330,275	(140)	9	330,144	338,078	338,078	7,934
Juvenile Court	48,632	0	847	49,479	53,350	53,350	3,871
District Attorney General	104,706	0	19	104,725	121,726	121,726	17,001
Judicial Commissioners	29,876	(1,400)	1,104	29,580	34,205	34,205	4,625
Other Administration of Justice	169,179	(359,228)	195,419	5,370	0	5,370	0
Victim Assistance Programs	13,796	0	0	13,796	25,000	25,000	11,204
Public Safety							
Sheriff's Department	4,206,522	(63,137)	21,700	4,165,085	3,515,733	4,172,024	6,939
Special Patrols	692,012	0	17,965	709,977	583,984	825,000	115,023
Administration of the Sexual Offender Registry	6,692	0	0	6,692	0	23,990	17,298
Jail	2,810,729	(65,221)	53,474	2,798,982	2,350,426	3,005,351	206,369
Juvenile Services	231,901	(8,522)	12,673	236,052	265,014	265,014	28,962
Fire Prevention and Control	1,102,827	(17,718)	9,274	1,094,383	1,107,633	1,115,049	20,666
Civil Defense	137,402	(8,334)	16,258	145,326	174,753	174,753	29,427
Inspection and Regulation	3,908	0	0	3,908	6,228	6,228	2,320
County Coroner/Medical Examiner	100,425	0	0	100,425	102,500	114,500	14,075
Other Public Safety	101,349	(10,148)	19,958	111,159	143,367	143,367	32,208
Public Health and Welfare							
Local Health Center	262,296	(13,439)	15,620	264,477	345,436	863,600	599,123
Rabies and Animal Control	89,215	(19)	0	89,196	103,490	111,139	21,943
General Welfare Assistance	8,100	0	2,575	10,675	11,500	11,500	825
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	3,600	0	0	3,600	3,600	3,600	0

(Continued)

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Libraries	\$ 70,795	\$ 0	\$ 0	\$ 70,795	\$ 70,795	\$ 70,795	\$ 0
Other Social, Cultural, and Recreational	0	0	0	0	400,000	0	0
Agriculture and Natural Resources							
Agricultural Extension Service	133,226	(7,595)	1,341	126,972	135,240	135,240	8,268
Soil Conservation	36,960	0	0	36,960	36,960	36,960	0
Other Operations							
Industrial Development	386,276	0	0	386,276	386,276	386,276	0
Veterans' Services	102,546	(190)	2,500	104,856	99,827	99,827	(5,029)
Other Charges	876,960	0	0	876,960	957,000	929,028	52,068
Contributions to Other Agencies	275,227	0	7,393	282,620	375,000	355,000	72,380
Employee Benefits	24,131	0	0	24,131	51,216	49,316	25,185
Miscellaneous	3,582	0	0	3,582	5,000	5,000	1,418
Highways							
Litter and Trash Collection	108,332	(2,398)	2,910	108,844	124,137	130,029	21,185
Total Expenditures	\$ 17,158,651	\$ (604,637)	\$ 437,234	\$ 16,991,248	\$ 16,564,833	\$ 18,611,938	\$ 1,620,690
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (528,534)	\$ 604,637	\$ (437,234)	\$ (361,131)	\$ (3,450,044)	\$ (3,063,739)	\$ 2,702,608
Other Financing Sources (Uses)							
Insurance Recovery	\$ 57,692	\$ 0	\$ 0	\$ 57,692	\$ 0	\$ 51,654	\$ 6,038
Transfers Out	(1,029,003)	0	0	(1,029,003)	(275,000)	(675,000)	(354,003)
Total Other Financing Sources	\$ (971,311)	\$ 0	\$ 0	\$ (971,311)	\$ (275,000)	\$ (623,346)	\$ (347,965)
Net Change in Fund Balance	\$ (1,499,845)	\$ 604,637	\$ (437,234)	\$ (1,332,442)	\$ (3,725,044)	\$ (3,687,085)	\$ 2,354,643
Fund Balance, July 1, 2023	7,641,634	(604,637)	0	7,036,997	6,863,343	6,863,343	173,654
Fund Balance, June 30, 2024	\$ 6,141,789	\$ 0	\$ (437,234)	\$ 5,704,555	\$ 3,138,299	\$ 3,176,258	\$ 2,528,297

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

Exhibit C-6

COCKE 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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,490,307	\$ 0	\$ 0	\$ 2,490,307	\$ 2,317,974	\$ 2,317,974	\$ 172,333
Charges for Current Services	98,542	0	0	98,542	20,500	52,500	46,042
Other Local Revenues	60,522	0	0	60,522	35,000	35,000	25,522
State of Tennessee	186,755	0	0	186,755	119,000	170,030	16,725
Total Revenues	\$ 2,836,126	\$ 0	\$ 0	\$ 2,836,126	\$ 2,492,474	\$ 2,575,504	\$ 260,622
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 855,385	\$ (28,186)	\$ 12,522	\$ 839,721	\$ 882,054	\$ 898,015	\$ 58,294
Convenience Centers	1,679,189	0	0	1,679,189	1,632,909	1,699,978	20,789
Total Expenditures	\$ 2,534,574	\$ (28,186)	\$ 12,522	\$ 2,518,910	\$ 2,514,963	\$ 2,597,993	\$ 79,083
Excess (Deficiency) of Revenues Over Expenditures	\$ 301,552	\$ 28,186	\$ (12,522)	\$ 317,216	\$ (22,489)	\$ (22,489)	\$ 339,705
Other Financing Sources (Uses)							
Insurance Recovery	\$ 11,058	\$ 0	\$ 0	\$ 11,058	\$ 0	\$ 0	\$ 11,058
Total Other Financing Sources	\$ 11,058	\$ 0	\$ 0	\$ 11,058	\$ 0	\$ 0	\$ 11,058
Net Change in Fund Balance	\$ 312,610	\$ 28,186	\$ (12,522)	\$ 328,274	\$ (22,489)	\$ (22,489)	\$ 350,763
Fund Balance, July 1, 2023	338,363	(28,186)	0	310,177	160,268	160,268	149,909
Fund Balance, June 30, 2024	\$ 650,973	\$ 0	\$ (12,522)	\$ 638,451	\$ 137,779	\$ 137,779	\$ 500,672

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 4,550,756	\$ 0	\$ 0	\$ 4,550,756	\$ 0	\$ 23,859	\$ 4,526,897
Total Revenues	\$ 4,550,756	\$ 0	\$ 0	\$ 4,550,756	\$ 0	\$ 23,859	\$ 4,526,897
Expenditures							
General Government							
Building	\$ 20,475	\$ (351,975)	\$ 331,500	\$ 0	\$ 0	\$ 391,065	\$ 391,065
County Buildings	8,935	0	0	8,935	0	8,935	0
Public Health and Welfare							
Convenience Centers	394,564	0	1,500	396,064	0	400,000	3,936
Highways							
Quarry Operations	0	0	0	0	0	23,859	23,859
Total Expenditures	\$ 423,974	\$ (351,975)	\$ 333,000	\$ 404,999	\$ 0	\$ 823,859	\$ 418,860
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,126,782	\$ 351,975	\$ (333,000)	\$ 4,145,757	\$ 0	\$ (800,000)	\$ 4,945,757
Other Financing Sources (Uses)							
Transfers Out	\$ (237,336)	\$ 0	\$ 0	\$ (237,336)	\$ 0	\$ (237,336)	\$ 0
Total Other Financing Sources	\$ (237,336)	\$ 0	\$ 0	\$ (237,336)	\$ 0	\$ (237,336)	\$ 0
Net Change in Fund Balance	\$ 3,889,446	\$ 351,975	\$ (333,000)	\$ 3,908,421	\$ 0	\$ (1,037,336)	\$ 4,945,757
Fund Balance, July 1, 2023	(228,742)	(351,975)	0	(580,717)	0	1,037,336	(1,618,053)
Fund Balance, June 30, 2024	\$ 3,660,704	\$ 0	\$ (333,000)	\$ 3,327,704	\$ 0	\$ 0	\$ 3,327,704

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

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,190,351	\$ 0	\$ 0	\$ 2,190,351	\$ 2,050,012	\$ 2,050,012	\$ 140,339
Other Local Revenues	70,736	0	0	70,736	6,500	6,500	64,236
State of Tennessee	5,752,765	0	0	5,752,765	6,363,509	6,363,509	(610,744)
Federal Government	21,044	0	0	21,044	20,000	20,000	1,044
Other Governments and Citizens Groups	0	0	0	0	1,500	1,500	(1,500)
Total Revenues	\$ 8,034,896	\$ 0	\$ 0	\$ 8,034,896	\$ 8,441,521	\$ 8,441,521	\$ (406,625)
Expenditures							
Highways							
Administration	\$ 363,245	\$ (70)	\$ 489	\$ 363,664	\$ 380,588	\$ 380,588	\$ 16,924
Highway and Bridge Maintenance	5,883,355	(18,957)	398,619	6,263,017	7,043,883	6,992,983	729,966
Operation and Maintenance of Equipment	799,030	(11,358)	150,664	938,336	1,019,145	1,019,145	80,809
Quarry Operations	465,985	(5,178)	10,266	471,073	515,699	566,599	95,526
Other Charges	371,880	0	0	371,880	372,000	372,000	120
Principal on Debt							
Highways and Streets	154,141	0	0	154,141	0	154,141	0
Interest on Debt							
Highways and Streets	8,755	0	0	8,755	0	8,755	0
Other Debt Service							
General Government	0	0	0	0	162,896	0	0
Total Expenditures	\$ 8,046,391	\$ (35,563)	\$ 560,038	\$ 8,570,866	\$ 9,494,211	\$ 9,494,211	\$ 923,345
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,495)	\$ 35,563	\$ (560,038)	\$ (535,970)	\$ (1,052,690)	\$ (1,052,690)	\$ 516,720
Other Financing Sources (Uses)							
Insurance Recovery	\$ 25,800	\$ 0	\$ 0	\$ 25,800	\$ 0	\$ 0	\$ 25,800
Total Other Financing Sources	\$ 25,800	\$ 0	\$ 0	\$ 25,800	\$ 0	\$ 0	\$ 25,800
Net Change in Fund Balance	\$ 14,305	\$ 35,563	\$ (560,038)	\$ (510,170)	\$ (1,052,690)	\$ (1,052,690)	\$ 542,520
Fund Balance, July 1, 2023	1,560,678	(35,563)	0	1,525,115	1,124,657	1,124,657	400,458
Fund Balance, June 30, 2024	\$ 1,574,983	\$ 0	\$ (560,038)	\$ 1,014,945	\$ 71,967	\$ 71,967	\$ 942,978

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

COCKE COUNTY, TENNESSEE**Statement of Net Position**

Fiduciary Funds

June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 4,283,141
Due from Other Governments	1,190,832
Property Taxes Receivable	328,905
Allowance for Uncollectible Property Taxes	<u>(12,238)</u>
Total Assets	<u>\$ 5,790,640</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 1,205,481</u>
Total Liabilities	<u>\$ 1,205,481</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 302,018</u>
Total Deferred Inflows of Resources	<u>\$ 302,018</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 4,283,141</u>
Total Net Position	<u><u>\$ 4,283,141</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, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 5,701,629
ADA - Educational Funds Collected for Cities	1,625,216
Fines/Fees and Other Collections	9,750,199
Total Additions	<u>\$ 17,077,044</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 5,701,629
Payments to City School Systems	1,625,216
Payments to State	4,737,043
Payments to Individuals and Others	3,733,864
Total Deductions	<u>\$ 15,797,752</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 1,279,292
Net Position, July 1, 2023	<u>3,003,849</u>
Net Position, June 30, 2024	<u>\$ 4,283,141</u>

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

COCKE COUNTY, TENNESSEE
INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note	Page(s)
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	42
B. Government-wide and Fund Financial Statements	43
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	44
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	46
2. Receivables and Payables	47
3. Prepaid Items	48
4. Restricted Assets	48
5. Capital Assets	49
6. Deferred Outflows/Inflows of Resources	49
7. Compensated Absences	50
8. Long-term Debt and Long-term Obligations	50
9. Net Position and Fund Balance	51
10. Minimum Fund Balance Policy	52
11. Special Item	53
E. Pension Plans	53
F. Other Postemployment Benefit (OPEB) Plans	53
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	54
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	54
III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	54
B. Expenditures Exceeded Appropriations	55
C. Questioned Costs	56
D. County Management Entered into a Contract for Employee Health Insurance without Proper Approval	56
E. Tennessee Consolidated Retirement System Penalty	57
F. Internal Revenue Service Penalty	57
G. Pending Investigation	57
H. Interfund Loans were not Repaid Properly	57

(Continued)

COCKE COUNTY, TENNESSEE
INDEX OF NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Note	Page(s)
IV. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	57
B. Lease Receivable	60
C. Capital Assets	62
D. Construction Commitments	65
E. Interfund Receivables, Payables, and Transfers	66
F. Long-term Debt	67
G. Long-term Obligations	72
H. Pledges of Future Revenues	73
I. On-Behalf Payments	73
J. Internal Financing	73
K. Short-term Debt	74
V. OTHER INFORMATION	
A. Risk Management	74
B. Accounting Change	75
C. Contingent Liabilities	75
D. Landfill Postclosure Care Costs	75
E. Joint Ventures	76
F. Jointly Governed Organization	77
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	77
2. Deferred Compensation	93
H. Other Postemployment Benefits (OPEB)	93
I. Termination Benefits	98
J. Office of Central Accounting, Budgeting, and Purchasing	98
K. Purchasing Laws	99
L. Subsequent Events	99

COCKE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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 the 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. Net debt issues totaling \$2,345,231 were contributed by the county to the school department during the year ended June 30, 2024. Other significant transactions between the primary government and the school department during the year include: \$161,814 paid from the General Purpose School Fund to the county's General Debt Service Fund.

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 Cocke 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/fund net position, 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. Cocke 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. Cocke 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.

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

Additionally, Cocke County reports the following fund type:

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. The current year (FY24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY23) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 1.79 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 \$590,130 represents American Rescue Plan Act funds received in advance. The balance in the Other Current Liabilities account totaling \$13,398 on the Statement of Net Position for the primary government represents amounts held by the county for asset seizures that have not been awarded to the county as of June 30, 2024. The balance in the Other Current Liabilities account totaling \$5,219,832 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 and substitute teacher payroll clearing accounts.

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. Prepays 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 primary government as assets with an initial, individual cost of \$25,000 or more for buildings, improvements, and infrastructure; \$10,000 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. Capital assets are defined by the discretely presented school department 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.

Assets	Years
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 earned but unused compensatory time 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 compensatory time 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, notes, 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 \$7,750,722 of restricted net position for the primary government, of which \$2,142,835 is restricted by enabling legislation.

As of June 30, 2024, Cocke County had \$5,894,746 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 \$1,091,429 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 (\$437,234) and fund balance appropriated for use in the 2024-25 year budget totaling (\$2,942,537). Assigned fund balance in the school department’s General Purpose School Fund includes amounts assigned for encumbrances (\$2,958,021), employee termination benefits (\$249,748), other postemployment benefits (\$589,933), future projects (\$270,654), and fund balance appropriated for use in the 2024-25 budget (\$2,907,592).

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.

11. Special Item

During the year, Cocke County ceased providing Other Postemployment Benefits (OPEB) to retirees. As a result, a special item totaling \$610,924 was recognized in the Government-Wide Statement of Activities and OPEB related liabilities and deferrals were eliminated from the Statement of Net Position.

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

During the year, Cocke County ceased providing Other Postemployment Benefits (OPEB) to retirees other than school department employees. As a result, a special item was recognized in the Government-Wide Statement of Activities and all OPEB related liabilities and deferrals were removed from the Statement of Net Position.

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.

On June 30, 2024, 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	\$ 437,234
Solid Waste/Sanitation	12,522
Other Special Revenue	333,000
Highway/Public Works	560,038
General Capital Projects	1,199,006
Nonmajor governmental funds	3,734
School Department:	
Major Funds:	
General Purpose School	2,958,021
School Federal Projects	2,045,172
School Transportation	655,455

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the county commission in the Industrial/Economic Development Fund \$50,207.

In addition, 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 Mayor/Executive	\$ 1,503
County Clerk's Office	3,043
Data Processing	1,707
Veterans' Services	5,029
Transfers Out	354,003
Industrial/Economic Development:	
Industrial Development	331
Contributions to Other Agencies	99,927
General Debt Service:	
Interest on Debt:	
Highways and Streets	9
Other Debt Service:	
General Government	1,157

Salaries exceeded appropriations in 18 of 116 salary line-items of the General Fund by amounts ranging from \$1 to \$57,327, one of five salary line-items in the Sports and Recreation Fund by \$5,538, and six of 14 salary line-items in the Highway/Public Works Fund by amounts ranging from \$2 and \$32,196. 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.

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

C. *Questioned Costs*

The Tennessee Office of Criminal Justice Program under the State Department of Finance and Administration reported deficiencies related to the administration of the Evidence Based Programming Grant from the State of Tennessee resulting in questioned costs of \$61,464. Cocke County remitted \$50,279 to the state and \$11,185 was deducted from a grant reimbursement. The repayment of questioned costs represents funding lost by Cocke County. This is further discussed in the audit findings and recommendations in the Single Audit Section of this report.

D. *County Management Entered into a Contract for Employee Health Insurance without Proper Approval*

Cocke County management ended the county's employee and retiree health insurance coverage, and Other Post Employment Benefit for retirees, provided through the State of Tennessee Insurance for Public Officers and Employees group insurance plan and began coverage for its active employees through a contract for commercial health insurance. The change and approval of the commercial plan contract was not approved by the county commission. This is further discussed in the audit findings and recommendations in the Single Audit Section of this report.

E. Tennessee Consolidated Retirement System Penalty

Cocke County did not report a contribution in a timely manner resulting in a penalty assessment of \$13,057. This is further discussed in the audit findings and recommendations in the Single Audit Section of this report.

F. Internal Revenue Service Penalty

Cocke County School Department reported incorrect information for the Internal Revenue Service to withdrawal payroll taxes resulting in a penalty of \$ 10,191. This is further discussed in the audit findings and recommendations in the Single Audit Section of this report.

G. Pending Investigation

An investigation by the Comptroller's Division of Investigation is ongoing in the office of Director of Schools. Findings, if any, resulting from the investigation will be included in a subsequent report.

H. Interfund Loans were not Repaid Properly

During April 2023, the Highway/Public Works Fund borrowed \$114,150 from the General Debt Service Fund. The county commission resolution approving the loan specified repayment would be made by the end of the fiscal year following the year of issuance, or June 30, 2024. Due to management oversight \$14,150 remained outstanding on June 30, 2024. See Note IV.J. for further details.

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.

Investment Balances. As of June 30, 2024, Cocke County had the following investments carried at amortized cost using a Stable Net Asset Value. Separate disclosures concerning pooled investments cannot be made for Cocke County and the discretely presented Cocke County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Amortized Cost
Investments at Amortized Cost:		
State Treasurer's Investment Pool	1 to 48 days	\$ 5,013,847

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturity of certain investments as previously disclosed. Cocke County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cocke County has no investment policy that would further limit its investment choices. As of June 30, 2024, Cocke County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

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, 2024, 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	\$ 180,667
Developed Market International Equity	N/A	N/A	81,591
Emerging Market International Equity	N/A	N/A	23,312
U.S. Fixed Income	N/A	N/A	116,559
Real Estate	N/A	N/A	58,280
Short-term Securities	N/A	N/A	5,828
NAV - Private Equity and Strategic Lending	N/A	N/A	116,559
 Total			 \$ 582,796

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://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 \$16,204 in lease revenue and \$1,296 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, 2024, the long-term lease receivable balance was \$135,484. Lease receivable – current, in the amount of \$16,334, 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, 2024, the balance of the deferred inflow of resources was \$151,818.

The future receipts of the lease receivable include:

Year Ending June 30	Property Lease		
	Principal	Interest	Total
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	16,865	635	17,500
2030-2033	68,825	1,175	70,000
Total	\$ 151,818	\$ 5,682	\$ 157,500

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. The school department recognized \$35,364 in lease revenue and \$1,186 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, 2024, the long-term lease receivable balance was \$93,421. Lease receivable – current, in the amount of \$35,648, 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, 2024, the balance of the deferred inflow of resources was \$129,069.

The future receipts of the lease receivable include:

Year Ending June 30	Office Space Lease		
	Principal	Interest	Total
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	\$ 129,069	\$ 1,902	\$ 130,971

C. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,728,543	\$ 1,070,343	\$ 0	\$ 2,798,886
Construction in Progress	121,322	140,974	68,522	193,774
Total Capital Assets Not Depreciated	\$ 1,849,865	\$ 1,211,317	\$ 68,522	\$ 2,992,660
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,745,710	\$ 22,800	\$ 0	\$ 5,768,510
Infrastructure	39,280,129	0	0	39,280,129
Other Capital Assets	12,756,306	1,165,970	299,327	13,622,949
Total Capital Assets Depreciated	\$ 57,782,145	\$ 1,188,770	\$ 299,327	\$ 58,671,588
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,410,267	\$ 134,107	\$ 0	\$ 2,544,374
Infrastructure	27,221,661	712,846	0	27,934,507
Other Capital Assets	7,467,833	724,015	293,973	7,897,875
Total Accumulated Depreciation	\$ 37,099,761	\$ 1,570,968	\$ 293,973	\$ 38,376,756
Total Capital Assets Depreciated, Net	\$ 20,682,384	\$ (382,198)	\$ 5,354	\$ 20,294,832
Governmental Activities Capital Assets, Net	\$ 22,532,249	\$ 829,119	\$ 73,876	\$ 23,287,492

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

Governmental Activities:

General Government	\$	75,840
Finance		5,000
Public Safety		214,638
Public Health and Welfare		247,715
Social, Cultural, and Recreational Services		16,307
Highways/Public Works		<u>1,011,468</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,570,968</u></u>

Net Investment in Capital Assets

Capital Assets	\$	23,287,492
Add:		
Unspent debt proceeds		306,353
Less:		
Outstanding principal of capital debt and other capital borrowings		(8,605,177)
Unamortized balance of original issue premiums on outstanding capital-related debt		<u>(262,497)</u>
Net Investment in Capital Assets	\$	<u><u>14,726,171</u></u>

Discretely Presented Cocke County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,298,032	\$ 0	\$ 0	\$ 1,298,032
Construction in Progress	1,426,001	11,447,484	1,249,141	11,624,344
Total Capital Assets Not Depreciated	\$ 2,724,033	\$ 11,447,484	\$ 1,249,141	\$ 12,922,376
Capital Assets Depreciated:				
Buildings and Improvements	\$ 44,014,865	\$ 1,310,351	\$ 0	\$ 45,325,216
Infrastructure	99,599	0	0	99,599
Other Capital Assets	14,364,597	1,048,886	70,120	15,343,363
Total Capital Assets Depreciated	\$ 58,479,061	\$ 2,359,237	\$ 70,120	\$ 60,768,178
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,903,278	\$ 884,172	\$ 0	\$ 30,787,450
Infrastructure	30,751	3,154	0	33,905
Other Capital Assets	9,575,170	718,558	68,017	10,225,711
Total Accumulated Depreciation	\$ 39,509,199	\$ 1,605,884	\$ 68,017	\$ 41,047,066
Total Capital Assets Depreciated, Net	\$ 18,969,862	\$ 753,353	\$ 2,103	\$ 19,721,112
Governmental Activities Capital Assets, Net	\$ 21,693,895	\$ 12,200,837	\$ 1,251,244	\$ 32,643,488

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

Governmental Activities:

Instruction	\$ 911,313
Support Services	595,637
Operation of Non-instructional Services	98,934
Total Depreciation and Amortization Expense - Governmental Activities	\$ 1,605,884

Net Investment in Capital Assets

Capital Assets	\$	32,643,488
Less:		
Capital related accounts payable		<u>(287,622)</u>
Net Investment in Capital Assets	\$	<u><u>32,355,866</u></u>

D. Construction Commitments

Primary Government

On June 30, 2024, the General Fund had uncompleted construction contracts of approximately \$9,000 for architectural services for Health Department renovation. Funding for the future expenditures is being provided by a federal grant.

On June 30, 2024, the Other Special Revenue Fund had uncompleted construction contracts of approximately \$331,500 for the renovation of the future county annex building. Funding for the future expenditures is being provided by a federal grant.

On June 30, 2024, the Other Capital Projects Fund - Library had uncompleted construction contracts of approximately \$11,155 for the construction of a community library in the Parrottsville community. Funding has been provided for these future expenditures.

Discretely Presented Cocke County School Department

On June 30, 2024, the General Purpose School Fund had uncompleted construction contracts of \$1,620,655 for renovations of the Newport Plaza building and \$529,904 for energy efficiency upgrades across the school system through the Energy Efficient School Initiative Loan (EESI) program. Funding for future expenditures related to renovations of the Newport Plaza building are expected to be provided from local revenues. Funding for future expenditures for energy efficiency upgrades will be provided from the EESI loan program.

On June 30, 2024, the School Federal Projects Funds had uncompleted construction contracts of \$945,767 for renovations of the Newport Plaza building and \$1,254,746 for renovations of Cocke County High School. Funding for the future expenditures are expected to be provided from federal grant revenues.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, was follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 64,584
General Debt Service	Highway/Public Works	14,150
Other Special Revenue	General	21,000
Discretely Presented School Department:		
General Purpose School	School Federal Projects	244,641
School Federal Projects	General Purpose School	11,851

The entire amount due to the General Debt Service Fund (\$14,150) 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:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General Capital Projects	\$ 87,974

This balance represents contributions due from the primary government for energy efficiency upgrades across the school system through the Energy Efficient School Initiative Loan program.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Debt Service Fund	Nonmajor governmental funds	
General Fund	\$ 256,913	\$ 0	Tax credit bond rebate
"	0	400,000	Operations
"	0	372,090	"
Other Special Revenue Fund	0	237,336	"
Total	<u>\$ 256,913</u>	<u>\$ 1,009,426</u>	

Discretely Presented Cocke County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
General Purpose School Fund	\$ 0	\$ 2,000,000	Cash flow
School Federal Projects Fund	208,241	0	Indirect cost
Total	<u>\$ 208,241</u>	<u>\$ 2,000,000</u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them 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, Notes, 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, 2024, 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. Capital outlay notes, and other loans outstanding were issued for original terms of up to ten years for notes and up to 39 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All capital outlay notes included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund. All other loans included in long-term debt as of June 30, 2024, 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, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Bonds	1.05 to 2%	5-1-36	\$ 2,490,000	\$ 2,080,000
General Obligation Bonds - Refunding	1 to 5	6-1-30	12,315,000	7,350,000
Direct Borrowing and Direct Placement:				
Other Loans - City of Newport	2.15 to 4.38	5-1-45	1,802,417	1,091,429
Other Loans	0 to 3.35 (1)	9-15-27	6,337,593	1,381,059
Other Loans - Energy Efficient School Initiative	.5	4-1-31 (2)	2,875,135	2,345,231
Capital Outlay Notes	4.3	7-31-33	1,400,000	1,343,633

- (1) The effective interest rate for the Qualified School Construction Bonds Other Loan is zero after rebate.
- (2) The last maturity date presented represents the maturity of amounts drawn on June 30, 2024. The final maturity will be determined upon the completion of the project in a subsequent period.

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 6-30-24	Interest Rate
<u>City of Newport-Newport Utilities</u>			
River Crest (A)	\$ 1,024,000	\$ 734,941	4.13 %
River Crest (B)	300,000	214,926	4.38
Hartford	478,417	<u>141,562</u>	2.15
Total City of Newport - Newport Utilities		<u>\$ 1,091,429</u>	

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, 2024, including interest payments are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2030-2034	1,190,000	81,453	1,271,453
2035-2036	<u>375,000</u>	<u>9,887</u>	<u>384,887</u>
Total	<u>\$ 9,430,000</u>	<u>\$ 716,815</u>	<u>\$ 10,146,815</u>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 116,807	\$ 57,466	\$ 174,273
2026	122,118	52,154	174,272
2027	127,501	46,772	174,273
2028	133,120	41,153	174,273
2029	138,883	35,389	174,272
2030-2034	<u>705,204</u>	<u>79,024</u>	<u>784,228</u>
Total	<u>\$ 1,343,633</u>	<u>\$ 311,958</u>	<u>\$ 1,655,591</u>

The minimum annual requirements to amortize the loans payable outstanding as of June 30, 2024, 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
2025	\$ 56,688	\$ 42,763	\$ 99,451
2026	58,518	40,936	99,454
2027	60,422	39,043	99,465
2028	62,383	37,083	99,466
2029	66,505	35,052	101,557
2030-2034	200,005	148,480	348,485
2035-2039	245,483	102,999	348,482
2040-2044	301,314	47,156	348,470
2045	40,111	1,663	41,774
Total	\$ 1,091,429	\$ 495,175	\$ 1,586,604

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

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2025	\$ 742,512	\$ 12,624	\$ 755,136
2026	793,515	12,057	805,572
2027	762,588	8,871	771,459
2028	392,371	6,974	399,345
2029	361,375	5,177	366,552
2030-2031	673,929	4,693	678,622
Total	\$ 3,726,290	\$ 50,396	\$ 3,776,686

There is \$ 8,519,872 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$262, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$443, 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, 2024, the General Purpose School Fund contributed \$161,814 to the General Debt Service Fund. As of June 30, 2024, the balance on the Qualified School Construction Bonds other loan was \$1,110,655.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement - City of Newport	Other Loans - Direct Placement
Balance, July 1, 2023	\$ 11,225,000	\$ 0	\$ 1,156,062	\$ 1,883,071
Additions	0	1,400,000	0	2,345,231
Reductions	(1,795,000)	(56,367)	(64,633)	(502,012)
Balance, June 30, 2024	<u>\$ 9,430,000</u>	<u>\$ 1,343,633</u>	<u>\$ 1,091,429</u>	<u>\$ 3,726,290</u>
Balance Due Within One Year	<u>\$ 1,810,000</u>	<u>\$ 116,807</u>	<u>\$ 56,688</u>	<u>\$ 742,512</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 15,591,352
Less: Balance Due Within One Year - Debt	(2,726,007)
Add: Unamortized Premium on Debt	<u>364,346</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 13,229,691</u>

G. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Landfill Postclosure Care Costs	Other Post- employment Benefits	Compensated Absences
Balance, July 1, 2023	\$ 74,508	\$ 260,111	\$ 193,806
Additions	1,006,928	0	156,193
Reductions	0	(260,111)	(238,066)
Balance, June 30, 2024	<u>\$ 1,081,436</u>	<u>\$ 0</u>	<u>\$ 111,933</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 78,353</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 1,193,369
Less: Balance Due Within One Year - Other	<u>(78,353)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,115,016</u>

Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund. 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 Coke County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Coke County School Department for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits
Balance, July 1, 2023	\$ 180,852	\$ 6,734,102
Additions	94,732	535,098
Reductions	(25,836)	(5,378)
Balance, June 30, 2024	<u>\$ 249,748</u>	<u>\$ 7,263,822</u>
Balance Due Within One Year	<u>\$ 249,748</u>	<u>\$ 452,387</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 7,513,570
Less: Balance Due Within One Year - Other	<u>(702,135)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,811,435</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 on June 30, 2024, was \$1,091,429. 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, 2024, were \$170,599. 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 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
Highway/Public Works:				
Highway Equipment	\$ 114,150	\$ 0	\$ 100,000	\$ 14,150

In the prior year the county commission approved the issuance of the internal financing note with repayment to be made by June 30, 2024. However, due to management oversight, \$14,150 remained outstanding. This is discussed in the Stewardship Section of these notes.

K. Short-term Debt

Cocke County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Solid Waste/Sanitation and Highway/Public Works Funds. These notes were issued internally with the General Debt Service Fund loaning cash to the Solid Waste/Sanitation and Highway/Public Works Funds. Short-term debt activity for the year ended June 30, 2024, was as follows:

	Balance 7-1-23	Issued	Paid	Balance 6-30-24
Solid Waste/Sanitation:				
Tax Anticipation Notes	\$ 0	\$ 300,000	\$ (300,000)	\$ 0
Highway/Public Works:				
Tax Anticipation Notes	0	900,000	(900,000)	0

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.

During the current fiscal year, Cocke County began carrying commercial insurance for employee health insurance. Settled claims did not exceed commercial insurance coverage. The county does not allow retirees to participate in the employee health insurance.

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 Change

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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. 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 \$1,081,436 reported as postclosure care liability on June 30, 2024, represents amounts based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

Primary Government

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, 2024, 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 \$70,795 to the operations of the library during the year ended June 30, 2024. 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

F. 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.

G. 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 60.28 percent, the non-certified employees of the discretely presented school department comprise 39.72 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	332
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	503
Active Employees	523
 Total	 <u><u>1,358</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary 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, 2024, the employer contribution for Cocke County was \$1,180,799 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, 2023, 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, 2023, 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, 2023, 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
			100	%
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, 2022	\$ 60,366,823	\$ 63,957,059	\$ (3,590,236)
Changes for the Year:			
Service Cost	\$ 1,678,394	\$ 0	\$ 1,678,394
Interest	4,092,252	0	4,092,252
Differences Between Expected and Actual Experience	121,086	0	121,086
Contributions-Employer	0	1,105,239	(1,105,239)
Contributions-Employees	0	764,003	(764,003)
Net Investment Income	0	4,264,784	(4,264,784)
Benefit Payments, Including Refunds of Employee Contributions	(2,838,529)	(2,838,529)	0
Administrative Expense	0	(51,976)	51,976
Net Changes	<u>\$ 3,053,203</u>	<u>\$ 3,243,521</u>	<u>\$ (190,318)</u>
Balance, June 30, 2023	<u>\$ 63,420,026</u>	<u>\$ 67,200,580</u>	<u>\$ (3,780,554)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.28%	\$ 38,229,592	\$ 40,508,510	\$ (2,278,918)
School Department	39.72%	<u>25,190,434</u>	<u>26,692,070</u>	<u>(1,501,636)</u>
Total		<u>\$ 63,420,026</u>	<u>\$ 67,200,580</u>	<u>\$ (3,780,554)</u>

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) \$ 4,490,164 \$ (3,780,554) \$ (10,624,313)

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, 2024, Cocke County recognized pension expense (negative pension expense) of \$1,369,799.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 871,719	\$ 75,156
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	509,186	0
Changes in Assumptions	1,682,908	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	1,180,799	N/A
Total	<u>\$ 4,244,612</u>	<u>\$ 75,156</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” 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	\$ 2,591,821	\$ 45,304
School Department	1,652,791	29,852
Total	\$ 4,244,612	\$ 75,156

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
2025	\$ 721,130
2026	558,901
2027	1,680,840
2028	27,787
2029	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 60.28 percent and the non-certified employees of the discretely presented school department comprise 39.72 percent of the plan based on contribution data.

Discretely Presented Cocke County School Department – 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, 2024, to the Teacher Retirement Plan were \$208,962, which is 2.95 percent of covered payroll. In addition, employer contributions of \$71,966, which is 1.05 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). On June 30, 2024, the school department reported a liability (asset) of (\$134,100) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .316248 percent. The proportion as of June 30, 2022, was .322452 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the Cocke County School Department recognized pension expense (negative pension expense) of \$171,974.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 4,517	\$ 78,271
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	34,094	0
Changes in Assumptions	100,889	0
Changes in Proportion of Net Pension Liability (Asset)	27,473	15,629
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	208,962	N/A
Total	<u>\$ 375,935</u>	<u>\$ 93,900</u>

The school department's employer contributions of \$208,962, 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, 2025. 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
2025	\$ 1,634
2026	(3,328)
2027	49,267
2028	4,676
2029	4,884
Thereafter	15,938

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, 2023, 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, 2023, 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	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 616,853	\$ (134,100)	\$ (674,724)

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

Discretely Presented Cocke County School Department - Certified Employees - 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, 2024, to the Teacher Legacy Pension Plan were \$977,779, which is 6.81 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). On June 30, 2024, the school department reported a liability (asset) of (\$5,181,778) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion

was .439516 percent. The proportion measured on June 30, 2022, was .438099 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$1,375,113.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 1,234,564	\$ 240,469
Changes in Assumptions	1,688,365	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	899,065	0
Changes in Proportion of Net Pension Liability (Asset)	102,000	21,369
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	977,779	N/A
Total	<u>\$ 4,901,773</u>	<u>\$ 261,838</u>

The school department's employer contributions of \$977,779 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, 2025. 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
2025	\$ 1,280,889
2026	(685,145)
2027	3,059,370
2028	7,043
2029	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, 2023, 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, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 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) \$ 11,286,274 \$ (5,181,778) \$ (18,878,555)

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 \$353,418 and teachers contributed \$173,285 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

In prior years, Cocke County primary government offered OPEB benefits to its retirees through a state administered public entity risk pool. However, during the current year, the county joined a commercial insurance plan for only active employees. Retirees are not allowed to continue health insurance coverage under the commercial plan. Consequently, the primary government no longer reports a liability for OPEB. This change is further discussed in the Stewardship Section of these notes. The discretely presented Cocke County School Department provides OPEB benefits to 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.

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Cocke County School Department

Retirees of Cocke County 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 school department's total OPEB liability for each plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2023, 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	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.65 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, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates for non-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-2021 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-2021 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-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased 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 2023 plan year was revised from 8.37 percent to 10.31 percent.

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 \$523 to \$608 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 \$288 to \$334 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	35
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	<u>370</u>
Total	<u><u>406</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 \$359,722 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Cocke County School Department 68.5885%	State of TN 31.4115%	Total OPEB Liability
Balance July 1, 2022	\$ 6,734,102	\$ 2,786,474	\$ 9,520,576
Changes for the Year:			
Service Cost	\$ 295,710	\$ 135,426	\$ 431,136
Interest	236,155	108,152	344,307
Difference between Expected and Actuarial Experience	3,235	1,482	4,717
Changes in Proportion	(204,083)	204,083	0
Changes in Assumption and Other Inputs	510,774	233,920	744,694
Benefit Payments	(312,071)	(142,919)	(454,990)
Net Changes	<u>\$ 529,720</u>	<u>\$ 540,144</u>	<u>\$ 1,069,864</u>
Balance June 30, 2023	<u>\$ 7,263,822</u>	<u>\$ 3,326,618</u>	<u>\$ 10,590,440</u>

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 \$287,103 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 68.5885 percent and the State of Tennessee’s share was 31.4115 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$739,490, including the state’s share of the expense. On June 30, 2024, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 511,456	\$ 459,526
Changes of Assumptions	870,205	1,078,802
Changes in Proportion	271,562	651,481
Benefits Paid After the Measurement Date of June 30, 2023	<u>359,722</u>	<u>0</u>
Total	<u>\$ 2,012,945</u>	<u>\$ 2,189,809</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 <u>June 30</u>	School <u>Department</u>
2025	\$ (79,478)
2026	(79,748)
2027	(68,584)
2028	(84,592)
2029	(166,304)
Thereafter	(58,150)

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 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
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Proportionate Share of the Collective Total OPEB Liability	\$	7,788,215	\$	7,263,822	\$	6,765,447
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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 9.31 to 3.5%	Current Rate 10.31 to 4.5%	1% Increase 11.31 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$	6,556,134	\$	7,263,822	\$	8,079,445
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I. 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, 2024, 29 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 \$249,748. The entire balance is expected to be paid within one year.

J. 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.

K ***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.

L. ***Subsequent Events***

On September 27, 2024, the remnants of hurricane Helene passed through northeast Tennessee causing widespread flooding and storm related property damage to Cocke County. The extent of damage and an estimate of loss are unknown as of the date of this report.

On October 24, 2024, Cocke County issued \$3,000,000 of revenue anticipation notes from the General Debt Service Fund. The General, Solid Waste/Sanitation, and Highway/Public Works Funds each received a total of \$1,000,000 for operating cash flow.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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	2023
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	\$ 1,678,394
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	4,092,252
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	121,086
Changes in Assumptions	0	0	0	1,032,170	0	0	0	4,207,273	0	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)	(2,838,529)
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	\$ 3,053,203
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	60,366,823
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	\$ 63,420,026
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	\$ 1,105,239
Contributions - Employee	548,948	546,195	564,122	609,190	603,065	640,772	662,747	738,298	752,536	764,003
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)	4,264,784
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)	(2,838,529)
Administrative Expense	(17,854)	(23,099)	(34,808)	(38,713)	(43,751)	(41,256)	(42,468)	(43,666)	(49,069)	(51,976)
Other	0	0	1,301	977	0	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)	\$ 3,243,521
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	63,957,059
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	\$ 67,200,580
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)	\$ (3,780,554)
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%	105.96%
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	\$ 15,260,196
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)%	(24.77)%

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

Exhibit E-2

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 1,308,654	\$ 1,337,267	\$ 574,585	\$ 583,696	\$ 602,119	\$ 661,965	\$ 727,277	\$ 746,196	\$ 752,728	\$ 789,444
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,308,654)	(1,337,267)	(894,367)	(884,486)	(914,866)	(969,131)	(1,055,915)	(1,092,871)	(1,105,239)	(1,180,799)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (319,782)	\$ (300,790)	\$ (312,747)	\$ (307,166)	\$ (328,638)	\$ (346,675)	\$ (352,511)	\$ (391,355)
Covered Payroll	\$ 10,924,107	\$ 11,215,445	\$ 12,045,811	\$ 12,031,550	\$ 12,509,870	\$ 13,239,898	\$ 14,546,652	\$ 15,007,610	\$ 15,260,196	\$ 15,948,362
Contributions as a Percentage of Covered Payroll	11.98%	11.92%	7.42%	7.35%	7.31%	7.32%	7.26%	7.28%	7.24%	7.40%

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	2024
Contractually Required Contribution	\$ 32,106	\$ 74,167	\$ 91,438	\$ 113,833	\$ 65,143	\$ 75,942	\$ 97,933	\$ 110,681	\$ 180,532	\$ 208,962
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)	(180,532)	(208,962)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 6,290,266	\$ 7,083,445
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%	2.95%

Note: 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%
- 2024: Pension - 2.95%, SRT - 1.05%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 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	\$ 977,779
Less: Contributions in Relation to the Contractually Required Contribution	(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)	(977,779)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 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	\$ 14,358,016
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.02%	9.06%	10.46%	10.63%	10.16%	10.30%	8.69%	6.81%

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	2023
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%	0.316248%
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)	\$ (134,100)
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	\$ 6,290,266
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)%	(2.13)%
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%	104.97%

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

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	2023
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%	0.439516%
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)	\$ (5,181,778)
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
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)%	(36.33)%
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%	104.11%

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	2023
Total OPEB Liability							
Service Cost	\$ 29,930	\$ 28,828	\$ 34,262	\$ 35,195	\$ 45,947	\$ 33,743	\$ 22,258
Interest	10,632	13,452	15,633	13,166	9,751	6,424	7,716
Changes of Benefit Terms	0	0	0	0	0	0	(222,164)
Differences Between Actual and Expected Experience	0	(18,581)	(123,485)	(28,983)	(80,143)	(2,448)	0
Changes in Assumptions or Other Inputs	(20,405)	29,245	17,783	37,455	(105,506)	(101,915)	0
Benefit Payments	(4,346)	(6,271)	(2,539)	(1,209)	(1,680)	(1,671)	(6,429)
Net Change in Total OPEB Liability	\$ 15,811	\$ 46,673	\$ (58,346)	\$ 55,624	\$ (131,631)	\$ (65,867)	\$ (198,619)
Total OPEB Liability, Beginning	336,355	352,166	398,839	340,493	396,117	264,486	198,619
Total OPEB Liability, Ending	\$ 352,166	\$ 398,839	\$ 340,493	\$ 396,117	\$ 264,486	\$ 198,619	\$ 0
Covered Employee Payroll	\$ 6,071,548	\$ 6,071,548	\$ 6,268,394	\$ 6,526,229	\$ 6,508,184	\$ 6,848,608	\$ 0
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.80%	6.57%	5.43%	6.07%	4.06%	2.90%	N/A

Highway Department Plan

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 10,253	\$ 9,770	\$ 12,221	\$ 12,279	\$ 15,486	\$ 12,872	\$ 7,210
Interest	2,811	3,713	4,854	3,690	3,046	2,486	2,419
Changes of Benefit Terms	0	0	0	0	0	0	(70,374)
Differences Between Actual and Expected Experience	0	4,923	(48,550)	5,342	(5,251)	(20,813)	0
Changes in Assumptions or Other Inputs	(4,355)	9,577	3,307	9,053	(32,580)	(34,981)	0
Benefit Payments	0	(396)	(936)	(720)	(1,068)	(568)	(747)
Net Change in Total OPEB Liability	\$ 8,709	\$ 27,587	\$ (29,104)	\$ 29,644	\$ (20,367)	\$ (41,004)	\$ (61,492)
Total OPEB Liability, Beginning	86,027	94,736	122,323	93,219	122,863	102,496	61,492
Total OPEB Liability, Ending	\$ 94,736	\$ 122,323	\$ 93,219	\$ 122,863	\$ 102,496	\$ 61,492	\$ 0
Covered Employee Payroll	\$ 1,270,142	\$ 1,270,142	\$ 1,342,049	\$ 1,397,246	\$ 1,440,374	\$ 1,437,234	\$ 0
Net OPEB Liability as a Percentage of Covered Employee Payroll	7.46%	9.63%	6.95%	8.79%	7.12%	4.28%	N/A

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

(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%
For the 2023 plan year - from 8.37% to 10.31%

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

Note 4: Cocke County chose to opt-out of the Local Government Plans effective January 1, 2024, and no longer allows retirees to participate in insurance plans provided to employees. Therefore, there is no OPEB liability at June 30, 2024.

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

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 526,453	\$ 490,283	\$ 655,227	\$ 528,124	\$ 595,055	\$ 574,406	\$ 431,136
Interest	271,254	325,636	413,853	355,968	240,829	223,131	344,307
Changes in Benefit Terms	0	(189,350)	(906,049)	0	(22,151)	0	0
Differences Between Actual and Expected Experience	0	1,809,920	(149,110)	(845,962)	(257,550)	69,047	4,717
Changes in Assumptions or Other Inputs	(381,208)	205,182	(714,211)	1,047,962	(748,173)	(924,399)	744,694
Benefit Payments	(488,161)	(557,381)	(489,530)	(436,827)	(355,996)	(352,844)	(454,990)
Net Change in Total OPEB Liability	\$ (71,662)	\$ 2,084,290	\$ (1,189,820)	\$ 649,265	\$ (547,986)	\$ (410,659)	\$ 1,069,864
Total OPEB Liability, Beginning	9,007,148	8,935,486	11,019,776	9,829,956	10,479,221	9,931,235	9,520,576
Total OPEB Liability, Ending	\$ 8,935,486	\$ 11,019,776	\$ 9,829,956	\$ 10,479,221	\$ 9,931,235	\$ 9,520,576	\$ 10,590,440
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	\$ 3,326,618
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	7,263,822
Covered Employee Payroll	\$ 23,952,663	\$ 25,643,933	\$ 26,485,698	\$ 26,517,762	\$ 26,619,490	\$ 27,427,237	\$ 29,468,847
Net OPEB Liability as a Percentage of Covered Employee Payroll	26.69%	34.12%	28.34%	29.55%	26.81%	24.55%	24.65%

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%
2023	3.65%

(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%
- For the 2023 plan year - from 8.37% to 10.31%

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, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, 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 Adjustment	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.

Special Purpose Fund – The Special Purpose Fund is used to account for opioid settlement funds.

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.

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.

COCKE COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					Total
	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 6,474	\$ 2,131	\$ 8,605
Equity in Pooled Cash and Investments	744,047	870,779	39,586	133,220	0	1,787,632
Accounts Receivable	0	0	0	0	26,622	26,622
Property Taxes Receivable	408,313	0	0	0	0	408,313
Allowance for Uncollectible Property Taxes	(14,915)	0	0	0	0	(14,915)
Total Assets	<u>\$ 1,137,445</u>	<u>\$ 870,779</u>	<u>\$ 39,586</u>	<u>\$ 139,694</u>	<u>\$ 28,753</u>	<u>\$ 2,216,257</u>
LIABILITIES						
Accounts Payable	\$ 99,927	\$ 0	\$ 0	\$ 3,828	\$ 0	\$ 103,755
Payroll Deductions Payable	0	0	0	7,019	0	7,019
Due to Other Funds	35,831	0	0	0	28,753	64,584
Other Current Liabilities	0	0	13,398	0	0	13,398
Total Liabilities	<u>\$ 135,758</u>	<u>\$ 0</u>	<u>\$ 13,398</u>	<u>\$ 10,847</u>	<u>\$ 28,753</u>	<u>\$ 188,756</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 375,853	\$ 0	\$ 0	\$ 0	\$ 0	\$ 375,853
Deferred Delinquent Property Taxes	15,581	0	0	0	0	15,581
Total Deferred Inflows of Resources	<u>\$ 391,434</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 391,434</u>

(Continued)

COCKE COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

FUND BALANCES	Special Revenue Funds					Total
	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 26,188	\$ 0	\$ 0	26,188
Restricted for Public Health and Welfare	0	403,332	0	0	0	403,332
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Social, Cultural, and Recreational Services	0	0	0	128,847	0	128,847
Committed for Other Operations	610,253	467,447	0	0	0	1,077,700
Total Fund Balances	<u>\$ 610,253</u>	<u>\$ 870,779</u>	<u>\$ 26,188</u>	<u>\$ 128,847</u>	<u>\$ 0</u>	<u>1,636,067</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,137,445</u>	<u>\$ 870,779</u>	<u>\$ 39,586</u>	<u>\$ 139,694</u>	<u>\$ 28,753</u>	<u>2,216,257</u>

(Continued)

COCKE COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	8,605
Equity in Pooled Cash and Investments	124,947	71,473	965,157	1,161,577	2,949,209
Accounts Receivable	0	0	0	0	26,622
Property Taxes Receivable	0	0	0	0	408,313
Allowance for Uncollectible Property Taxes	0	0	0	0	(14,915)
Total Assets	\$ 124,947	\$ 71,473	\$ 965,157	\$ 1,161,577	\$ 3,377,834
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	103,755
Payroll Deductions Payable	0	0	0	0	7,019
Due to Other Funds	0	0	0	0	64,584
Other Current Liabilities	0	0	0	0	13,398
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	188,756
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	375,853
Deferred Delinquent Property Taxes	0	0	0	0	15,581
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	391,434

(Continued)

COCKE COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

FUND BALANCES	<u>Capital Projects Funds</u>				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	26,188
Restricted for Public Health and Welfare	0	0	0	0	403,332
Restricted for Capital Projects	124,947	71,473	965,157	1,161,577	1,161,577
Committed:					
Committed for Social, Cultural, and Recreational Services	0	0	0	0	128,847
Committed for Other Operations	0	0	0	0	1,077,700
Total Fund Balances	<u>\$ 124,947</u>	<u>\$ 71,473</u>	<u>\$ 965,157</u>	<u>\$ 1,161,577</u>	<u>\$ 2,797,644</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 124,947</u>	<u>\$ 71,473</u>	<u>\$ 965,157</u>	<u>\$ 1,161,577</u>	<u>\$ 3,377,834</u>

COCKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds					Total
	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Revenues						
Local Taxes	\$ 675,804	\$ 0	\$ 0	\$ 0	\$ 0	675,804
Fines, Forfeitures, and Penalties	0	0	28,979	0	0	28,979
Charges for Current Services	0	0	0	56,123	6,183	62,306
Other Local Revenues	0	12,872	1,350	10	0	14,232
State of Tennessee	22,579	200,530	0	0	0	223,109
Other Governments and Citizens Groups	0	286,498	0	0	0	286,498
Total Revenues	\$ 698,383	\$ 499,900	\$ 30,329	\$ 56,133	\$ 6,183	\$ 1,290,928
Expenditures						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 483	483
Administration of Justice	0	0	0	0	5,700	5,700
Public Safety	0	0	43,610	0	0	43,610
Social, Cultural, and Recreational Services	0	1,211	0	370,865	0	372,076
Other Operations	705,352	0	0	0	0	705,352
Debt Service:						
Principal on Debt	64,633	0	0	0	0	64,633
Interest on Debt	40,361	0	0	0	0	40,361
Capital Projects	11,905	0	0	0	0	11,905
Total Expenditures	\$ 822,251	\$ 1,211	\$ 43,610	\$ 370,865	\$ 6,183	\$ 1,244,120
Excess (Deficiency) of Revenues Over Expenditures	\$ (123,868)	\$ 498,689	\$ (13,281)	\$ (314,732)	\$ 0	46,808

(Continued)

COCKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Total
	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Other Financing Sources (Uses)						
Transfers In	\$ 237,336	\$ 372,090	\$ 0	\$ 400,000	\$ 0	\$ 1,009,426
Total Other Financing Sources (Uses)	<u>\$ 237,336</u>	<u>\$ 372,090</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 0</u>	<u>\$ 1,009,426</u>
Net Change in Fund Balances	\$ 113,468	\$ 870,779	\$ (13,281)	\$ 85,268	\$ 0	\$ 1,056,234
Fund Balance, July 1, 2023	496,785	0	39,469	43,579	0	579,833
Fund Balance, June 30, 2024	<u>\$ 610,253</u>	<u>\$ 870,779</u>	<u>\$ 26,188</u>	<u>\$ 128,847</u>	<u>\$ 0</u>	<u>\$ 1,636,067</u>

(Continued)

COCKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
Revenues					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	675,804
Fines, Forfeitures, and Penalties	0	0	0	0	28,979
Charges for Current Services	0	0	0	0	62,306
Other Local Revenues	0	0	3,077	3,077	17,309
State of Tennessee	0	0	0	0	223,109
Other Governments and Citizens Groups	0	0	0	0	286,498
Total Revenues	\$ 0	\$ 0	\$ 3,077	\$ 3,077	\$ 1,294,005
Expenditures					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	483
Administration of Justice	0	0	0	0	5,700
Public Safety	0	0	0	0	43,610
Social, Cultural, and Recreational Services	0	0	77,375	77,375	449,451
Other Operations	0	0	0	0	705,352
Debt Service:					
Principal on Debt	0	0	0	0	64,633
Interest on Debt	0	0	0	0	40,361
Capital Projects	0	0	0	0	11,905
Total Expenditures	\$ 0	\$ 0	\$ 77,375	\$ 77,375	\$ 1,321,495
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	(74,298)	(74,298)	(27,490)

(Continued)

COCKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Highway Capital Projects	Jail Capital Projects -	Other Capital Projects - Library	Total	
Other Financing Sources (Uses)					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	1,009,426
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	1,009,426
Net Change in Fund Balances	\$ 0	\$ 0	(74,298)	(74,298)	981,936
Fund Balance, July 1, 2023	124,947	71,473	1,039,455	1,235,875	1,815,708
Fund Balance, June 30, 2024	\$ 124,947	\$ 71,473	\$ 965,157	\$ 1,161,577	\$ 2,797,644

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 675,804	\$ 434,954	\$ 436,904	\$ 238,900
State of Tennessee	22,579	20,000	20,000	2,579
Total Revenues	<u>\$ 698,383</u>	<u>\$ 454,954</u>	<u>\$ 456,904</u>	<u>\$ 241,479</u>
Expenditures				
Other Operations				
Industrial Development	\$ 605,425	0	\$ 605,094	\$ (331)
Contributions to Other Agencies	99,927	0	0	(99,927)
Principal on Debt				
General Government	64,633	105,000	105,000	40,367
Interest on Debt				
General Government	40,361	50,000	50,000	9,639
Capital Projects				
Public Utility Projects	11,905	10,000	11,950	45
Other General Government Projects	0	367,758	0	0
Total Expenditures	<u>\$ 822,251</u>	<u>\$ 532,758</u>	<u>\$ 772,044</u>	<u>\$ (50,207)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (123,868)</u>	<u>\$ (77,804)</u>	<u>\$ (315,140)</u>	<u>\$ 191,272</u>
Other Financing Sources (Uses)				
Transfers In	\$ 237,336	0	\$ 237,336	0
Total Other Financing Sources	<u>\$ 237,336</u>	<u>0</u>	<u>\$ 237,336</u>	<u>0</u>
Net Change in Fund Balance	\$ 113,468	\$ (77,804)	\$ (77,804)	\$ 191,272
Fund Balance, July 1, 2023	496,785	355,285	355,285	141,500
Fund Balance, June 30, 2024	<u>\$ 610,253</u>	<u>\$ 277,481</u>	<u>\$ 277,481</u>	<u>\$ 332,772</u>

COCKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 12,872	\$ 0	\$ 0	\$ 12,872
State of Tennessee	200,530	0	0	200,530
Other Governments and Citizens Groups	286,498	0	2,500	283,998
Total Revenues	<u>\$ 499,900</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 497,400</u>
Expenditures				
Social, Cultural, and Recreational Services				
Other Social, Cultural, and Recreational	\$ 1,211	\$ 0	\$ 2,500	\$ 1,289
Total Expenditures	<u>\$ 1,211</u>	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 1,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 498,689</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 498,689</u>
Other Financing Sources (Uses)				
Transfers In	\$ 372,090	\$ 0	\$ 0	\$ 372,090
Total Other Financing Sources	<u>\$ 372,090</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 372,090</u>
Net Change in Fund Balance	\$ 870,779	\$ 0	\$ 0	\$ 870,779
Fund Balance, July 1, 2023	0	0	0	0
Fund Balance, June 30, 2024	<u><u>\$ 870,779</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 870,779</u></u>

Exhibit F-5

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 28,979	\$ 0	\$ 0	\$ 28,979	\$ 14,000	\$ 53,966	\$ (24,987)
Other Local Revenues	1,350	0	0	1,350	0	0	1,350
Total Revenues	\$ 30,329	\$ 0	\$ 0	\$ 30,329	\$ 14,000	\$ 53,966	\$ (23,637)
Expenditures							
Public Safety							
Sheriff's Department	\$ 43,610	\$ (1,391)	\$ 865	\$ 43,084	\$ 34,610	\$ 82,856	\$ 39,772
Drug Enforcement	0	0	0	0	0	1,645	1,645
Total Expenditures	\$ 43,610	\$ (1,391)	\$ 865	\$ 43,084	\$ 34,610	\$ 84,501	\$ 41,417
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,281)	\$ 1,391	\$ (865)	\$ (12,755)	\$ (20,610)	\$ (30,535)	\$ 17,780
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,925	\$ (9,925)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,925	\$ (9,925)
Net Change in Fund Balance	\$ (13,281)	\$ 1,391	\$ (865)	\$ (12,755)	\$ (20,610)	\$ (20,610)	\$ 7,855
Fund Balance, July 1, 2023	39,469	(1,391)	0	38,078	73,973	73,973	(35,895)
Fund Balance, June 30, 2024	\$ 26,188	\$ 0	\$ (865)	\$ 25,323	\$ 53,363	\$ 53,363	\$ (28,040)

Exhibit F-6

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 56,123	\$ 0	\$ 0	\$ 56,123	\$ 35,000	\$ 40,000	\$ 16,123
Other Local Revenues	10	0	0	10	0	0	10
Total Revenues	\$ 56,133	\$ 0	\$ 0	\$ 56,133	\$ 35,000	\$ 40,000	\$ 16,133
Expenditures							
Social, Cultural, and Recreational Services							
Other Social, Cultural, and Recreational	\$ 370,865	\$ (2,859)	\$ 2,869	\$ 370,875	\$ 419,998	\$ 424,998	\$ 54,123
Total Expenditures	\$ 370,865	\$ (2,859)	\$ 2,869	\$ 370,875	\$ 419,998	\$ 424,998	\$ 54,123
Excess (Deficiency) of Revenues Over Expenditures	\$ (314,732)	\$ 2,859	\$ (2,869)	\$ (314,742)	\$ (384,998)	\$ (384,998)	\$ 70,256
Other Financing Sources (Uses)							
Transfers In	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0
Total Other Financing Sources	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0
Net Change in Fund Balance	\$ 85,268	\$ 2,859	\$ (2,869)	\$ 85,258	\$ 15,002	\$ 15,002	\$ 70,256
Fund Balance, July 1, 2023	43,579	(2,859)	0	40,720	707	707	40,013
Fund Balance, June 30, 2024	\$ 128,847	\$ 0	\$ (2,869)	\$ 125,978	\$ 15,709	\$ 15,709	\$ 110,269

MAJOR GOVERNMENTAL FUNDS

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.

CAPITAL PROJECTS FUND

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

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

Exhibit G-1

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 2,219,725	\$ 1,986,174	\$ 1,986,174	\$ 233,551
Other Local Revenues	739,832	50,000	50,000	689,832
State of Tennessee	10,110	10,000	10,000	110
Other Governments and Citizens Groups	161,814	150,000	150,000	11,814
Total Revenues	\$ 3,131,481	\$ 2,196,174	\$ 2,196,174	\$ 935,307
Expenditures				
Principal on Debt				
General Government	\$ 464,383	\$ 408,052	\$ 582,279	\$ 117,896
Highways and Streets	842,257	842,172	842,257	0
Education	892,598	892,648	892,599	1
Interest on Debt				
General Government	97,570	66,807	126,775	29,205
Highways and Streets	112,597	112,588	112,588	(9)
Education	346,223	346,228	346,228	5
Other Debt Service				
General Government	36,157	35,000	35,000	(1,157)
Education	4,460	4,500	4,500	40
Total Expenditures	\$ 2,796,245	\$ 2,707,995	\$ 2,942,226	\$ 145,981
Excess (Deficiency) of Revenues Over Expenditures	\$ 335,236	\$ (511,821)	\$ (746,052)	\$ 1,081,288
Other Financing Sources (Uses)				
Transfers In	\$ 256,913	\$ 275,000	\$ 275,000	\$ (18,087)
Total Other Financing Sources	\$ 256,913	\$ 275,000	\$ 275,000	\$ (18,087)
Net Change in Fund Balance	\$ 592,149	\$ (236,821)	\$ (471,052)	\$ 1,063,201
Fund Balance, July 1, 2023	7,927,723	8,402,796	8,402,796	(475,073)
Fund Balance, June 30, 2024	\$ 8,519,872	\$ 8,165,975	\$ 7,931,744	\$ 588,128

Exhibit G-2

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 921,458	\$ 0	\$ 0	\$ 921,458	\$ 883,486	\$ 883,486	\$ 37,972
State of Tennessee	44,282	0	0	44,282	30,000	30,000	14,282
Federal Government	0	0	0	0	0	420,000	(420,000)
Total Revenues	\$ 965,740	\$ 0	\$ 0	\$ 965,740	\$ 913,486	\$ 1,333,486	\$ (367,746)
Expenditures							
Other Operations							
Other Charges	\$ 19,174	\$ 0	\$ 0	\$ 19,174	\$ 20,000	\$ 20,000	\$ 826
Capital Projects							
General Administration Projects	22,800	0	0	22,800	30,000	22,800	0
Public Safety Projects	600,150	(575)	649,006	1,248,581	400,000	1,248,981	400
Public Health and Welfare Projects	1,068,391	(21,490)	0	1,046,901	60,000	1,071,069	24,168
Public Utility Projects	317,072	0	0	317,072	0	317,072	0
Highway and Street Capital Projects	0	0	0	0	60,000	27,150	27,150
Education Capital Projects	0	0	0	0	550,000	0	0
Capital Projects - Donated							
Capital Projects Donated to School Department	2,345,231	0	550,000	2,895,231	0	2,895,231	0
Total Expenditures	\$ 4,372,818	\$ (22,065)	\$ 1,199,006	\$ 5,549,759	\$ 1,120,000	\$ 5,602,303	\$ 52,544
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,407,078)	\$ 22,065	\$ (1,199,006)	\$ (4,584,019)	\$ (206,514)	\$ (4,268,817)	\$ (315,202)
Other Financing Sources (Uses)							
Notes Issued	\$ 1,400,000	\$ 0	\$ 0	\$ 1,400,000	\$ 0	\$ 1,400,000	\$ 0
Other Loans Issued	2,345,231	0	0	2,345,231	0	2,345,231	0
Total Other Financing Sources	\$ 3,745,231	\$ 0	\$ 0	\$ 3,745,231	\$ 0	\$ 3,745,231	\$ 0
Net Change in Fund Balance	\$ 338,153	\$ 22,065	\$ (1,199,006)	\$ (838,788)	\$ (206,514)	\$ (523,586)	\$ (315,202)
Fund Balance, July 1, 2023	1,203,347	(22,065)	0	1,181,282	303,050	620,122	561,160
Fund Balance, June 30, 2024	\$ 1,541,500	\$ 0	\$ (1,199,006)	\$ 342,494	\$ 96,536	\$ 96,536	\$ 245,958

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.

COCKE COUNTY, TENNESSEE
Combining Statement of Net Position
 Custodial Funds
June 30, 2024

	Custodial Funds				Total
	Cities - Sales Tax	City School ADA - Newport	Constitu - tional Officers - Custodial		
ASSETS					
Cash	\$ 0	\$ 0	\$ 4,283,141	\$ 4,283,141	
Due from Other Governments	1,001,356	189,476	0	1,190,832	
Property Taxes Receivable	0	328,905	0	328,905	
Allowance for Uncollectible Property Taxes	0	(12,238)	0	(12,238)	
Total Assets	<u>\$ 1,001,356</u>	<u>\$ 506,143</u>	<u>\$ 4,283,141</u>	<u>\$ 5,790,640</u>	
LIABILITIES					
Due to Other Taxing Units	<u>\$ 1,001,356</u>	<u>\$ 204,125</u>	<u>\$ 0</u>	<u>\$ 1,205,481</u>	
Total Liabilities	<u>\$ 1,001,356</u>	<u>\$ 204,125</u>	<u>\$ 0</u>	<u>\$ 1,205,481</u>	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	<u>\$ 0</u>	<u>\$ 302,018</u>	<u>\$ 0</u>	<u>\$ 302,018</u>	
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 302,018</u>	<u>\$ 0</u>	<u>\$ 302,018</u>	
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,283,141</u>	<u>\$ 4,283,141</u>	
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,283,141</u>	<u>\$ 4,283,141</u>	

COCKE COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
 Custodial Funds
For the Year Ended June 30, 2024

	Custodial Funds				Total
	Cities - Sales Tax	City School ADA - Newport	Constitu - tional Officers - Custodial		
Additions					
Sales Tax Collections for Other Governments	\$ 5,701,629	\$ 0	\$ 0	\$ 5,701,629	
ADA - Educational Funds Collected for Cities	0	1,625,216	0	1,625,216	
Fines/Fees and Other Collections	0	0	9,750,199	9,750,199	
Total Additions	\$ 5,701,629	\$ 1,625,216	\$ 9,750,199	\$ 17,077,044	
Deductions					
Payment of Sales Tax Collections for Other Governments	\$ 5,701,629	\$ 0	\$ 0	\$ 5,701,629	
Payments to City School Systems	0	1,625,216	0	1,625,216	
Payments to State	0	0	4,737,043	4,737,043	
Payments to Individuals and Others	0	0	3,733,864	3,733,864	
Total Deductions	\$ 5,701,629	\$ 1,625,216	\$ 8,470,907	\$ 15,797,752	
Change in Net Position	\$ 0	\$ 0	\$ 1,279,292	\$ 1,279,292	
Net Position July 1, 2023	0	0	3,003,849	3,003,849	
Net Position June 30, 2024	\$ 0	\$ 0	\$ 4,283,141	\$ 4,283,141	

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, 2024

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	\$ 29,571,383	\$ 0	\$ 4,940,483	\$ 8,013,866	\$ (16,617,034)
Support Services	18,544,120	120,351	2,650,293	2,470,429	(13,303,047)
Operation of Non-instructional Services	7,506,550	348,242	6,119,034	0	(1,039,274)
Total Governmental Activities	\$ 55,622,053	\$ 468,593	\$ 13,709,810	\$ 10,484,295	\$ (30,959,355)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	2,623,407
Property Taxes Levied for School Transportation					1,425,144
Local Option Sales Taxes					7,209,320
Other Local Taxes					48,076
Grants and Contributions Not Restricted to Specific Programs					35,390,810
Unrestricted Investment Income					8,201
Lease Interest					2,482
Miscellaneous					268,903
Total General Revenues				\$	46,976,343
Change in Net Position				\$	16,016,988
Net Position, July 1, 2023					50,773,594
Net Position, June 30, 2024				\$	66,790,582

COCKE COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Cocke County School Department

June 30, 2024

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	School Transportation	Other Governmental Funds	
ASSETS					
Cash	\$ 5,098,736	\$ 0	\$ 0	\$ 1,301,385	\$ 6,400,121
Equity in Pooled Cash and Investments	16,128,121	1,986,502	828,720	2,343,033	21,286,376
Accounts Receivable	318,589	0	36,906	485	355,980
Due from Other Governments	2,778,015	2,246,313	0	162,789	5,187,117
Due from Other Funds	244,641	11,851	0	0	256,492
Due from Primary Government	87,974	0	0	0	87,974
Property Taxes Receivable	2,234,679	0	1,468,938	0	3,703,617
Allowance for Uncollectible Property Taxes	(83,149)	0	(49,795)	0	(132,944)
Prepaid Items	5,800	0	0	0	5,800
Leases Receivable - Current	51,982	0	0	0	51,982
Restricted Assets	582,796	0	0	0	582,796
Leases Receivable - Long-term	228,905	0	0	0	228,905
Total Assets	\$ 27,677,089	\$ 4,244,666	\$ 2,284,769	\$ 3,807,692	\$ 38,014,216
LIABILITIES					
Accounts Payable	\$ 345,696	\$ 0	\$ 407	\$ 14,480	\$ 360,583
Accrued Payroll	1,549	0	2,826	0	4,375
Due to Other Funds	11,851	244,641	0	0	256,492
Other Current Liabilities	5,098,736	0	0	121,096	5,219,832
Total Liabilities	\$ 5,457,832	\$ 244,641	\$ 3,233	\$ 135,576	\$ 5,841,282

(Continued)

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	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,052,005	\$ 0	\$ 1,364,937	\$ 0	\$ 3,416,942
Deferred Delinquent Property Taxes	88,383	0	48,137	0	136,520
Deferred Leases Receivable	280,887	0	0	0	280,887
Other Deferred/Unavailable Revenue	659,022	0	0	0	659,022
Total Deferred Inflows of Resources	\$ 3,080,297	\$ 0	\$ 1,413,074	\$ 0	\$ 4,493,371
FUND BALANCES					
Nonspendable:					
Prepaid Items	\$ 5,800	\$ 0	\$ 0	\$ 0	\$ 5,800
Restricted:					
Restricted for Education	64,198	25	324,931	3,672,116	4,061,270
Restricted for Hybrid Retirement Stabilization Funds	582,796	0	0	0	582,796
Committed:					
Committed for Education	0	4,000,000	543,531	0	4,543,531
Assigned:					
Assigned for Education	6,975,948	0	0	0	6,975,948
Unassigned	11,510,218	0	0	0	11,510,218
Total Fund Balances	\$ 19,138,960	\$ 4,000,025	\$ 868,462	\$ 3,672,116	\$ 27,679,563
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,677,089	\$ 4,244,666	\$ 2,284,769	\$ 3,807,692	\$ 38,014,216

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, 2024

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)		\$ 27,679,563
(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	11,624,344	
Add: buildings and improvements net of accumulated depreciation	14,537,766	
Add: infrastructure net of accumulated depreciation	65,694	
Add: other capital assets net of accumulated depreciation	<u>5,117,652</u>	32,643,488
(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	\$ (249,748)	
Less: OPEB liability	<u>(7,263,822)</u>	(7,513,570)
(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	\$ 6,930,499	
Less: deferred inflows of resources related to pensions	(385,590)	
Add: deferred outflows of resources related to OPEB	2,012,945	
Less: deferred inflows of resources related to OPEB	<u>(2,189,809)</u>	6,368,045
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,501,636	
Add: net pension asset - teacher retirement plan	134,100	
Add: net pension asset - teacher legacy pension plan	<u>5,181,778</u>	6,817,514
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>795,542</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 66,790,582</u></u>

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, 2024

	Major Funds			Nonmajor	Total
	General	School	School	Funds	
				Other	
	Purpose	Federal	Transpor -	Govern-	Governmental
	School	Projects	tation	mental	Funds
				Funds	Funds
Revenues					
Local Taxes	\$ 9,994,775	\$ 0	\$ 1,522,017	\$ 0	\$ 11,516,792
Licenses and Permits	1,206	0	0	0	1,206
Charges for Current Services	31,719	0	88,632	144,904	265,255
Other Local Revenues	1,516,463	0	104,828	1,707,745	3,329,036
State of Tennessee	34,649,185	0	670,145	0	35,319,330
Federal Government	968,739	14,070,129	0	3,749,767	18,788,635
Other Governments and Citizens Groups	2,377,049	0	0	0	2,377,049
Total Revenues	\$ 49,539,136	\$ 14,070,129	\$ 2,385,622	\$ 5,602,416	\$ 71,597,303
Expenditures					
Current:					
Instruction	\$ 24,633,141	\$ 4,117,173	\$ 0	\$ 0	\$ 28,750,314
Support Services	13,476,176	1,998,553	3,084,291	0	18,559,020
Operation of Non-Instructional Services	1,831,396	19,713	0	5,688,986	7,540,095
Capital Outlay	3,473,373	7,702,748	0	0	11,176,121
Debt Service:					
Other Debt Service	161,814	0	0	0	161,814
Total Expenditures	\$ 43,575,900	\$ 13,838,187	\$ 3,084,291	\$ 5,688,986	\$ 66,187,364
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 5,963,236	\$ 231,942	\$ (698,669)	\$ (86,570)	\$ 5,409,939
Other Financing Sources (Uses)					
Insurance Recovery	\$ 81,826	\$ 0	\$ 0	\$ 0	\$ 81,826
Transfers In	208,241	2,000,000	0	0	2,208,241

(Continued)

COCKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds

Discretely Presented Cocke County School Department (Cont.)

	Major Funds			Nonmajor	Total
	General	School	School	Funds	
				Other	
	Purpose	Federal	Transpor -	Govern-	Governmental
	School	Projects	tation	mental	Funds
				Funds	Funds
Other Financing Sources (Uses) (Cont.)					
Transfers Out	\$ (2,000,000)	\$ (208,241)	\$ 0	\$ 0	\$ (2,208,241)
Total Other Financing Sources (Uses)	\$ (1,709,933)	\$ 1,791,759	\$ 0	\$ 0	\$ 81,826
Net Change in Fund Balances	\$ 4,253,303	\$ 2,023,701	\$ (698,669)	\$ (86,570)	\$ 5,491,765
Fund Balance, July 1, 2023	14,885,657	1,976,324	1,567,131	3,758,686	22,187,798
Fund Balance, June 30, 2024	\$ 19,138,960	\$ 4,000,025	\$ 868,462	\$ 3,672,116	\$ 27,679,563

COCKE COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**

Discretely Presented Cocke County School Department

For the Year Ended June 30, 2024

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)		\$ 5,491,765
(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	\$ 12,557,580	
Less: current-year depreciation expense	<u>(1,605,884)</u>	10,951,696
(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		(2,103)
(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, 2024	\$ 795,542	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(868,779)</u>	(73,237)
(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	\$ (68,896)	
Change in OPEB liability	(529,720)	
Change in net pension assets/liability	48,383	
Change in deferred outflows related to pensions	(932,851)	
Change in deferred inflows related to pensions	694,896	
Change in deferred outflows related to OPEB	137,594	
Change in deferred inflows related to OPEB	<u>299,461</u>	<u>(351,133)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 16,016,988</u>

COCKE COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds

Discretely Presented Cocke County School Department

June 30, 2024

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 121,096	\$ 1,180,289	\$ 1,301,385
Equity in Pooled Cash and Investments	2,343,033	0	2,343,033
Accounts Receivable	485	0	485
Due from Other Governments	162,789	0	162,789
Total Assets	<u>\$ 2,627,403</u>	<u>\$ 1,180,289</u>	<u>\$ 3,807,692</u>
LIABILITIES			
Accounts Payable	\$ 14,480	\$ 0	\$ 14,480
Other Current Liabilities	121,096	0	121,096
Total Liabilities	<u>\$ 135,576</u>	<u>\$ 0</u>	<u>\$ 135,576</u>
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 2,491,827	\$ 1,180,289	\$ 3,672,116
Total Fund Balances	<u>\$ 2,491,827</u>	<u>\$ 1,180,289</u>	<u>\$ 3,672,116</u>
Total Liabilities and Fund Balances	<u>\$ 2,627,403</u>	<u>\$ 1,180,289</u>	<u>\$ 3,807,692</u>

COCKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
 Discretely Presented Cocke County School Department
For the Year Ended June 30, 2024

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
Revenues			
Charges for Current Services	\$ 144,904	\$ 0	\$ 144,904
Other Local Revenues	32,846	1,674,899	1,707,745
Federal Government	3,749,767	0	3,749,767
Total Revenues	\$ 3,927,517	\$ 1,674,899	\$ 5,602,416
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 4,091,001	\$ 1,597,985	\$ 5,688,986
Total Expenditures	\$ 4,091,001	\$ 1,597,985	\$ 5,688,986
Excess (Deficiency) of Revenues Over Expenditures	\$ (163,484)	\$ 76,914	\$ (86,570)
Net Change in Fund Balances	\$ (163,484)	\$ 76,914	\$ (86,570)
Fund Balance, July 1, 2023	2,655,311	1,103,375	3,758,686
Fund Balance, June 30, 2024	\$ 2,491,827	\$ 1,180,289	\$ 3,672,116

Exhibit I-8

COCKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Cocke County School Department
 General Purpose School Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 9,994,775	\$ 0	\$ 0	\$ 9,994,775	\$ 6,971,122	\$ 6,971,122	\$ 3,023,653
Licenses and Permits	1,206	0	0	1,206	1,000	1,000	206
Charges for Current Services	31,719	0	0	31,719	30,350	30,350	1,369
Other Local Revenues	1,516,463	0	0	1,516,463	1,223,825	1,406,802	109,661
State of Tennessee	34,649,185	0	0	34,649,185	37,812,155	39,371,188	(4,722,003)
Federal Government	968,739	0	0	968,739	582,283	1,161,433	(192,694)
Other Governments and Citizens Groups	2,377,049	0	0	2,377,049	0	2,906,953	(529,904)
Total Revenues	\$ 49,539,136	\$ 0	\$ 0	\$ 49,539,136	\$ 46,620,735	\$ 51,848,848	\$ (2,309,712)
Expenditures							
Instruction							
Regular Instruction Program	\$ 19,647,872	\$ (14,800)	\$ 87,716	\$ 19,720,788	\$ 21,746,796	\$ 22,536,039	\$ 2,815,251
Alternative Instruction Program	423,569	0	0	423,569	379,596	435,896	12,327
Special Education Program	2,434,744	0	0	2,434,744	2,570,590	2,560,590	125,846
Career and Technical Education Program	2,126,956	(113,346)	0	2,013,610	5,977,561	4,098,656	2,085,046
Student Body Education Program	0	0	0	0	900	900	900
Support Services							
Attendance	273,046	0	0	273,046	350,989	351,839	78,793
Health Services	546,841	(4,076)	0	542,765	722,814	731,080	188,315
Other Student Support	1,787,613	0	276,901	2,064,514	2,142,339	2,703,385	638,871
Regular Instruction Program	1,224,102	(895)	0	1,223,207	1,521,240	1,521,240	298,033
Special Education Program	707,405	0	0	707,405	819,075	879,496	172,091
Career and Technical Education Program	135,719	0	0	135,719	155,251	162,451	26,732
Technology	455,474	(14,497)	0	440,977	501,471	511,471	70,494
Other Programs	170,599	0	0	170,599	0	170,599	0
Board of Education	500,627	(5,983)	0	494,644	586,573	596,333	101,689
Director of Schools	442,554	(1,732)	0	440,822	503,421	503,421	62,599
Office of the Principal	2,647,325	(5,387)	19,070	2,661,008	2,857,971	2,857,971	196,963
Fiscal Services	496,074	0	0	496,074	554,327	557,377	61,303

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Operation of Plant	\$ 3,098,095	\$ (30,939)	\$ 2,468	\$ 3,069,624	\$ 3,485,645	\$ 3,537,528	\$ 467,904
Maintenance of Plant	923,859	0	950	924,809	713,400	960,280	35,471
Transportation	66,843	(329,313)	288,003	25,533	88,284	331,077	305,544
Operation of Non-Instructional Services							
Food Service	104,777	0	0	104,777	98,965	107,365	2,588
Community Services	1,426,989	0	0	1,426,989	1,454,543	1,709,565	282,576
Early Childhood Education	299,630	0	0	299,630	313,177	313,177	13,547
Capital Outlay							
Regular Capital Outlay	3,473,373	(201,653)	2,282,913	5,554,633	3,142,277	7,842,610	2,287,977
Principal on Debt							
Education	0	0	0	0	188,000	0	0
Other Debt Service							
Education	161,814	0	0	161,814	0	279,638	117,824
Total Expenditures	\$ 43,575,900	\$ (722,621)	\$ 2,958,021	\$ 45,811,300	\$ 50,875,205	\$ 56,259,984	\$ 10,448,684
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,963,236	\$ 722,621	\$ (2,958,021)	\$ 3,727,836	\$ (4,254,470)	\$ (4,411,136)	\$ 8,138,972
Other Financing Sources (Uses)							
Insurance Recovery	\$ 81,826	\$ 0	\$ 0	\$ 81,826	\$ 25,000	\$ 25,000	\$ 56,826
Transfers In	208,241	0	0	208,241	60,107	60,107	148,134
Transfers Out	(2,000,000)	0	0	(2,000,000)	0	(2,000,000)	0
Total Other Financing Sources	\$ (1,709,933)	\$ 0	\$ 0	\$ (1,709,933)	\$ 85,107	\$ (1,914,893)	\$ 204,960
Net Change in Fund Balance	\$ 4,253,303	\$ 722,621	\$ (2,958,021)	\$ 2,017,903	\$ (4,169,363)	\$ (6,326,029)	\$ 8,343,932
Fund Balance, July 1, 2023	14,885,657	(722,621)	0	14,163,036	14,600,607	14,600,607	(437,571)
Fund Balance, June 30, 2024	\$ 19,138,960	\$ 0	\$ (2,958,021)	\$ 16,180,939	\$ 10,431,244	\$ 8,274,578	\$ 7,906,361

Exhibit I-9

COCKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Cocke County School Department
School Federal Projects Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 14,070,129	\$ 0	\$ 0	\$ 14,070,129	\$ 3,821,021	\$ 18,156,688	\$ (4,086,559)
Total Revenues	\$ 14,070,129	\$ 0	\$ 0	\$ 14,070,129	\$ 3,821,021	\$ 18,156,688	\$ (4,086,559)
Expenditures							
Instruction							
Regular Instruction Program	\$ 2,807,555	\$ 0	\$ 1,630	\$ 2,809,185	\$ 1,810,231	\$ 3,796,668	\$ 987,483
Special Education Program	1,071,800	0	1,349	1,073,149	720,719	1,474,633	401,484
Career and Technical Education Program	237,818	0	0	237,818	116,659	241,484	3,666
Support Services							
Health Services	101,351	0	0	101,351	0	150,666	49,315
Other Student Support	519,052	0	0	519,052	156,327	711,425	192,373
Regular Instruction Program	984,919	0	0	984,919	477,529	1,298,485	313,566
Special Education Program	88,243	0	0	88,243	214,290	128,240	39,997
Career and Technical Education Program	3,434	0	0	3,434	6,000	3,438	4
Fiscal Services	35,565	(43,606)	8,041	0	0	43,606	43,606
Transportation	265,989	0	0	265,989	259,160	308,795	42,806
Operation of Non-Instructional Services							
Food Service	19,713	0	0	19,713	0	21,550	1,837
Capital Outlay							
Regular Capital Outlay	7,702,748	(1,095,998)	2,034,152	8,640,902	0	9,734,916	1,094,014
Total Expenditures	\$ 13,838,187	\$ (1,139,604)	\$ 2,045,172	\$ 14,743,755	\$ 3,760,915	\$ 17,913,906	\$ 3,170,151
Excess (Deficiency) of Revenues Over Expenditures	\$ 231,942	\$ 1,139,604	\$ (2,045,172)	\$ (673,626)	\$ 60,106	\$ 242,782	\$ (916,408)
Other Financing Sources (Uses)							
Transfers In	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Transfers Out	(208,241)	0	0	(208,241)	(60,106)	(242,782)	34,541
Total Other Financing Sources	\$ 1,791,759	\$ 0	\$ 0	\$ 1,791,759	\$ (60,106)	\$ (242,782)	\$ 2,034,541
Net Change in Fund Balance	\$ 2,023,701	\$ 1,139,604	\$ (2,045,172)	\$ 1,118,133	\$ 0	\$ 0	\$ 1,118,133
Fund Balance, July 1, 2023	1,976,324	(1,139,604)	0	836,720	0	0	836,720
Fund Balance, June 30, 2024	\$ 4,000,025	\$ 0	\$ (2,045,172)	\$ 1,954,853	\$ 0	\$ 0	\$ 1,954,853

COCKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Cocke County School Department
 Central Cafeteria Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 144,904	\$ 230,900	\$ 230,900	\$ (85,996)
Other Local Revenues	32,846	50,100	50,100	(17,254)
Federal Government	3,749,767	3,925,981	4,043,630	(293,863)
Total Revenues	\$ 3,927,517	\$ 4,206,981	\$ 4,324,630	\$ (397,113)
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 4,091,001	\$ 4,195,981	\$ 4,357,130	\$ 266,129
Total Expenditures	\$ 4,091,001	\$ 4,195,981	\$ 4,357,130	\$ 266,129
Excess (Deficiency) of Revenues Over Expenditures	\$ (163,484)	\$ 11,000	\$ (32,500)	\$ (130,984)
Other Financing Sources (Uses)				
Transfers Out	\$ 0	\$ (11,000)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ (11,000)	\$ 0	\$ 0
Net Change in Fund Balance	\$ (163,484)	\$ 0	\$ (32,500)	\$ (130,984)
Fund Balance, July 1, 2023	2,655,311	3,097,635	3,097,635	(442,324)
Fund Balance, June 30, 2024	\$ 2,491,827	\$ 3,097,635	\$ 3,065,135	\$ (573,308)

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,522,017	\$ 0	\$ 0	\$ 1,522,017	\$ 1,459,489	\$ 1,459,489	\$ 62,528
Charges for Current Services	88,632	0	0	88,632	50,000	50,000	38,632
Other Local Revenues	104,828	0	0	104,828	44,100	44,100	60,728
State of Tennessee	670,145	0	0	670,145	660,385	660,385	9,760
Other Governments and Citizens Groups	0	0	0	0	580,000	580,000	(580,000)
Total Revenues	\$ 2,385,622	\$ 0	\$ 0	\$ 2,385,622	\$ 2,793,974	\$ 2,793,974	\$ (408,352)
Expenditures							
Support Services							
Board of Education	\$ 30,608	\$ 0	\$ 0	\$ 30,608	\$ 34,000	\$ 34,000	\$ 3,392
Transportation	3,053,683	(561,766)	655,455	3,147,372	3,680,540	3,680,540	533,168
Total Expenditures	\$ 3,084,291	\$ (561,766)	\$ 655,455	\$ 3,177,980	\$ 3,714,540	\$ 3,714,540	\$ 536,560
Excess (Deficiency) of Revenues Over Expenditures	\$ (698,669)	\$ 561,766	\$ (655,455)	\$ (792,358)	\$ (920,566)	\$ (920,566)	\$ 128,208
Other Financing Sources (Uses)							
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	\$ (698,669)	\$ 561,766	\$ (655,455)	\$ (792,358)	\$ (900,566)	\$ (900,566)	\$ 108,208
Fund Balance, July 1, 2023	1,567,131	(561,766)	0	1,005,365	1,463,756	1,463,756	(458,391)
Fund Balance, June 30, 2024	\$ 868,462	\$ 0	\$ (655,455)	\$ 213,007	\$ 563,190	\$ 563,190	\$ (350,183)

COCKE COUNTY, TENNESSEE

Statement of Fiduciary Net Position

Discretely Presented Cocke County School Department

Fiduciary Fund

June 30, 2024

	Private - Purpose Trust Fund
	<hr/> Endowment Fund <hr/>
ASSETS	
Equity in Pooled Cash and Investments	\$ 393,612
Total Assets	<u>\$ 393,612</u>
NET POSITION	
Funds Held in Trust for Scholarships	<u>\$ 393,612</u>
Total Net Position	<u><u>\$ 393,612</u></u>

COCKE COUNTY, TENNESSEE

Statement of Changes in Fiduciary Net Position

Discretely Presented Cocke County School Department

Fiduciary Fund

For the Year Ended June 30, 2024

	Private - Purpose Trust Fund
	<u>Endowment Fund</u>
ADDITIONS	
Investment Income	\$ 1,008
Total Additions	<u>\$ 1,008</u>
DEDUCTIONS	
Education:	
Scholarships:	\$ 0
Total Deductions	<u>\$ 0</u>
Change in Net Position	\$ 1,008
Net Position, July 1, 2023	<u>392,604</u>
Net Position, June 30, 2024	<u><u>\$ 393,612</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

COCKE COUNTY, TENNESSEE

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

For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24	
NOTES PAYABLE									
Payable through General Debt Service Fund									
Landfill and Fire Department Equipment	\$ 1,400,000	4.3	%	7-31-23	7-31-33	\$ 0	\$ 1,400,000	\$ 56,367	\$ 1,343,633
Total Payable through General Debt Service Fund						<u>\$ 0</u>	<u>\$ 1,400,000</u>	<u>\$ 56,367</u>	<u>\$ 1,343,633</u>
OTHER LOANS PAYABLE									
Payable through Industrial/Economic Development Fund									
City of Newport - River Crest Project (A)	1,024,000	4.13		2-14-06	5-1-45	\$ 765,557	\$ 0	\$ 30,616	\$ 734,941
City of Newport - River Crest Project (B)	300,000	4.38		2-14-06	5-1-45	222,441	0	7,515	214,926
City of Newport - Hartford Project	478,417	2.15		2-14-08	12-31-27	168,064	0	26,502	141,562
Total Payable through Industrial/ Economic Development Fund						<u>\$ 1,156,062</u>	<u>\$ 0</u>	<u>\$ 64,633</u>	<u>\$ 1,091,429</u>
Payable through General Debt Service Fund									
Qualified School Construction Bonds	5,575,000	0	(1)	10-7-10	9-15-27	\$ 1,458,526	\$ 0	\$ 347,871	\$ 1,110,655
Energy Efficient Schools Initiative	(2)	.5		1-31-24	4-1-31	(3) 0	2,345,231	0	2,345,231
Total Payable through General Debt Service Fund						<u>\$ 1,458,526</u>	<u>\$ 2,345,231</u>	<u>\$ 347,871</u>	<u>\$ 3,455,886</u>
Payable through Highway/Public Works Fund									
Excavator	329,039	3.35		5-27-20	6-15-25	\$ 138,034	\$ 0	\$ 67,877	\$ 70,157
Excavator - 2021	433,554	1.92		7-7-21	7-10-26	286,511	0	86,264	200,247
Total Payable through Highway/Public Works Fund						<u>\$ 424,545</u>	<u>\$ 0</u>	<u>\$ 154,141</u>	<u>\$ 270,404</u>
Total Other Loans Payable						<u>\$ 3,039,133</u>	<u>\$ 2,345,231</u>	<u>\$ 566,645</u>	<u>\$ 4,817,719</u>

(Continued)

Exhibit J-1

COCKE COUNTY, TENNESSEE

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2019	\$ 1,630,000	4 to 5 %	10-4-19	6-1-30	\$ 1,120,000	\$ 0	\$ 140,000	\$ 980,000
General Obligation Refunding Bonds, Series 2020	3,660,000	1 to 3	9-30-20	6-1-30	1,695,000	0	285,000	1,410,000
General Obligation Refunding Bonds, Series 2021	7,025,000	2	5-14-21	5-1-28	6,175,000	0	1,215,000	4,960,000
General Obligation Bonds, Series 2021	2,490,000	1.05 to 2	5-14-21	5-1-36	2,235,000	0	155,000	2,080,000
Total Payable through General Debt Service Fund					<u>\$ 11,225,000</u>	<u>\$ 0</u>	<u>\$ 1,795,000</u>	<u>\$ 9,430,000</u>
Total Bonds Payable					<u>\$ 11,225,000</u>	<u>\$ 0</u>	<u>\$ 1,795,000</u>	<u>\$ 9,430,000</u>

(1) The interest rate of approximately 4.85 percent is offset by a federal interest rate subsidy.

(2) The total amount approved for the Energy Efficient Schools Initiative Loan was \$2,875,135 of which \$2,345,231 has been drawn as of June 30, 2024, and \$529,904 remains to be drawn.

(3) The last maturity date presented represents the maturity of amounts drawn at June 30, 2024. The final maturity will be determined upon the completion of the project in a subsequent period.

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
2025	\$ 56,688	\$ 42,763	\$ 99,451
2026	58,518	40,936	99,454
2027	60,422	39,043	99,465
2028	62,383	37,083	99,466
2029	66,505	35,052	101,557
2030	36,792	32,905	69,697
2031	38,331	31,366	69,697
2032	39,934	29,763	69,697
2033	41,604	28,093	69,697
2034	43,344	26,353	69,697
2035	45,157	24,540	69,697
2036	47,046	22,651	69,697
2037	49,014	20,681	69,695
2038	51,065	18,632	69,697
2039	53,201	16,495	69,696
2040 - 2045	341,425	48,819	390,244
Total	\$ 1,091,429	\$ 495,175	\$ 1,586,604

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 742,512	\$ 12,624	\$ 755,136
2026	793,515	12,057	805,572
2027	762,588	8,871	771,459
2028	392,371	6,974	399,345
2029	361,375	5,177	366,552
2030	363,182	3,370	366,552
2031	310,747	1,323	312,070
Total	\$ 3,726,290	\$ 50,396	\$ 3,776,686

(Continued)

Exhibit J-2

COCKE COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 9,430,000	\$ 716,815	\$ 10,146,815

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 116,807	\$ 57,466	\$ 174,273
2026	122,118	52,154	174,272
2027	127,501	46,772	174,273
2028	133,120	41,153	174,273
2029	138,883	35,389	174,272
2030	145,108	29,165	174,273
2031	151,503	22,770	174,273
2032	158,180	16,093	174,273
2033	165,121	9,152	174,273
2034	85,292	1,844	87,136
Total	\$ 1,343,633	\$ 311,958	\$ 1,655,591

COCKE COUNTY, TENNESSEE

Schedule of Leases Receivable

Discretely Presented Cocke County School Department

June 30, 2024

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate		Balance 7-1-23	Deductions	Balance 6-30-24
DISCRETELY PRESENTED COCKE COUNTY SCHOOL DEPARTMENT									
General Purpose School Fund									
Solar Sites	Distributed Solar Holdings LLC	\$ 200,044	1-29-13	7-29-33	0.8	%	\$ 168,022	\$ 16,204	\$ 151,818
Plaza Building Office Space Rental	Amedisys	190,898	10-1-22	1-1-28	0.8		164,433	35,364	129,069
Total Leases Receivable							<u>\$ 332,455</u>	<u>\$ 51,568</u>	<u>\$ 280,887</u>

COCKE COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Cocke County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Sports and Recreation	Operations	\$ 400,000
"	General Debt Service	Tax credit bond rebate	256,913
"	Special Purpose	Operations	372,090
Other Special Revenue	Industrial/Economic Development	Operations	<u>237,336</u>
Total Transfers Primary Government			<u>\$ 1,266,339</u>
DISCRETELY PRESENTED COCKE COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Cash flow	\$ 2,000,000
School Federal Projects	General Purpose School	Indirect costs	<u>208,241</u>
Total Transfers Discretely Presented Cocke County School Department			<u>\$ 2,208,241</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, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 108,513</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 103,346</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 146,475			
Perfect attendance	300			
Personal days paid	150			
Chief executive officer training supplement	1,000			
Total compensation	<u>\$ 147,925</u>			
Trustee		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
Circuit Court Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
General Sessions Court Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 93,951			
Special commissioner fees	5,700			
Total compensation	<u>\$ 99,651</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 103,346			
Law enforcement training supplement	800			
Total compensation	<u>\$ 104,146</u>			
Director of Accounts and Budgets		County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 93,951</u>			
Purchasing Agent		County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 31,680</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			500,000	"

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

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 6,609,955	\$ 2,255,550	\$ 424,953	\$ 0	0
Trustee's Collections - Prior Year	308,875	82,180	19,300	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	197,272	52,981	12,442	0	0
Interest and Penalty	44,632	12,331	2,800	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,779	947	179	0	0
Payments in-Lieu-of Taxes - Local Utilities	157,606	53,725	10,131	0	0
Payments in-Lieu-of Taxes - Other	472	161	30	0	0
County Local Option Taxes					
Local Option Sales Tax	975,964	0	199,853	0	0
Hotel/Motel Tax	692,732	0	0	0	0
Litigation Tax - General	35,942	0	0	0	0
Litigation Tax - Special Purpose	3,271	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	160,235	0	0	0	0
Litigation Tax - Courthouse Security	713	0	0	0	0
Business Tax	493,783	0	0	0	0
Mixed Drink Tax	672	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	76,537	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	95,143	32,432	6,116	0	0
Wholesale Beer Tax	256,339	0	0	0	0
Total Local Taxes	\$ 10,112,922	\$ 2,490,307	\$ 675,804	\$ 0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 1,382	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	133,768	0	0	0	0
Permits					
Beer Permits	5,939	0	0	0	0
Total Licenses and Permits	\$ 141,089	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 1,617	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,182	0	0	0	0
Drug Control Fines	385	0	0	0	0
Drug Court Fees	3,847	0	0	0	0
Jail Fees	2,778	0	0	0	0
DUI Treatment Fines	817	0	0	0	0
Data Entry Fee - Circuit Court	7,998	0	0	0	0
Courtroom Security Fee	40	0	0	0	0
General Sessions Court					
Fines	40,571	0	0	0	0
Officers Costs	41,991	0	0	0	0
Game and Fish Fines	122	0	0	0	0
Drug Control Fines	0	0	0	0	4,211
Drug Court Fees	3,059	0	0	0	0
Jail Fees	16,360	0	0	0	0
DUI Treatment Fines	1,791	0	0	0	0
Data Entry Fee - General Sessions Court	12,816	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Fines, Forfeitures, and Penalties (Cont.)					
Juvenile Court					
Officers Costs	\$ 261	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	19	0	0	0	0
Chancery Court					
Officers Costs	314	0	0	0	0
Data Entry Fee - Chancery Court	1,198	0	0	0	0
Other Courts - In-county					
Fines for Littering	14	0	0	0	0
Officers Costs	15	0	0	0	0
Judicial District Drug Program					
Victims Assistance Assessments	15,657	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	24,768
Total Fines, Forfeitures, and Penalties	<u>\$ 157,852</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>28,979</u>
Charges for Current Services					
General Service Charges					
Tipping Fees	\$ 0	\$ 82,772	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	15,770	0	0	0
Other General Service Charges	9,731	0	0	0	0
Fees					
Recreation Fees	291,751	0	0	0	0
Copy Fees	1,690	0	0	0	0
Archives and Records Management Fee	2,141	0	0	0	0
Greenbelt Late Application Fee	400	0	0	0	0
Telephone Commissions	152,135	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Charges for Current Services (Cont.)					
Fees (Cont.)					
Additional Fees - Titling and Registration	\$ 35,529	\$ 0	\$ 0	\$ 0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	11,322	0	0	0	0
Data Processing Fee - Sheriff	2,229	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,100	0	0	0	0
Data Processing Fee - County Clerk	5,058	0	0	0	0
Vehicle Registration Reinstatement Fees	6,130	0	0	0	0
Total Charges for Current Services	\$ 526,216	\$ 98,542	\$ 0	\$ 0	0
Other Local Revenues					
Recurring Items					
Investment Income	\$ 0	\$ 0	\$ 0	12,872	\$ 0
Lease/Rentals/PPP	9,400	0	0	0	0
Sale of Materials and Supplies	35	60,333	0	0	0
Commissary Sales	8,390	0	0	0	0
Miscellaneous Refunds	218,533	189	0	0	1,350
Nonrecurring Items					
Sale of Equipment	0	0	0	0	0
Total Other Local Revenues	\$ 236,358	\$ 60,522	\$ 0	\$ 12,872	\$ 1,350
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 469,054	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	244,330	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Fees Received From County Officials (Cont.)					
Fees In-Lieu-of Salary (Cont.)					
General Sessions Court Clerk	\$ 196,870	\$ 0	\$ 0	\$ 0	0
Clerk and Master	61,853	0	0	0	0
Juvenile Court Clerk	2,541	0	0	0	0
Register	149,707	0	0	0	0
Sheriff	13,795	0	0	0	0
Trustee	692,802	0	0	0	0
Total Fees Received From County Officials	<u>\$ 1,830,952</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	51,857	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	43,400	0	0	0	0
School Resource Officer Grants	825,000	0	0	0	0
Other Public Safety Grants	27,912	0	0	0	0
Health and Welfare Grants					
Health Department Programs	134,805	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	52,932	0	0	0	0
Other State Revenues					
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	8,674	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Opioid Settlement Funds - TN Abatement Council	\$ 0	\$ 0	\$ 0	\$ 200,530	\$ 0
State Revenue Sharing - T.V.A.	351,261	119,738	22,579	0	0
State Revenue Sharing - Telecommunications	53,248	0	0	0	0
State Shared Sports Gaming Privilege Tax	53,678	0	0	0	0
Contracted Prisoner Boarding	503,808	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	18,955	0	0	0	0
Other State Grants	417,212	0	0	0	0
Other State Revenues	0	15,160	0	0	0
Total State of Tennessee	\$ 2,499,885	\$ 186,755	\$ 22,579	\$ 200,530	\$ 0
Federal Government					
Federal Through State					
Homeland Security Grants	\$ 46,351	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant E	25,000	0	0	0	0
Other Federal through State	465,808	0	0	0	0
Direct Federal Revenue					
Forest Service	165,967	0	0	0	0
Tax Credit Bond Rebate	256,913	0	0	0	0
COVID-19 Grant #6	0	0	0	0	0
Other Direct Federal Revenue	114,804	0	0	0	0
Total Federal Government	\$ 1,074,843	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	0
Citizens Groups					
Donations	50,000	0	0	0	0
Other					
Opioid Settlement Funds - Past Remediation	0	0	0	286,498	0
Total Other Governments and Citizens Groups	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 286,498</u>	<u>\$ 0</u>
Total	<u>\$ 16,630,117</u>	<u>\$ 2,836,126</u>	<u>\$ 698,383</u>	<u>\$ 499,900</u>	<u>\$ 30,329</u>

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 1,846,263	\$ 190,285	\$ 834,135
Trustee's Collections - Prior Year	0	0	0	78,061	8,613	30,677
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	50,325	7,410	19,777
Interest and Penalty	0	0	0	11,441	1,250	4,596
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	776	80	350
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	44,002	4,536	19,869
Payments in-Lieu-of Taxes - Other	0	0	0	132	14	60
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	2,004,799	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	132,788	0	0
Other County Local Option Taxes	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	0	0	0	26,563	2,738	11,994
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,190,351	\$ 2,219,725	\$ 921,458

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	0	0	0	0	0	0
Permits						
Beer Permits	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
General Sessions Court						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0	0
Chancery Court						
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0
Other Courts - In-county						
Fines for Littering	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Judicial District Drug Program						
Victims Assistance Assessments	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0
Fees						
Recreation Fees	56,123	0	0	0	0	0
Copy Fees	0	0	0	0	0	0
Archives and Records Management Fee	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Charges for Current Services (Cont.)						
Fees (Cont.)						
Additional Fees - Titling and Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Constitutional Officers' Fees and Commissions	0	0	483	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	5,700	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0
Vehicle Registration Reinstatement Fees	0	0	0	0	0	0
Total Charges for Current Services	\$ 56,123	\$ 0	\$ 6,183	\$ 0	\$ 0	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	739,832	\$ 0
Lease/Rentals/PPP	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	9,386	0	0
Commissary Sales	0	0	0	0	0	0
Miscellaneous Refunds	10	0	0	16,358	0	0
Nonrecurring Items						
Sale of Equipment	0	0	0	44,992	0	0
Total Other Local Revenues	\$ 10	\$ 0	\$ 0	\$ 70,736	\$ 739,832	\$ 0
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
General Sessions Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	0	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	0
School Resource Officer Grants	0	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	0	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	2,947,470	0	0
Litter Program	0	0	0	0	0	0
Other State Revenues						
Beer Tax	0	0	0	13,999	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	88,039	0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Opioid Settlement Funds - TN Abatement Council	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Revenue Sharing - T.V.A.	0	0	0	98,069	10,110	44,282
State Revenue Sharing - Telecommunications	0	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,573,210	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	8,125	0	0
Petroleum Special Tax	0	0	0	23,853	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 5,752,765	\$ 10,110	\$ 44,282
Federal Government						
Federal Through State						
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
American Rescue Plan Act Grant E	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
Direct Federal Revenue						
Forest Service	0	0	0	21,044	0	0
Tax Credit Bond Rebate	0	0	0	0	0	0
COVID-19 Grant #6	0	4,550,756	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 0	\$ 4,550,756	\$ 0	\$ 21,044	\$ 0	0

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Sports and Recreation	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 161,814	\$ 0
Citizens Groups						
Donations	0	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 161,814	\$ 0
Total	\$ 56,133	\$ 4,550,756	\$ 6,183	\$ 8,034,896	\$ 3,131,481	\$ 965,740

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	Other Capital Projects - Library	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 0	\$ 12,161,141
Trustee's Collections - Prior Year	0	527,706
Circuit Clerk/Clerk and Master Collections - Prior Years	0	340,207
Interest and Penalty	0	77,050
Payments in-Lieu-of Taxes - T.V.A.	0	5,111
Payments in-Lieu-of Taxes - Local Utilities	0	289,869
Payments in-Lieu-of Taxes - Other	0	869
County Local Option Taxes		
Local Option Sales Tax	0	3,180,616
Hotel/Motel Tax	0	692,732
Litigation Tax - General	0	35,942
Litigation Tax - Special Purpose	0	3,271
Litigation Tax - Jail, Workhouse, or Courthouse	0	160,235
Litigation Tax - Courthouse Security	0	713
Business Tax	0	493,783
Mixed Drink Tax	0	672
Mineral Severance Tax	0	132,788
Other County Local Option Taxes	0	76,537
Statutory Local Taxes		
Bank Excise Tax	0	174,986
Wholesale Beer Tax	0	256,339
Total Local Taxes	<u>\$ 0</u>	<u>\$ 18,610,567</u>

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>	
	Other Capital Projects - Library	Total
Licenses and Permits		
Licenses		
Marriage Licenses	\$ 0	\$ 1,382
Cable TV Franchise	0	133,768
Permits		
Beer Permits	0	5,939
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 141,089</u>
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	\$ 0	\$ 1,617
Officers Costs	0	6,182
Drug Control Fines	0	385
Drug Court Fees	0	3,847
Jail Fees	0	2,778
DUI Treatment Fines	0	817
Data Entry Fee - Circuit Court	0	7,998
Courtroom Security Fee	0	40
General Sessions Court		
Fines	0	40,571
Officers Costs	0	41,991
Game and Fish Fines	0	122
Drug Control Fines	0	4,211
Drug Court Fees	0	3,059
Jail Fees	0	16,360
DUI Treatment Fines	0	1,791
Data Entry Fee - General Sessions Court	0	12,816

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	Other Capital Projects - Library	Total
Fines, Forfeitures, and Penalties (Cont.)		
Juvenile Court		
Officers Costs	\$ 0	\$ 261
Data Entry Fee - Juvenile Court	0	19
Chancery Court		
Officers Costs	0	314
Data Entry Fee - Chancery Court	0	1,198
Other Courts - In-county		
Fines for Littering	0	14
Officers Costs	0	15
Judicial District Drug Program		
Victims Assistance Assessments	0	15,657
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	0	24,768
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 186,831</u>
Charges for Current Services		
General Service Charges		
Tipping Fees	\$ 0	\$ 82,772
Solid Waste Disposal Fee	0	15,770
Other General Service Charges	0	9,731
Fees		
Recreation Fees	0	347,874
Copy Fees	0	1,690
Archives and Records Management Fee	0	2,141
Greenbelt Late Application Fee	0	400
Telephone Commissions	0	152,135

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	Other Capital Projects - Library	Total
Charges for Current Services (Cont.)		
Fees (Cont.)		
Additional Fees - Titling and Registration	\$ 0	\$ 35,529
Constitutional Officers' Fees and Commissions	0	483
Special Commissioner Fees/Special Master Fees	0	5,700
Data Processing Fee - Register	0	11,322
Data Processing Fee - Sheriff	0	2,229
Sexual Offender Registration Fee - Sheriff	0	8,100
Data Processing Fee - County Clerk	0	5,058
Vehicle Registration Reinstatement Fees	0	6,130
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 687,064</u>
Other Local Revenues		
Recurring Items		
Investment Income	\$ 3,077	\$ 755,781
Lease/Rentals/PPP	0	9,400
Sale of Materials and Supplies	0	69,754
Commissary Sales	0	8,390
Miscellaneous Refunds	0	236,440
Nonrecurring Items		
Sale of Equipment	0	44,992
Total Other Local Revenues	<u>\$ 3,077</u>	<u>\$ 1,124,757</u>
Fees Received From County Officials		
Fees In-Lieu-of Salary		
County Clerk	\$ 0	\$ 469,054
Circuit Court Clerk	0	244,330

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	Total
	Other Capital Projects - Library	
Fees Received From County Officials (Cont.)		
Fees In-Lieu-of Salary (Cont.)		
General Sessions Court Clerk	\$ 0	\$ 196,870
Clerk and Master	0	61,853
Juvenile Court Clerk	0	2,541
Register	0	149,707
Sheriff	0	13,795
Trustee	0	692,802
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,830,952</u>
State of Tennessee		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 9,000
Solid Waste Grants	0	51,857
Public Safety Grants		
Law Enforcement Training Programs	0	43,400
School Resource Officer Grants	0	825,000
Other Public Safety Grants	0	27,912
Health and Welfare Grants		
Health Department Programs	0	134,805
Public Works Grants		
State Aid Program	0	2,947,470
Litter Program	0	52,932
Other State Revenues		
Beer Tax	0	13,999
Vehicle Certificate of Title Fees	0	8,674
Alcoholic Beverage Tax	0	88,039

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	Other Capital Projects - Library	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Opioid Settlement Funds - TN Abatement Council	\$ 0	\$ 200,530
State Revenue Sharing - T.V.A.	0	646,039
State Revenue Sharing - Telecommunications	0	53,248
State Shared Sports Gaming Privilege Tax	0	53,678
Contracted Prisoner Boarding	0	503,808
Gasoline and Motor Fuel Tax	0	2,573,210
Hybrid/Electric Vehicle Registration Fee	0	8,125
Petroleum Special Tax	0	23,853
Registrar's Salary Supplement	0	18,955
Other State Grants	0	417,212
Other State Revenues	0	15,160
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 8,716,906</u>
Federal Government		
Federal Through State		
Homeland Security Grants	\$ 0	\$ 46,351
American Rescue Plan Act Grant E	0	25,000
Other Federal through State	0	465,808
Direct Federal Revenue		
Forest Service	0	187,011
Tax Credit Bond Rebate	0	256,913
COVID-19 Grant #6	0	4,550,756
Other Direct Federal Revenue	0	114,804
Total Federal Government	<u>\$ 0</u>	<u>\$ 5,646,643</u>

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>	
	Other Capital Projects - Library	Total
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 0	\$ 161,814
Citizens Groups		
Donations	0	50,000
Other		
Opioid Settlement Funds - Past Remediation	0	286,498
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 498,312</u>
Total	<u>\$ 3,077</u>	<u>\$ 37,443,121</u>

COCKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Cocke County School Department
For the Year Ended June 30, 2024

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 2,408,249	\$ 0	\$ 0	\$ 1,316,497	\$ 0	\$ 3,724,746
Trustee's Collections - Prior Year	132,075	0	0	59,626	0	191,701
Circuit Clerk/Clerk and Master Collections - Prior Years	85,146	0	0	38,441	0	123,587
Interest and Penalty	18,330	0	0	8,535	0	26,865
Payments in-Lieu-of Taxes - T.V.A.	1,013	0	0	552	0	1,565
Payments in-Lieu-of Taxes - Local Utilities	114,505	0	0	31,301	0	145,806
Payments in-Lieu-of Taxes - Other	172	0	0	94	0	266
County Local Option Taxes						
Local Option Sales Tax	7,200,593	0	0	0	0	7,200,593
Other County Local Option Taxes	0	0	0	48,076	0	48,076
Statutory Local Taxes						
Bank Excise Tax	34,692	0	0	18,895	0	53,587
Total Local Taxes	\$ 9,994,775	\$ 0	\$ 0	\$ 1,522,017	\$ 0	\$ 11,516,792
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,206
Total Licenses and Permits	\$ 1,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,206
Charges for Current Services						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 48,716	\$ 0	\$ 0	\$ 48,716
Income from Breakfast	0	0	3,742	0	0	3,742
A la Carte Sales	0	0	92,446	0	0	92,446

(Continued)

COCKE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cocke County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
Charges for Current Services (Cont.)						
Education Charges (Cont.)						
Contract for Instructional Services with Other LEA's	\$ 1,127	\$ 0	\$ 0	\$ 0	\$ 0	1,127
Receipts from Individual Schools	30,456	0	0	88,632	0	119,088
Other Charges for Services	136	0	0	0	0	136
Total Charges for Current Services	\$ 31,719	\$ 0	\$ 144,904	\$ 88,632	\$ 0	\$ 265,255
Other Local Revenues						
Recurring Items						
Investment Income	\$ 49,008	\$ 0	\$ 8,201	\$ 0	\$ 0	57,209
Lease/Rentals/PPP	200,240	0	0	0	0	200,240
Lease/PPP Interest	2,482	0	0	0	0	2,482
Sale of Materials and Supplies	3,098	0	0	0	0	3,098
Miscellaneous Refunds	133,671	0	24,645	102,397	0	260,713
Nonrecurring Items						
Sale of Equipment	0	0	0	2,431	0	2,431
Damages Recovered from Individuals	3,289	0	0	0	0	3,289
Contributions and Gifts	1,124,662	0	0	0	0	1,124,662
Other Local Revenues						
Other Local Revenues	13	0	0	0	1,674,899	1,674,912
Total Other Local Revenues	\$ 1,516,463	\$ 0	\$ 32,846	\$ 104,828	\$ 1,674,899	\$ 3,329,036
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 170,599	\$ 0	\$ 0	\$ 0	\$ 0	170,599

(Continued)

COCKE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cocke County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
State of Tennessee (Cont.)						
State Education Funds						
Tennessee Investment in Student Achievement	\$ 32,527,772	\$ 0	\$ 0	\$ 600,385	\$ 0	\$ 33,128,157
TISA - On-behalf Payments	65,710	0	0	0	0	65,710
Early Childhood Education	297,944	0	0	0	0	297,944
School Food Service	28,624	0	0	0	0	28,624
Driver Education	25,865	0	0	0	0	25,865
Other State Education Funds	700,404	0	0	0	0	700,404
Career Ladder Program	38,529	0	0	0	0	38,529
Other Vocational	315,433	0	0	0	0	315,433
Other State Revenues						
State Revenue Sharing - T.V.A.	128,086	0	0	69,760	0	197,846
Other State Grants	295,349	0	0	0	0	295,349
Other State Revenues	54,870	0	0	0	0	54,870
Total State of Tennessee	\$ 34,649,185	\$ 0	\$ 0	\$ 670,145	\$ 0	\$ 35,319,330
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,292,278	\$ 0	\$ 0	\$ 2,292,278
USDA - Commodities	0	0	245,613	0	0	245,613
Breakfast	0	0	977,045	0	0	977,045
USDA - Other	0	0	174,831	0	0	174,831
Vocational Education - Basic Grants to States	0	181,256	0	0	0	181,256
Title I Grants to Local Education Agencies	0	1,862,377	0	0	0	1,862,377
Special Education - Grants to States	0	1,195,382	0	0	0	1,195,382
Special Education Preschool Grants	0	73,961	0	0	0	73,961

(Continued)

COCKE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cocke County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Internal School	
Federal Government (Cont.)						
Federal Through State (Cont.)						
Rural Education	\$ 0	\$ 99,728	\$ 0	\$ 0	\$ 0	\$ 99,728
21st Century Community Learning Centers	187,860	0	0	0	0	187,860
Eisenhower Professional Development State Grants	0	279,295	0	0	0	279,295
COVID-19 Grant B	0	285,605	0	0	0	285,605
COVID-19 Grant D	0	120,268	0	0	0	120,268
COVID-19 Grant E	0	105,628	0	0	0	105,628
American Rescue Plan Act Grant #1	286,847	9,430,058	0	0	0	9,716,905
American Rescue Plan Act Grant #2	0	1,281	0	0	0	1,281
American Rescue Plan Act Grant #3	0	273	0	0	0	273
American Rescue Plan Act Grant #4	0	41,893	0	0	0	41,893
Other Federal through State	296,347	393,124	60,000	0	0	749,471
Direct Federal Revenue						
ROTC Reimbursement	104,305	0	0	0	0	104,305
Other Direct Federal Revenue	93,380	0	0	0	0	93,380
Total Federal Government	\$ 968,739	\$ 14,070,129	\$ 3,749,767	\$ 0	\$ 0	\$ 18,788,635
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 2,377,049	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,377,049
Total Other Governments and Citizens Groups	\$ 2,377,049	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,377,049
Total	\$ 49,539,136	\$ 14,070,129	\$ 3,927,517	\$ 2,385,622	\$ 1,674,899	\$ 71,597,303

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Secretary to Board	\$	2,545	
Board and Committee Members Fees		33,900	
Social Security		2,724	
Pensions		70	
Audit Services		15,480	
Dues and Memberships		25,257	
Legal Services		20,745	
Legal Notices, Recording, and Court Costs		109	
Travel		200	
Other Contracted Services		<u>6,022</u>	
Total County Commission	\$		107,052

Beer Board

Board and Committee Members Fees	\$	6,225	
Legal Notices, Recording, and Court Costs		132	
Printing, Stationery, and Forms		<u>38</u>	
Total Beer Board			6,395

Other Boards and Committees

Board and Committee Members Fees	\$	350	
Evaluation and Testing		<u>977</u>	
Total Other Boards and Committees			1,327

County Mayor/Executive

County Official/ Administrative Officer	\$	108,513	
Assistant(s)		34,067	
Secretary(ies)		41,501	
Social Security		13,478	
Pensions		12,419	
Employee and Dependent Insurance		29,340	
Unemployment Compensation		56	
Communication		9,240	
Travel		7,428	
Office Supplies		5,760	
Office Equipment		<u>3,197</u>	
Total County Mayor/Executive			264,999

County Attorney

Legal Services	\$	<u>41,406</u>	
Total County Attorney			41,406

Election Commission

County Official/ Administrative Officer	\$	89,253	
Deputy(ies)		65,230	
Part-time Personnel		2,432	
Other Salaries and Wages		710	
Board and Committee Members Fees		<u>3,420</u>	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Commission	\$	2,590	
Election Workers		17,774	
Social Security		12,157	
Pensions		10,459	
Employee and Dependent Insurance		29,166	
Unemployment Compensation		113	
Communication		2,886	
Legal Notices, Recording, and Court Costs		3,912	
Maintenance Agreements		20,806	
Maintenance and Repair Services - Equipment		7,314	
Printing, Stationery, and Forms		2,622	
Rentals		18,120	
Travel		5,248	
Other Contracted Services		6,761	
Office Equipment		28,590	
Voting Machines		281,460	
Total Election Commission			\$ 611,023

Register of Deeds

County Official/Administrative Officer	\$	93,951	
Deputy(ies)		36,322	
Clerical Personnel		65,675	
Social Security		14,653	
Pensions		13,207	
Employee and Dependent Insurance		39,035	
Unemployment Compensation		84	
Communication		356	
Data Processing Services		11,072	
Printing, Stationery, and Forms		16,415	
Office Supplies		409	
Total Register of Deeds			291,179

Development

Board and Committee Members Fees	\$	3,940	
Contracts with Government Agencies		14,822	
Total Development			18,762

County Buildings

Maintenance Agreements	\$	20,682	
Maintenance and Repair Services - Buildings		26,348	
Custodial Supplies		12,214	
Utilities		153,318	
Building Improvements		41,468	
Disabilities Act Improvements		5,792	
Total County Buildings			259,822

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Other General Administration

Postal Charges	\$	53,242	
Printing, Stationery, and Forms		1,276	
Duplicating Supplies		67,316	
Total Other General Administration			\$ 121,834

Preservation of Records

Supervisor/Director	\$	33,892	
Board and Committee Members Fees		25	
Social Security		2,559	
Pensions		2,284	
Employee and Dependent Insurance		10,334	
Unemployment Compensation		28	
Communication		243	
Rentals		9,779	
Office Supplies		385	
Office Equipment		1,821	
Total Preservation of Records			61,350

Finance

Accounting and Budgeting

Supervisor/Director	\$	93,951	
Accountants/Bookkeepers		100,084	
Social Security		14,614	
Pensions		13,057	
Employee and Dependent Insurance		26,283	
Unemployment Compensation		122	
Dues and Memberships		1,240	
Legal Notices, Recording, and Court Costs		1,693	
Maintenance Agreements		24,534	
Printing, Stationery, and Forms		2,806	
Travel		198	
Office Supplies		1,479	
In Service/Staff Development		1,245	
Office Equipment		2,290	
Total Accounting and Budgeting			283,596

Property Assessor's Office

County Official/Administrative Officer	\$	93,951	
Assistant(s)		49,859	
Deputy(ies)		33,056	
Laborers		110,856	
Overtime Pay		4,983	
Social Security		21,372	
Pensions		18,554	
Employee and Dependent Insurance		51,666	
Unemployment Compensation		182	
Communication		6,427	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Contracts with Private Agencies	\$	5,641	
Data Processing Services		8,547	
Maintenance and Repair Services - Office Equipment		165	
Maintenance and Repair Services - Vehicles		492	
Travel		2,716	
Gasoline		1,075	
Office Supplies		4,051	
Uniforms		2,230	
In Service/Staff Development		1,300	
Other Equipment		3,001	
Total Property Assessor's Office			\$ 420,124

Reappraisal Program

Part-time Personnel	\$	14,569	
Social Security		1,283	
Pensions		1,135	
Unemployment Compensation		30	
Total Reappraisal Program			17,017

County Trustee's Office

County Official/ Administrative Officer	\$	93,951	
Assistant(s)		51,412	
Deputy(ies)		137,703	
Overtime Pay		3,920	
Social Security		20,640	
Pensions		17,221	
Employee and Dependent Insurance		52,696	
Unemployment Compensation		336	
Communication		2,184	
Data Processing Services		5,525	
Dues and Memberships		625	
Maintenance Agreements		25,709	
Postal Charges		8,000	
Printing, Stationery, and Forms		5,522	
Office Supplies		3,355	
In Service/Staff Development		1,227	
Office Equipment		5,206	
Total County Trustee's Office			435,232

County Clerk's Office

County Official/ Administrative Officer	\$	93,951	
Assistant(s)		44,542	
Deputy(ies)		103,684	
Clerical Personnel		147,636	
Part-time Personnel		25,563	
Overtime Pay		1,920	
Social Security		30,298	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Pensions	\$ 28,166	
Employee and Dependent Insurance	108,380	
Unemployment Compensation	300	
Communication	3,534	
Maintenance and Repair Services - Office Equipment	43,248	
Printing, Stationery, and Forms	3,136	
Travel	418	
Office Supplies	6,354	
Other Supplies and Materials	4,206	
Total County Clerk's Office	\$ 645,336	

Data Processing

Supervisor/Director	\$ 44,100	
Social Security	3,254	
Pensions	2,972	
Employee and Dependent Insurance	10,429	
Unemployment Compensation	28	
Office Supplies	3,479	
Total Data Processing	64,262	

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 93,951	
Deputy(ies)	46,283	
Clerical Personnel	160,456	
Overtime Pay	5,437	
Jury and Witness Expense	18,950	
Social Security	22,408	
Pensions	19,404	
Employee and Dependent Insurance	66,866	
Unemployment Compensation	173	
Communication	2,582	
Legal Notices, Recording, and Court Costs	19,261	
Maintenance and Repair Services - Office Equipment	29,039	
Printing, Stationery, and Forms	4,878	
Travel	90	
Office Supplies	3,183	
Office Equipment	3,455	
Total Circuit Court	496,416	

General Sessions Court

County Official/Administrative Officer	\$ 93,951
Judge(s)	164,934
Deputy(ies)	42,918
Clerical Personnel	96,242
Part-time Personnel	1,134
Social Security	30,085

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Pensions	\$	26,671	
Employee and Dependent Insurance		57,408	
Unemployment Compensation		112	
Communication		935	
Data Processing Services		11,659	
Maintenance and Repair Services - Office Equipment		81	
Printing, Stationery, and Forms		1,013	
Office Supplies		2,842	
Office Equipment		<u>589</u>	
Total General Sessions Court			\$ 530,574

Drug Court

Other Charges	\$	<u>9,468</u>	
Total Drug Court			9,468

Chancery Court

County Official/Administrative Officer	\$	93,951	
Deputy(ies)		76,549	
Clerical Personnel		60,950	
Part-time Personnel		495	
Social Security		17,460	
Pensions		15,600	
Employee and Dependent Insurance		39,220	
Unemployment Compensation		142	
Communication		1,484	
Data Processing Services		12,969	
Dues and Memberships		80	
Legal Services		996	
Maintenance and Repair Services - Office Equipment		500	
Printing, Stationery, and Forms		6,386	
Travel		1,736	
Office Equipment		<u>1,757</u>	
Total Chancery Court			330,275

Juvenile Court

Deputy(ies)	\$	32,888	
Social Security		2,339	
Pensions		2,217	
Employee and Dependent Insurance		9,250	
Unemployment Compensation		28	
Communication		557	
Printing, Stationery, and Forms		291	
Office Supplies		<u>1,062</u>	
Total Juvenile Court			48,632

District Attorney General

Clerical Personnel	\$	73,892	
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(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Social Security	\$	5,523	
Pensions		4,591	
Employee and Dependent Insurance		17,578	
Unemployment Compensation		56	
Travel		962	
Office Supplies		2,104	
Total District Attorney General			\$ 104,706

Judicial Commissioners

Other Salaries and Wages	\$	24,900	
In-service Training		700	
Social Security		1,894	
Pensions		1,795	
Unemployment Compensation		6	
Printing, Stationery, and Forms		581	
Total Judicial Commissioners			29,876

Other Administration of Justice

Contracts with Private Agencies	\$	81,953	
Medical and Dental Services		87,226	
Total Other Administration of Justice			169,179

Victim Assistance Programs

Contracts with Private Agencies	\$	13,796	
Total Victim Assistance Programs			13,796

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,346	
Assistant(s)		67,188	
Supervisor/Director		35,151	
Deputy(ies)		601,866	
Detective(s)		371,805	
Captain(s)		107,039	
Lieutenant(s)		223,293	
Sergeant(s)		215,424	
Salary Supplements		30,400	
Dispatchers/Radio Operators		131,398	
Guards		34,383	
Clerical Personnel		56,710	
Attendants		126,664	
Custodial Personnel		31,040	
Part-time Personnel		48,825	
Overtime Pay		286,968	
Other Salaries and Wages		65,920	
In-service Training		34,258	
Social Security		191,984	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Pensions	\$	232,151	
Employee and Dependent Insurance		461,487	
Unemployment Compensation		1,818	
Communication		65,830	
Maintenance and Repair Services - Vehicles		112,853	
Printing, Stationery, and Forms		2,147	
Travel		11,257	
Other Contracted Services		65,546	
Gasoline		198,093	
Law Enforcement Supplies		63,415	
Office Supplies		3,814	
Tires and Tubes		16,822	
Uniforms		22,809	
Other Supplies and Materials		1,265	
Other Charges		4,536	
Motor Vehicles		179,017	
Total Sheriff's Department			\$ 4,206,522

Special Patrols

Guards	\$	446,240	
Overtime Pay		2,415	
In-service Training		2,750	
Social Security		33,574	
Pensions		41,415	
Employee and Dependent Insurance		82,566	
Unemployment Compensation		342	
Law Enforcement Supplies		82,710	
Total Special Patrols			692,012

Administration of the Sexual Offender Registry

Other Charges	\$	6,692	
Total Administration of the Sexual Offender Registry			6,692

Jail

County Official/Administrative Officer	\$	55,000	
Assistant(s)		50,107	
Guards		796,908	
Secretary(ies)		63,960	
Clerical Personnel		30,060	
Cafeteria Personnel		29,961	
Part-time Personnel		40,597	
Overtime Pay		150,752	
In-service Training		2,855	
Social Security		90,075	
Pensions		47,089	
Employee and Dependent Insurance		287,305	
Unemployment Compensation		1,719	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Communication	\$	18,181	
Maintenance and Repair Services - Buildings		34,820	
Maintenance and Repair Services - Equipment		206,720	
Medical and Dental Services		546,979	
Rentals		29,343	
Travel		7,893	
Other Contracted Services		71,279	
Custodial Supplies		19,273	
Food Preparation Supplies		7,705	
Food Supplies		158,342	
Law Enforcement Supplies		6,153	
Office Supplies		9,615	
Prisoners Clothing		20,172	
Uniforms		7,895	
Data Processing Equipment		18,973	
Furniture and Fixtures		998	
Total Jail			\$ 2,810,729

Juvenile Services

Supervisor/Director	\$	55,332	
Youth Service Officer(s)		33,653	
Secretary(ies)		33,031	
Part-time Personnel		8,077	
Overtime Pay		21,539	
Social Security		11,070	
Pensions		9,676	
Employee and Dependent Insurance		23,728	
Unemployment Compensation		90	
Communication		6,389	
Contracts with Government Agencies		9,440	
Dues and Memberships		744	
Legal Services		1,254	
Maintenance and Repair Services - Office Equipment		8,126	
Medical and Dental Services		1,150	
Printing, Stationery, and Forms		372	
Travel		4,980	
Office Supplies		1,815	
Other Supplies and Materials		547	
Office Equipment		888	
Total Juvenile Services			231,901

Fire Prevention and Control

County Official/Administrative Officer	\$	46,581	
Captain(s)		91,385	
Lieutenant(s)		113,000	
Salary Supplements		12,000	
Part-time Personnel		26,945	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Overtime Pay	\$ 110,760	
Other Salaries and Wages	297,327	
In-service Training	2,349	
Social Security	53,154	
Pensions	67,019	
Employee and Dependent Insurance	122,315	
Unemployment Compensation	507	
Communication	3,645	
Contracts with Government Agencies	1,000	
Maintenance and Repair Services - Buildings	9,268	
Maintenance and Repair Services - Equipment	6,177	
Maintenance and Repair Services - Vehicles	62,766	
Travel	2,806	
Custodial Supplies	1,299	
Gasoline	25,451	
Instructional Supplies and Materials	997	
Office Supplies	364	
Uniforms	7,993	
Utilities	17,196	
Other Supplies and Materials	1,352	
Other Charges	2,498	
Building Improvements	2,373	
Other Equipment	14,300	
Total Fire Prevention and Control	\$ 1,102,827	

Civil Defense

Supervisor/Director	\$ 55,125
Clerical Personnel	500
Part-time Personnel	14,644
In-service Training	1,686
Social Security	5,337
Pensions	3,865
Employee and Dependent Insurance	46
Life Insurance	103
Unemployment Compensation	70
Communication	11,850
Dues and Memberships	110
Maintenance and Repair Services - Buildings	905
Maintenance and Repair Services - Equipment	3,279
Maintenance and Repair Services - Vehicles	3,888
Custodial Supplies	432
Food Supplies	600
Gasoline	5,290
Instructional Supplies and Materials	1,273
Office Supplies	1,568
Utilities	4,429
Other Supplies and Materials	9,249

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Other Charges	\$	12,227	
Office Equipment		500	
Traffic Control Equipment		426	
Total Civil Defense			\$ 137,402

Inspection and Regulation

Supervisor/Director	\$	3,428	
Social Security		255	
Pensions		225	
Total Inspection and Regulation			3,908

County Coroner/Medical Examiner

Other Contracted Services	\$	100,425	
Total County Coroner/Medical Examiner			100,425

Other Public Safety

Part-time Personnel	\$	42,590	
In-service Training		3,651	
Social Security		3,258	
Unemployment Compensation		130	
Communication		4,555	
Janitorial Services		6,504	
Lease/SBITA Payments		16,644	
Maintenance and Repair Services - Buildings		719	
Maintenance and Repair Services - Equipment		7,730	
Printing, Stationery, and Forms		2,219	
Custodial Supplies		400	
Food Supplies		558	
Gasoline		1,696	
General Construction Materials		2,826	
Uniforms		1,094	
Other Supplies and Materials		2,219	
Other Charges		4,556	
Total Other Public Safety			101,349

Public Health and Welfare

Local Health Center

Medical Personnel	\$	60,111	
Clerical Personnel		36,798	
Social Security		7,189	
Pensions		6,532	
Employee and Dependent Insurance		23,322	
Unemployment Compensation		84	
Communication		3,296	
Contracts with Government Agencies		59,111	
Janitorial Services		6,900	
Maintenance and Repair Services - Buildings		24,443	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Pest Control	\$	525	
Travel		374	
Natural Gas		939	
Office Supplies		1,522	
Utilities		11,585	
Other Supplies and Materials		17,201	
Office Equipment		2,364	
Total Local Health Center			\$ 262,296

Rabies and Animal Control

Supervisor/Director	\$	64,720	
In-service Training		3,500	
Social Security		4,733	
Pensions		4,362	
Employee and Dependent Insurance		6,693	
Unemployment Compensation		53	
Maintenance and Repair Services - Vehicles		204	
Gasoline		2,872	
Uniforms		687	
Other Supplies and Materials		1,391	
Total Rabies and Animal Control			89,215

General Welfare Assistance

Contracts with Government Agencies	\$	6,500	
Pauper Burials		1,600	
Total General Welfare Assistance			8,100

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Contributions	\$	70,795	
Total Libraries			70,795

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	73,199	
Other Fringe Benefits		35,941	
Communication		5,843	
Dues and Memberships		1,600	
Travel		10,000	
Other Supplies and Materials		6,417	
Other Charges		226	
Total Agricultural Extension Service			133,226

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

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

Other Operations

Industrial Development

Contracts with Private Agencies	\$ 263,690	
Other Contracted Services	122,586	
Total Industrial Development		386,276

Veterans' Services

Supervisor/Director	\$ 42,845	
Secretary(ies)	25,883	
Social Security	4,965	
Pensions	4,632	
Employee and Dependent Insurance	19,339	
Unemployment Compensation	56	
Communication	182	
Data Processing Services	1,323	
Maintenance and Repair Services - Vehicles	1,882	
Travel	976	
Office Supplies	463	
Total Veterans' Services		102,546

Other Charges

Other Contracted Services	\$ 247,060	
Liability Insurance	285,787	
Refunds	3,675	
Trustee's Commission	191,933	
Workers' Compensation Insurance	137,159	
Liability Claims	11,346	
Total Other Charges		876,960

Contributions to Other Agencies

Contracts with Other Public Agencies	\$ 27,727	
Contributions	247,500	
Total Contributions to Other Agencies		275,227

Employee Benefits

Employee and Dependent Insurance	\$ 24,125	
Unemployment Compensation	6	
Total Employee Benefits		24,131

Miscellaneous

Accountants/Bookkeepers	\$ 3,224	
Social Security	235	
Pensions	115	
Unemployment Compensation	8	
Total Miscellaneous		3,582

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Highways

Litter and Trash Collection

Supervisor/Director	\$	64,918	
Social Security		4,767	
Pensions		4,375	
Employee and Dependent Insurance		16,456	
Unemployment Compensation		51	
Maintenance and Repair Services - Vehicles		219	
Gasoline		7,947	
Instructional Supplies and Materials		9,028	
Tires and Tubes		571	
Total Litter and Trash Collection			\$ 108,332

Total General Fund \$ 17,158,651

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	55,000	
Laborers		162,633	
Secretary(ies)		13,077	
Overtime Pay		2,084	
Board and Committee Members Fees		1,700	
Social Security		16,351	
Pensions		13,623	
Employee and Dependent Insurance		72,369	
Unemployment Compensation		248	
Communication		3,252	
Contracts with Government Agencies		4,650	
Contracts with Private Agencies		35,509	
Engineering Services		50,576	
Maintenance and Repair Services - Buildings		11,403	
Other Contracted Services		35,977	
Custodial Supplies		601	
Equipment and Machinery Parts		77,440	
Gasoline		37,682	
Office Supplies		1,453	
Tires and Tubes		3,145	
Utilities		59,254	
Other Supplies and Materials		4,982	
Trustee's Commission		52,855	
Vehicle and Equipment Insurance		26,793	
Workers' Compensation Insurance		22,328	
Solid Waste Equipment		46,131	
Other Construction		44,269	
Total Sanitation Management			\$ 855,385

Convenience Centers

Laborers	\$	382,637	
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(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)		
Public Health and Welfare (Cont.)		
Convenience Centers (Cont.)		
Social Security	\$ 30,406	
Pensions	192	
Unemployment Compensation	924	
Rentals	4,050	
Disposal Fees	1,214,930	
Other Contracted Services	10,253	
Other Supplies and Materials	11,811	
Solid Waste Equipment	23,986	
Total Convenience Centers	<u>1,679,189</u>	\$ 1,679,189
Total Solid Waste/Sanitation Fund		\$ 2,534,574
Industrial/Economic Development Fund		
Other Operations		
Industrial Development		
Contributions	\$ 605,425	
Total Industrial Development		\$ 605,425
Contributions to Other Agencies		
Contracts with Other Public Agencies	\$ 99,927	
Total Contributions to Other Agencies		99,927
Principal on Debt		
General Government		
Principal on Other Loans	\$ 64,633	
Total General Government		64,633
Interest on Debt		
General Government		
Interest on Other Loans	\$ 40,361	
Total General Government		40,361
Capital Projects		
Public Utility Projects		
Trustee's Commission	\$ 11,905	
Total Public Utility Projects		<u>11,905</u>
Total Industrial/Economic Development Fund		822,251
Special Purpose Fund		
Social, Cultural, and Recreational Services		
Other Social, Cultural, and Recreational		
Trustee's Commission	\$ 1,211	
Total Other Social, Cultural, and Recreational		<u>\$ 1,211</u>
Total Special Purpose Fund		1,211

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$	17,000	
Maintenance and Repair Services - Vehicles		1,033	
Other Supplies and Materials		752	
Trustee's Commission		442	
Law Enforcement Equipment		24,383	
Total Sheriff's Department			\$ 43,610

Total Drug Control Fund \$ 43,610

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

Supervisor/Director	\$	50,538	
Laborers		99,363	
Part-time Personnel		33,404	
Overtime Pay		869	
Other Per Diem and Fees		19,580	
Social Security		13,313	
Pensions		9,321	
Employee and Dependent Insurance		26,750	
Unemployment Compensation		289	
Communication		3,232	
Maintenance and Repair Services - Buildings		20,155	
Maintenance and Repair Services - Equipment		5,986	
Other Contracted Services		2,494	
Custodial Supplies		2,800	
Food Supplies		9,715	
Gasoline		5,402	
Office Supplies		1,412	
Uniforms		1,892	
Utilities		2,956	
Software		3,400	
Other Supplies and Materials		7,673	
Liability Insurance		4,731	
Trustee's Commission		573	
Other Charges		10,505	
Other Equipment		34,512	
Total Other Social, Cultural, and Recreational			\$ 370,865

Total Sports and Recreation Fund 370,865

Other Special Revenue Fund

General Government

Building

Architects	\$	20,475	
Total Building			\$ 20,475

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Other Special Revenue Fund (Cont.)

General Government (Cont.)

County Buildings

Other Charges	\$ 8,935	
Total County Buildings		\$ 8,935

Public Health and Welfare

Convenience Centers

Solid Waste Equipment	\$ 394,564	
Total Convenience Centers		<u>394,564</u>

Total Other Special Revenue Fund		\$ 423,974
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Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 466	
Total County Trustee's Office		\$ 466

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 17	
Total County Clerk's Office		17

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 5,700	
Total Chancery Court		<u>5,700</u>

Total Constitutional Officers - Fees Fund		6,183
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 103,346	
Assistant(s)	46,883	
Secretary to Board	1,100	
Secretary(ies)	50,738	
Clerical Personnel	35,318	
Board and Committee Members Fees	17,100	
Social Security	19,199	
Pensions	13,951	
Employee and Dependent Insurance	29,601	
Unemployment Compensation	517	
Data Processing Services	2,104	
Dues and Memberships	3,523	
Other Contracted Services	38,882	
Office Supplies	<u>983</u>	
Total Administration		\$ 363,245

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	111,740	
Equipment Operators		884,851	
Overtime Pay		45,224	
Social Security		75,825	
Pensions		58,120	
Employee and Dependent Insurance		314,931	
Unemployment Compensation		5,531	
Matching Share		56,433	
Other Contracted Services		29,268	
Asphalt		530,818	
Asphalt - Cold Mix		50,788	
Asphalt - Liquid		403,910	
General Construction Materials		879	
Other Road Materials		30,545	
Pipe		148,836	
Road Signs		19,892	
Other Supplies and Materials		7,724	
Bridge Construction		61,824	
Highway Equipment		246,949	
State Aid Projects		2,799,267	
		<hr/>	
Total Highway and Bridge Maintenance	\$		5,883,355

Operation and Maintenance of Equipment

Foremen	\$	48,211	
Mechanic(s)		137,444	
Overtime Pay		465	
Social Security		13,764	
Pensions		11,031	
Employee and Dependent Insurance		89,917	
Unemployment Compensation		953	
Towing Services		1,600	
Diesel Fuel		165,153	
Equipment and Machinery Parts		226,281	
Garage Supplies		2,488	
Gasoline		41,383	
Lubricants		17,742	
Propane Gas		8,639	
Tires and Tubes		33,959	
		<hr/>	
Total Operation and Maintenance of Equipment			799,030

Quarry Operations

Foremen	\$	46,155	
Equipment Operators - Light		230,780	
Social Security		21,987	
Pensions		16,427	
Employee and Dependent Insurance		47,452	
Unemployment Compensation		1,512	

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Maintenance and Repair Services - Equipment	\$ 101,529	
Fines, Assessments, and Penalties	<u>143</u>	
Total Quarry Operations		\$ 465,985

Other Charges

Communication	\$ 9,778	
Electricity	25,642	
Trustee's Commission	71,040	
Vehicle and Equipment Insurance	133,963	
Workers' Compensation Insurance	<u>131,457</u>	
Total Other Charges		371,880

Principal on Debt

Highways and Streets

Principal on Other Loans	\$ <u>154,141</u>	
Total Highways and Streets		154,141

Interest on Debt

Highways and Streets

Interest on Other Loans	\$ <u>8,755</u>	
Total Highways and Streets		<u>8,755</u>

Total Highway/Public Works Fund \$ 8,046,391

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 408,016	
Principal on Notes	<u>56,367</u>	
Total General Government		\$ 464,383

Highways and Streets

Principal on Bonds	\$ <u>842,257</u>	
Total Highways and Streets		842,257

Education

Principal on Bonds	\$ 544,727	
Principal on Other Loans	<u>347,871</u>	
Total Education		892,598

Interest on Debt

General Government

Interest on Bonds	\$ 66,801	
Interest on Notes	<u>30,769</u>	
Total General Government		97,570

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Bonds	\$ 112,597	
Total Highways and Streets		\$ 112,597

Education

Interest on Bonds	\$ 75,947	
Interest on Other Loans	270,276	
Total Education		346,223

Other Debt Service

General Government

Trustee's Commission	\$ 32,157	
Other Debt Service	4,000	
Total General Government		36,157

Education

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

Total General Debt Service Fund		\$ 2,796,245
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General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 19,174	
Total Other Charges		\$ 19,174

Capital Projects

General Administration Projects

Building Improvements	\$ 22,800	
Total General Administration Projects		22,800

Public Safety Projects

Motor Vehicles	\$ 319,826	
Other Equipment	280,324	
Total Public Safety Projects		600,150

Public Health and Welfare Projects

Land	\$ 1,003,869	
Solid Waste Equipment	54,430	
Other Construction	10,092	
Total Public Health and Welfare Projects		1,068,391

Public Utility Projects

Other Construction	\$ 317,072	
Total Public Utility Projects		317,072

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)		
Capital Projects - Donated		
Capital Projects Donated to School Department		
Contributions	<u>\$ 2,345,231</u>	
Total Capital Projects Donated to School Department		<u>\$ 2,345,231</u>
Total General Capital Projects Fund		\$ 4,372,818
Other Capital Projects Fund - Library Fund		
Social, Cultural, and Recreational Services		
Other Social, Cultural, and Recreational		
Building Construction	<u>\$ 77,375</u>	
Total Other Social, Cultural, and Recreational		<u>\$ 77,375</u>
Total Other Capital Projects Fund - Library Fund		<u>77,375</u>
Total Governmental Funds - Primary Government		<u>\$ 36,654,148</u>

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Cocke County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,115,618	
Career Ladder Program	22,000	
Homebound Teachers	9,568	
Educational Assistants	346,358	
Other Salaries and Wages	166,203	
Certified Substitute Teachers	7,580	
Non-certified Substitute Teachers	181,274	
Social Security	810,008	
Pensions	964,641	
Life Insurance	3,576	
Medical Insurance	1,976,012	
Employer Medicare	193,254	
Other Fringe Benefits	146,707	
Contributions	31,818	
Other Contracted Services	56,049	
Instructional Supplies and Materials	175,580	
Textbooks - Electronic	51,491	
Textbooks - Bound	905,484	
Software	709	
Other Supplies and Materials	39,198	
TISA - On-behalf Payments	65,710	
Other Charges	45,585	
Regular Instruction Equipment	<u>333,449</u>	
Total Regular Instruction Program		\$ 19,647,872

Alternative Instruction Program

Teachers	\$ 284,288	
Career Ladder Program	1,000	
Clerical Personnel	34,528	
Non-certified Substitute Teachers	1,575	
Social Security	18,428	
Pensions	21,755	
Life Insurance	78	
Medical Insurance	52,107	
Employer Medicare	4,310	
Instructional Supplies and Materials	2,500	
Other Equipment	<u>3,000</u>	
Total Alternative Instruction Program		423,569

Special Education Program

Teachers	\$ 1,374,106
Career Ladder Program	3,500
Homebound Teachers	7,240
Educational Assistants	179,677
Speech Pathologist	99,616
Non-certified Substitute Teachers	20,304

(Continued)

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.)

Social Security	\$	97,537	
Pensions		112,388	
Life Insurance		492	
Medical Insurance		274,491	
Employer Medicare		23,293	
Contracts with Private Agencies		190,757	
Maintenance and Repair Services - Equipment		849	
Instructional Supplies and Materials		34,829	
Other Supplies and Materials		8,761	
Other Charges		497	
Special Education Equipment		6,407	
Total Special Education Program	\$		2,434,744

Career and Technical Education Program

Teachers	\$	1,156,884	
Guidance Personnel		71,830	
Certified Substitute Teachers		1,425	
Non-certified Substitute Teachers		25,088	
Social Security		74,680	
Pensions		89,408	
Life Insurance		299	
Medical Insurance		185,963	
Employer Medicare		17,740	
Maintenance and Repair Services - Equipment		3,426	
Instructional Supplies and Materials		85,399	
Software		3,050	
Other Supplies and Materials		32,065	
Other Charges		9,044	
Vocational Instruction Equipment		370,655	
Total Career and Technical Education Program			2,126,956

Support Services

Attendance

Supervisor/Director	\$	115,178	
Career Ladder Program		1,000	
Clerical Personnel		81,201	
Social Security		9,828	
Pensions		11,020	
Life Insurance		43	
Medical Insurance		26,044	
Employer Medicare		2,802	
Travel		2,083	
Software		22,781	
Other Supplies and Materials		824	
Attendance Equipment		242	
Total Attendance			273,046

(Continued)

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

Supervisor/Director	\$	69,678	
Medical Personnel		308,941	
Social Security		22,941	
Pensions		25,646	
Life Insurance		120	
Medical Insurance		69,757	
Employer Medicare		5,365	
Travel		10,828	
Drugs and Medical Supplies		3,000	
Other Supplies and Materials		20,542	
Other Charges		9,643	
Other Equipment		380	
Total Health Services			\$ 546,841

Other Student Support

Guidance Personnel	\$	784,725	
Other Salaries and Wages		249,597	
Social Security		62,352	
Pensions		70,006	
Life Insurance		258	
Medical Insurance		144,134	
Employer Medicare		14,582	
Other Contracted Services		412,129	
Other Supplies and Materials		28,048	
In Service/Staff Development		21,782	
Total Other Student Support			1,787,613

Regular Instruction Program

Supervisor/Director	\$	312,106	
Career Ladder Program		8,800	
Librarians		514,510	
Secretary(ies)		17,491	
Clerical Personnel		19,760	
Educational Assistants		36,455	
Non-certified Substitute Teachers		225	
Social Security		51,350	
Pensions		58,643	
Life Insurance		201	
Medical Insurance		126,677	
Employer Medicare		12,551	
Travel		25,090	
Library Books/Media		10,000	
Periodicals		3,654	
Software		9,200	
Other Supplies and Materials		5,806	
In Service/Staff Development		11,583	
Total Regular Instruction Program			1,224,102

(Continued)

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	\$ 94,765	
Psychological Personnel	24,555	
Medical Personnel	116,586	
Secretary(ies)	35,570	
Other Salaries and Wages	219,281	
Social Security	29,562	
Pensions	34,395	
Life Insurance	112	
Medical Insurance	58,732	
Employer Medicare	6,914	
Communication	2,119	
Contracts with Private Agencies	47,334	
Postal Charges	6	
Travel	16,077	
In Service/Staff Development	21,397	
Total Special Education Program	\$ 707,405	

Career and Technical Education Program

Supervisor/Director	\$ 78,139	
Career Ladder Program	1,800	
Other Salaries and Wages	21,008	
Social Security	1,302	
Pensions	1,416	
Employer Medicare	1,439	
Travel	26,215	
Other Supplies and Materials	2,500	
Other Charges	1,900	
Total Career and Technical Education Program	135,719	

Technology

Instructional Computer Personnel	\$ 63,795	
Other Salaries and Wages	136,830	
Social Security	12,306	
Pensions	12,322	
Life Insurance	55	
Medical Insurance	28,799	
Employer Medicare	2,878	
Internet Connectivity	59,688	
Other Contracted Services	16,279	
Cabling	428	
Software	12,000	
Other Equipment	110,094	
Total Technology	455,474	

Other Programs

On-behalf Payments to OPEB	\$ 170,599	
Total Other Programs	170,599	

(Continued)

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	16,958	
Unemployment Compensation	534	
Employer Medicare	248	
Audit Services	27,000	
Dues and Memberships	16,845	
Legal Services	7,309	
Travel	21,338	
Liability Insurance	65,188	
Trustee's Commission	179,348	
Workers' Compensation Insurance	119,530	
Other Charges	27,169	
Administration Equipment	1,000	
Total Board of Education	\$ 500,627	

Director of Schools

County Official/Administrative Officer	\$ 146,475	
Assistant(s)	100,620	
Career Ladder Program	1,000	
Secretary(ies)	43,370	
Clerical Personnel	19,760	
Social Security	18,182	
Pensions	21,181	
Life Insurance	47	
Medical Insurance	27,090	
Employer Medicare	4,252	
Communication	32,002	
Postal Charges	4,031	
Travel	16,387	
Other Charges	7,157	
Administration Equipment	1,000	
Total Director of Schools	442,554	

Office of the Principal

Principals	\$ 961,566	
Career Ladder Program	7,000	
Assistant Principals	309,837	
Secretary(ies)	647,411	
Social Security	113,943	
Pensions	130,661	
Life Insurance	546	
Medical Insurance	309,147	
Employer Medicare	26,648	
Communication	12,000	
Travel	16,920	

(Continued)

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 Contracted Services	\$	17,381	
Other Supplies and Materials		83,179	
Other Charges		8,086	
Administration Equipment		3,000	
Total Office of the Principal			\$ 2,647,325

Fiscal Services

Accountants/Bookkeepers	\$	59,700	
Clerical Personnel		59,700	
Other Salaries and Wages		203,746	
Social Security		19,914	
Pensions		15,465	
Life Insurance		108	
Medical Insurance		44,416	
Employer Medicare		4,657	
Data Processing Services		76,950	
Other Contracted Services		4,362	
Data Processing Supplies		6,106	
Administration Equipment		950	
Total Fiscal Services			496,074

Operation of Plant

Custodial Personnel	\$	900,504	
Other Salaries and Wages		6,040	
Social Security		54,564	
Pensions		51,901	
Life Insurance		438	
Medical Insurance		228,927	
Employer Medicare		12,761	
Rentals		11,952	
Other Contracted Services		176,658	
Custodial Supplies		114,520	
Electricity		897,006	
Natural Gas		173,552	
Water and Sewer		124,381	
Boiler Insurance		6,261	
Building and Contents Insurance		231,883	
Other Charges		106,747	
Total Operation of Plant			3,098,095

Maintenance of Plant

Supervisor/Director	\$	56,181	
Secretary(ies)		34,568	
Maintenance Personnel		299,321	
Other Salaries and Wages		5,696	
Social Security		23,843	

(Continued)

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.)

Pensions	\$	24,407	
Life Insurance		132	
Medical Insurance		75,418	
Employer Medicare		5,576	
Other Contracted Services		5,895	
General Construction Materials		10,517	
Other Supplies and Materials		172,637	
Administration Equipment		184,722	
Maintenance Equipment		24,946	
Total Maintenance of Plant			\$ 923,859

Transportation

Bus Drivers	\$	21,674	
Social Security		1,344	
Pensions		1,461	
Employer Medicare		314	
Contracts with Parents		740	
Diesel Fuel		41,310	
Total Transportation			66,843

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	83,654	
Social Security		5,077	
Pensions		6,567	
Life Insurance		14	
Medical Insurance		8,278	
Employer Medicare		1,187	
Total Food Service			104,777

Community Services

Supervisor/Director	\$	27,777	
Other Salaries and Wages		964,319	
Social Security		52,820	
Pensions		49,099	
Life Insurance		165	
Medical Insurance		87,499	
Employer Medicare		13,993	
Travel		7,310	
Food Supplies		585	
Instructional Supplies and Materials		80,268	
Other Supplies and Materials		3,831	
In Service/Staff Development		16,363	
Other Charges		122,960	
Total Community Services			1,426,989

(Continued)

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

Teachers	\$	153,445	
Educational Assistants		54,925	
Non-certified Substitute Teachers		2,138	
Social Security		12,171	
Pensions		14,642	
Life Insurance		78	
Medical Insurance		50,226	
Employer Medicare		2,846	
Instructional Supplies and Materials		9,159	
Total Early Childhood Education			\$ 299,630

Capital Outlay

Regular Capital Outlay

Architects	\$	200,880	
Other Contracted Services		116,497	
Building Improvements		3,128,999	
Land		1,887	
Site Development		25,110	
Total Regular Capital Outlay			3,473,373

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	161,814	
Total Education			161,814

Total General Purpose School Fund \$ 43,575,900

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	276,684	
Educational Assistants		427,279	
Other Salaries and Wages		815,331	
Certified Substitute Teachers		225	
Non-certified Substitute Teachers		15,112	
Social Security		85,462	
Pensions		80,412	
Life Insurance		627	
Medical Insurance		285,245	
Employer Medicare		21,034	
Maintenance and Repair Services - Equipment		395	
Instructional Supplies and Materials		501,112	
Software		31,639	
Other Supplies and Materials		5,157	
Other Charges		1,074	
Regular Instruction Equipment		260,767	
Total Regular Instruction Program			\$ 2,807,555

(Continued)

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.)

Special Education Program

Teachers	\$	211,260	
Educational Assistants		534,226	
Non-certified Substitute Teachers		12,600	
Social Security		44,406	
Pensions		47,141	
Life Insurance		429	
Medical Insurance		198,726	
Employer Medicare		10,385	
Contracts with Private Agencies		1,910	
Instructional Supplies and Materials		6,291	
Other Supplies and Materials		4,426	
		<hr/>	
Total Special Education Program	\$		1,071,800

Career and Technical Education Program

Teachers	\$	17,861	
Clerical Personnel		24,904	
Other Salaries and Wages		12,712	
Social Security		2,204	
Pensions		2,543	
Life Insurance		14	
Medical Insurance		7,564	
Employer Medicare		775	
Instructional Supplies and Materials		12,661	
Other Supplies and Materials		30,629	
In Service/Staff Development		576	
Vocational Instruction Equipment		125,375	
		<hr/>	
Total Career and Technical Education Program			237,818

Support Services

Health Services

Medical Personnel	\$	75,184	
Social Security		4,531	
Pensions		5,067	
Life Insurance		39	
Medical Insurance		15,470	
Employer Medicare		1,060	
		<hr/>	
Total Health Services			101,351

Other Student Support

Supervisor/Director	\$	67,254	
Social Workers		147,535	
Other Salaries and Wages		58,273	
Social Security		16,297	
Pensions		16,803	
Life Insurance		80	
Medical Insurance		46,085	

(Continued)

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 (Cont.)

Employer Medicare	\$	3,811	
Communication		1,268	
Travel		24,578	
Other Supplies and Materials		8,845	
In Service/Staff Development		49,582	
Other Charges		43,272	
Other Equipment		35,369	
Total Other Student Support			\$ 519,052

Regular Instruction Program

Supervisor/Director	\$	96,749	
Instructional Computer Personnel		19,680	
Other Salaries and Wages		401,150	
Certified Substitute Teachers		75	
Non-certified Substitute Teachers		450	
Social Security		30,153	
Pensions		34,650	
Life Insurance		96	
Medical Insurance		56,836	
Employer Medicare		7,194	
Travel		5,502	
Other Contracted Services		144,050	
Other Supplies and Materials		22,209	
In Service/Staff Development		117,560	
Other Charges		48,565	
Total Regular Instruction Program			984,919

Special Education Program

Medical Personnel	\$	72,765	
Social Security		4,511	
Pensions		4,904	
Life Insurance		8	
Employer Medicare		1,055	
In Service/Staff Development		5,000	
Total Special Education Program			88,243

Career and Technical Education Program

In Service/Staff Development	\$	3,434	
Total Career and Technical Education Program			3,434

Fiscal Services

Other Contracted Services	\$	35,565	
Total Fiscal Services			35,565

Transportation

Bus Drivers	\$	89,770	
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(Continued)

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.)

Transportation (Cont.)

Other Salaries and Wages	\$	102,661	
Social Security		11,628	
Pensions		11,311	
Life Insurance		106	
Medical Insurance		47,794	
Employer Medicare		2,719	
Total Transportation			\$ 265,989

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	16,999	
Social Security		1,054	
Pensions		1,146	
Employer Medicare		246	
Travel		268	
Total Food Service			19,713

Capital Outlay

Regular Capital Outlay

Architects	\$	278,814	
Building Construction		416,395	
Building Improvements		6,656,844	
Plant Operation Equipment		350,695	
Total Regular Capital Outlay			7,702,748

Total School Federal Projects Fund \$ 13,838,187

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,112,977	
Other Salaries and Wages		196,268	
Social Security		77,667	
Pensions		80,643	
Life Insurance		936	
Medical Insurance		394,495	
Employer Medicare		18,164	
Communication		3,034	
Maintenance and Repair Services - Equipment		21,578	
Transportation - Other than Students		10,715	
Travel		5,440	
Other Contracted Services		291,465	
Food Supplies		1,329,628	
Office Supplies		5,122	
USDA - Commodities		245,613	
Other Supplies and Materials		193,922	

(Continued)

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.)

In Service/Staff Development	\$ 1,521	
Food Service Equipment	101,813	
Total Food Service		\$ 4,091,001

Total Central Cafeteria Fund \$ 4,091,001

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 30,608	
Total Board of Education		\$ 30,608

Transportation

Supervisor/Director	\$ 56,181	
Mechanic(s)	203,602	
Bus Drivers	716,894	
Clerical Personnel	33,696	
Other Salaries and Wages	68,406	
Social Security	63,463	
Pensions	67,791	
Life Insurance	478	
Medical Insurance	282,986	
Employer Medicare	15,053	
Communication	2,079	
Maintenance and Repair Services - Vehicles	35,530	
Medical and Dental Services	7,554	
Rentals	13,187	
Diesel Fuel	221,685	
Garage Supplies	8,281	
Gasoline	50,978	
Lubricants	9,492	
Tires and Tubes	22,320	
Vehicle Parts	527,889	
Software	25,023	
Other Supplies and Materials	9,946	
Vehicle and Equipment Insurance	51,818	
Other Charges	21,720	
Administration Equipment	570	
Transportation Equipment	537,061	
Total Transportation		3,053,683

Total School Transportation Fund 3,084,291

(Continued)

COCKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types

Discretely Presented Cocke County School Department (Cont.)

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges

\$ 1,597,985

Total Community Services

\$ 1,597,985

Total Internal School Fund

\$ 1,597,985

Total Governmental Funds - Cocke County School Department

\$ 66,187,364

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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, 2024, 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 November 1, 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 identified the following deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2024-002, 2024-004(C), 2024-008, and 2024-009.

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: 2024-001, 2024-003, 2024-004(A,B), 2024-005, 2024-006, 2024-007, 2024-010, 2024-011, and 2024-012.

Cocke County's Responses to 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

November 1, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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

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, 2024. 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, 2024.

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; the standards applicable to financial audits contained in *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 generally accepted auditing standards, *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 noncompliance 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 generally accepted auditing standards, *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, 2024, and the related notes to the financial statements, which collectively comprise Cocke County's basic financial statements. We issued our report thereon dated November 1, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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

November 1, 2024

JEM/gc

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, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-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	\$ 84,177
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	977,045
National School Lunch Program	10.555	N/A	2,463,853 (7)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	60,000
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	245,613 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-79964	27,348 (6)
Total U.S. Department of Agriculture			<u>\$ 3,861,292</u>
U.S. Department of the Interior:			
Direct Award:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 165,967
Total U.S. Department of the Interior			<u>\$ 165,967</u>
U.S. Department of Justice:			
Direct Awards:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 93,380
Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	109,591
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	46,351
Crime Victim Assistance	16.575	(4)	92,654
Total U.S. Department of Justice			<u>\$ 341,976</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 51,658
Total U.S. Department of Transportation			<u>\$ 51,658</u>
U.S. Department of the Treasury:			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 4,550,756 (7)
Passed-through State Department of Health:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(4)	21,000 (7)
Total U.S. Department of the Treasury			<u>\$ 4,571,756</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 125,291
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,833,815

(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	Assistance Listing Number	Passed-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	\$ 1,195,382 (7)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	1,876 (7)
Special Education - Preschool Grants	84.173	N/A	73,961 (7)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	84.173X	273 (7)
Career and Technical Education - Basic Grants to States	84.048	N/A	181,256
Twenty-first Century Community Learning Centers	84.287	N/A	293,488
Rural Education	84.358	N/A	112,756
Supporting Effective Instruction State Grants	84.367	N/A	293,898
Comprehensive Literacy Development	84.371	N/A	89,268
Student Support and Academic Enrichment Program	84.424	N/A	116,646
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER II)	84.425D	N/A	219,463 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	178,790 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Supports (ESSER II)	84.425D	N/A	35,565 (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	31,000 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	9,473,171 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	41,893 (7)
Passed-through Niswonger Foundation:			
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Tennessee ALL Corps (ESSER II)	84.425D	N/A	117,593 (7)
Total U.S. Department of Education			<u>\$ 14,486,635</u>
U.S. Election Assistance Commission:			
Passed-through State Department, Division of Elections:			
Help America Vote Act Requirements Payments	90.401	N/A	<u>\$ 323,727</u>
Total U.S. Election Assistance Commission			<u>\$ 323,727</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	\$ 292,400
Cooperative Agreement for Emergency Response - Public Health Crisis Response	93.354	N/A	23,387
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-24-79964	21,811 (6)
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-24-79964	9,536 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-79964	3,216 (6)
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	253,998
Temporary Assistance for Needy Families	93.558	N/A	107,923 (7)
Passed-through Save the Children:			
Temporary Assistance for Needy Families	93.558	N/A	135,865 (7)
Total U.S. Department of Health and Human Services			<u>\$ 848,136</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.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	N/A	\$ 25,000
Total U.S. Department of Homeland Security			<u>\$ 25,000</u>
Total Expenditures of Federal Awards			<u>\$ 24,676,147</u>
		<u>Contract Number</u>	
State Grants			
Litter Program - State Department of Transportation	N/A	(4)	\$ 52,932
Convenience Center Grant - State Department of Environment and Conservation	N/A	(4)	15,160
Evidence Based Programming Grant - State Department of Safety	N/A	(4)	29,096
Solid Waste Grant - State Department of Environment and Conservation	N/A	(4)	51,857
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	9,000
Early Childhood Development - State Department of Education	N/A	(4)	297,944
School Resource Officer - State Department of Education	N/A	(4)	687,542
Drivers Education - State Department of Education	N/A	(4)	25,865
Innovative School Model Grant - State Department of Education	N/A	(4)	315,433
Law Enforcement Training Program - State Department of Safety	N/A	(4)	43,400
State Mental Health Transport - State Department of Finance and Administration	N/A	(4)	27,912
State Aid Program - State Department of Transportation	N/A	(4)	2,947,470
Lottery for Education After School Program - Save the Children	N/A	(4)	541,234
Supporting Postsecondary Access in Rural Economies Grant (SPARC) - State Higher Education Commission	N/A	(4)	111,247
Summer Learning Camps - State Department of Education	N/A	(4)	355,194
Violent Crime Intervention Funding - Tennessee Office of Criminal Justice Program	N/A	(4)	93,485
Public School Security Grant - State Department of Education	N/A	(4)	184,103
Local Health Center - State Department of Health	N/A	GG-24-79964	72,894 (6)
Total State Grants			<u>\$ 5,861,768</u>

ALN = Assistance Listing Number

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 \$84,177; Child Nutrition Cluster total \$3,686,511;

Highway Safety Cluster total \$51,658; Special Education Cluster total \$1,271,492; Medicaid Cluster total \$21,811.

(6) Programs with pass-through identifying number GG-24-79964 are part of a multi-service contract.

(7) ALN Totals: ALN 10.555, \$2,709,466; ALN 21.027, \$4,571,756; ALN 84.027, \$1,197,258; ALN 84.173, \$74,234;

ALN 84.425, \$10,168,725; ALN 93.558, \$243,788.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 95,098
Supporting Effective Instruction State Grants	84.367	14,603
Rural Education	84.358	13,028
Student Support and Academic Enrichment Program	84.424	906
Total amounts consolidated for administration purposes		<u>\$ 123,635</u>

COCKE COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

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, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

2023	221	2023-001	The offices had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICES OF DIRECTOR OF SCHOOLS

2023	222	2023-002	The school department had deficiencies in purchasing procedures.	N/A	Corrected
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OFFICE OF TRUSTEE

2023	223	2023-003	Bank statements were not accurately reconciled with the general ledger in a timely manner.	N/A	Corrected
2023	224	2023-004	The monthly trustee's report was not completed and filed in compliance with state statute.	N/A	Corrected

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, 2024

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: 84.425 COVID 19 - Education Stabilization Fund
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.

COCKE COUNTY

FINDING 2024-001

THE COUNTY'S AUDIT COMMITTEE DID NOT PRESENT A WRITTEN COMMITTEE REPORT TO THE COUNTY COMMISSION

(Noncompliance Under *Government Auditing Standards*)

Cocke County created an audit committee on June 17, 2013, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, this committee did not present a written committee report to the county commission detailing how it discharged its duties for the year ended June 30, 2024. Without a properly functioning audit committee, the county commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plan to address various risks.

RECOMMENDATION

The county's audit committee should be a functioning committee and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full county commission.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

The audit committee meets annually. The committee met on April 1, 2024. The committee discussed the fiscal year end June 30, 2023, audit and reestablished a process for confidentially reporting of fraud, waste, and abuse; however, a report was not sent to the county commission. Going forward the secretary of the audit committee will submit minutes to the county clerk's office to include the county commission minutes.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2024-002

THE ACCOUNTING RECORDS FOR VARIOUS FUNDS HAD NOT BEEN PROPERLY MAINTAINED

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

Our audit revealed deficiencies related to the administration and maintenance of fund accounting records.

- A. Accounts receivables were not properly recorded in the accounting records of various funds of the county on June 30, 2024. Subsidiary records provided by the county were incomplete or did not reconcile to the general ledger. Auditors determined balances where applicable and proposed audit adjustments for proper financial statement presentation. Sound business practices dictate that all

receivables should be determined and posted to the accounting records prior to closing the records at year-end.

- B. General ledger payroll deduction accounts were not reconciled with payroll reports and payments in county funds administering payroll. As a result, auditors proposed audit adjustments for multiple accounts with significant deficit (negative) balances ranging up to (\$241,717) on June 30, 2024. Sound business practices dictate that reconciliation of all payroll deduction accounts be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected.
- C. The payroll clearing bank account had not been adequately reconciled with the general ledger. Auditors assisted with the reconciliations and proposed audit adjustments for proper financial statement preparation in the associated funds with payroll. Sound business practices dictate that bank statements should be reconciled 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 risk that errors will not be discovered and corrected in a timely manner.

Sound business practices dictate that financial records and accounts should be reviewed for accuracy and completeness, and all general ledger accounts should be reconciled timely. The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner. These deficiencies can be attributed to a lack of management oversight. We provided management with audit adjustments, which they approved and posted to properly present ending balances in the financial statements of this report.

RECOMMENDATION

Management should have processes in place to ensure its general ledger accounts, including accounts receivable, are appropriately presented for financial statement presentation. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly. Bank statements should be reconciled with the general ledger monthly, and any differences discovered should be identified and corrected promptly. Accounting records should be maintained on a current basis, and financial statements should be reviewed for accuracy and completeness.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

During the year, there was a staff change in our payroll department. This change negatively affected our processes and procedures. Due to the issues noted in the report and other factors, the staff member is no longer with the finance department. The new payroll staff is working with the finance director to reconcile and record proper transactions.

FINDING 2024-003

THE OFFICE 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 Mayor/Executive	\$ 1,503
County Clerk's Office	3,043
Data Processing	1,707
Veterans' Services	5,029
Transfers Out	354,003
Industrial/Economic Development:	
Industrial Development	331
Contributions to Other Agencies	99,927
General Debt Service:	
Interest on Debt:	
Highways and Streets	9
Other Debt Service:	
General Government	1,157

- B. Salaries exceeded appropriations in 18 of 116 salary line-items of the General Fund by amounts ranging from \$1 to \$57,327, one of five salary line-items in the Sports and Recreation Fund by \$5,538, and six of 14 salary line-items in the Highway/Public Works Fund by amounts ranging from \$2 and \$32,196. 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. All transfers should be approved by the county commission.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

The over-expenditure in the Transfers Out major category occurred when we moved the opioid funds from the General Fund to a Special Revenue Fund. We discussed this with the budget and finance committee but inadvertently failed to get county commission approval. The over-expenditure in the Contribution to Other Agency major category resulted from a contractual amount due to the industrial development board that we once again discussed with the budget and finance committee but inadvertently failed to get county commission approval. Purchasing and payables staff members will be responsible for monitoring line items as purchase

orders are written and bills are paid to assist the finance director in knowing when budget amendments need to be made.

FINDING 2024-004

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(A. and B. - Noncompliance Under *Government Auditing Standards*; C. – Internal Control – Significant Deficiency 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 42 disbursements totaling \$914,408 from a population of 3,690 vendor checks totaling \$18,079,081. In addition to sampling disbursements, we wanted to obtain reasonable assurance that bids were solicited properly. Our examination revealed the following deficiencies in purchasing procedures, which are the result of a lack of management oversight and the failure to follow established policies and procedures over purchasing.

- A. The office purchased fire department equipment for \$197,907 and did not solicit competitive bids. Purchasing procedures for the office are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*, which provides for a purchasing agent and require competitive bids on purchases exceeding \$50,000. As a result, the best and lowest price may not have been obtained for the purchase of this equipment.
- B. The office purchased a used dump truck for \$52,500 and did not solicit bids for the purchase of the equipment. Since the equipment was used, Section 12-3-1202(b), *TCA*, provides that any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any private individual or entity without public advertisement and competitive bids as long as the purchasing government documents the general range of value of the purchased item through a listing in a nationally recognized publication or through an appraisal by a licensed appraiser, and the price is not more than five percent higher than the highest value of the documented range. However, documentation of the general range of value with a nationally recognized publication or through an appraisal by a licensed appraiser was not obtained prior to the purchases. As a result, the best and lowest price may not have been obtained for the purchase of the equipment.
- C. In one instance proper documentation was not on file related to purchases utilizing the county fuel credit card. From reviewing the invoices for fuel, we noted that monthly credit card statements were not reconciled with receipts from individual charges. Sound business practices dictate that proper documentation should be on file to support all charges. Monthly statements from credit accounts should be reconciled and supported by receipts for individual charges. The failure to maintain adequate documentation and reconcile statements increases the risk of unauthorized charges.

RECOMMENDATION

All purchases should be made in compliance with applicable state statutes. Adequate documentation should be maintained to support all disbursements and should be on file for audit inspection. All credit accounts should be reconciled to individual charges.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

All purchase requisitions over \$49,999 will be required to be reviewed by the finance director prior to purchase to ensure proper bid requirements are met. Any county employee who is found not to have followed purchasing policy will be given a copy of the page of the purchasing policy to read, initial, and return to the finance department.

FINDING 2024-005

THE TENNESSEE OFFICE OF CRIMINAL JUSTICE PROGRAM UNDER THE STATE DEPARTMENT OF FINANCE AND ADMINISTRATION REPORTED DEFICIENCIES RELATED TO THE ADMINISTRATION OF THE EVIDENCE BASED PROGRAMMING GRANT RESULTING IN QUESTIONED COSTS OF \$61,464

(Noncompliance Under *Government Auditing Standards*)

The Tennessee Department of Finance and Administration, Office of Criminal Justice Programs fiscal unit, conducted on-site reviews of the Evidence Based Programming state funded grant program administered by Cocke County on July 11, 2023, and August 11, 2023. The report from July 11, 2023, on-site review noted that the county overcharged the state for travel by \$195 and for salaries by \$10,990 resulting in question costs of \$11,185. This amount was deducted from the county's June 2023 grant reimbursement. The August 11, 2023, on-site review noted that the county charged the state for work that was not completed by a subcontractor resulting in initial questioned costs of \$102,500. The county submitted subsequent documentation of work performed from September 2023 through February 2024 and received a letter of approval dated May 17, 2024, to offset and reduce initial questioned costs to \$50,279. Cocke County remitted payment for these questioned costs to the state on May 23, 2024. Final questioned costs, representing funding lost by Cocke County, totaled \$61,464 from both on-site reviews. Provisions of the contract agreement in place between Cocke County and the Office of Criminal Justice Programs stipulate that "...the grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget...". Additionally, reimbursement for work not completed by the subcontractor was not considered allowable costs under the contracts provision for professional fees. These deficiencies are the results of a lack of management oversight by Cocke County.

RECOMMENDATION

Cocke County officials should maintain proper oversight of grant programs and comply with all grant provisions. Requests for grant program expenditure reimbursements should only be made for actual allowable costs incurred.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

The county has not extended the grant listed above and will follow all grant oversight provisions on future grants. A staff member has been assigned to be a grant coordinator and will work closely with the finance director and county employees who are grant administrators to ensure that oversight provisions are being done properly.

FINDING 2024-006

COUNTY MANAGEMENT ENTERED INTO A CONTRACT FOR EMPLOYEE HEALTH INSURANCE WITHOUT PROPER APPROVAL

(Noncompliance Under *Government Auditing Standards*)

Cocke County management ended the county’s employee and retiree health insurance coverage, an Other Post Employment Benefit for retirees, provided through the State of Tennessee Insurance for Public Officers and Employees group insurance plan and began coverage for its active employees through a contract for commercial health insurance on January 1, 2024. The change and approval of the commercial plan contract was not approved by the county commission. Section 8-27-502(b)(c), *Tennessee Code Annotated*, requires that approval of contracts for insurance coverage “...shall be by majority vote of the county legislative body...” and that “...such contracts may from time to time be amended, modified, or changed by a majority vote of the county legislative body...”.

RECOMMENDATION

All contracts and any related contract changes for employee insurance should be approved by a majority vote of the county legislative body.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

The budget developed by the budget committee and approved by the county commission was and is based on the change to the commercial plan from the State of Tennessee Group insurance plan. The county plans to create an insurance committee consisting of county employees to review and make recommendations on insurance benefits to the county commission.

FINDING 2024-007

A RETIREMENT DEPOSIT DUE TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF A PENALTY TOTALING \$13,057

(Noncompliance Under *Government Auditing Standards*)

Cocke County maintains a payroll bank clearing account to deposit employer and employee retirement contributions due to the Tennessee Consolidated Retirement System (TCRS) and is required to notify TCRS of all deposits so withdrawals can be made from the county’s account within an approved timeframe. A TCRS contribution for April 2024 was not reported for withdrawal in a timely manner resulting in a penalty assessment of \$13,057, which was paid during the May 2024 reporting period. This penalty was the result of a lack of management oversight.

RECOMMENDATION

Tennessee Consolidated Retirement System reporting should be done in a timely manner so employer and employee contributions can be paid by the required due date. Controls should be developed to ensure that the required contribution or documentation is completed and documented by county personnel.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

As noted in Finding 2024-002, there was a payroll staff change that negatively affected processes and procedures. The staff member is no longer with the finance department. New payroll staff have been made aware of TCRS procedures and deadlines.

FINDING 2024-008

PAYROLL TAXES WERE OVERPAID TO THE INTERNAL REVENUE SERVICE

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

During audit field work, the director of accounts and budgets informed auditors of an inadvertent overpayment of payroll taxes during April and May 2024. Auditors noted that the general ledger payroll deduction accounts were not reconciled with payroll reports, resulting in inaccurate balances held for payroll taxes within the general ledger payroll tax liability account. Coker County maintains a payroll tax clearing bank account to remit payroll taxes due to the Internal Revenue Service (IRS) and deposits amounts into the account for subsequent IRS withdrawal by liquidating amounts held within the general ledger payroll deduction accounts. The office placed an excessive amount within the payroll tax clearing account and reported an incorrect amount to the IRS for withdrawal resulting in an overpayment totaling \$138,390. This overpayment was refunded to the county in September 2024. This overpayment is reflected as receivable as of June 30, 2024, in the General Fund in the financial statements of this report. This deficiency resulted from lack of management oversight.

RECOMMENDATION

General ledger payroll deduction accounts should be reconciled with payroll reports on a current basis. Payroll taxes should be properly remitted to the IRS. Internal controls should be reevaluated and developed to ensure transactions for payroll taxes are handled appropriately.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with your findings and offer the following response.

There was a payroll staff change that negatively affected processes and procedures. The staff member is no longer with the finance department. Overpayment has been refunded and new payroll staff have been made aware of procedures and deadlines related to the Internal Revenue Service.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2024-009

BANK STATEMENTS FOR THE PAYROLL CLEARING ACCOUNT WERE NOT ACCURATELY RECONCILED

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

Payroll clearing account bank statements were not accurately reconciled with the general ledger for the duration of the fiscal year. Sound business practices dictate that bank statements should be reconciled 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 risk that errors will not be discovered and corrected in a timely manner. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Bank statements should be reconciled monthly, and any differences discovered should be identified and corrected promptly.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I agree. The Cocke County Board of Education will create an excel file that will provide a detailed breakdown of monthly transactions. This will help streamline our reconciliation process and provide clearer insights into our financial activities. Additionally, we have requested the bank to modify our statement period. Instead of receiving statements that span the middle of two months, we will now receive them from the beginning to the end of each month. This change is aimed at reducing unnecessary confusion and ensuring our records are more organized. In tandem with the bank reconciliation, we have integrated a spreadsheet that details the health insurance deduction versus billing. This will allow us to better track and manage these deductions accurately.

FINDING 2024-010

A TAX DEPOSIT DUE TO THE INTERNAL REVENUE SERVICE WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF A PENALTY TOTALING \$10,191

(Noncompliance Under *Government Auditing Standards*)

Cocke County School Department maintains a payroll bank clearing account to deposit employee payroll taxes due to the Internal Revenue Service (IRS) and is required to notify the IRS of all deposits so withdrawals can be made from the county’s account within the approved IRS timeframe. The payroll tax deposit for March 31, 2024, was made to the clearing account; however, the school department reported the incorrect routing number to the IRS and the withdrawal was not processed on time. Due to this oversight the school department was assessed a \$10,191 penalty and remitted the payment to the IRS on July 16, 2024. It should be noted that the school department has disputed the penalty with the IRS; however, as of the date of this report, credit has not been received. This finding is the result of lack of management oversight.

RECOMMENDATION

Federal payroll taxes deposited to the payroll clearing account should be properly reported to the IRS to avoid interest and penalty assessments. Controls should be developed to ensure that the required communication is completed and documented by school department personnel.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I agree. We have made adjustments to ensure that the correct personnel receive all confirmation and correspondence emails. This change is crucial to avoid any penalties associated with miscommunication. We are in the process of ordering deposit slips that indicate the correct routing number to prevent further confusion.

FINDING 2024-011

THE COCKE COUNTY SCHOOL DEPARTMENT IS CURRENTLY UNDER INVESTIGATION

(Noncompliance Under *Government Auditing Standards*)

An investigation of the Cocke County School Department, by the Comptroller’s Division of Investigations, is ongoing. Findings, if any, resulting from this investigation will be included in a subsequent report.

OFFICE OF GENERAL SESSIONS COURT CLERK

FINDING 2024-12

THE OFFICE DID NOT PREPARE AN ANNUAL FINANCIAL REPORT FOR JUVENILE COURT

(Noncompliance Under Government Auditing Standards)

The General Sessions Court Clerk is responsible for the oversight of the General Sessions and Juvenile Courts Offices. The office did not prepare an annual financial report for Juvenile Court. Section 5-8-505, *Tennessee Code Annotated*, states, “All appointive or elective county public officials, official county boards, committees and commissions ... having in their charge and custody public funds or moneys are required to file with the county executive and with the county clerk ... an annual financial report ...” This deficiency is the result of management’s oversight.

RECOMMENDATION

The office should prepare and file an annual financial report as required by state statute.

MANAGEMENT’S RESPONSE – GENERAL SESSIONS COURT CLERK

No formal management’s response was submitted. However, explanation to the findings is included in the Corrective Action Plan.

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, 2024.

COCKE COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

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

2024-001	The county's audit committee did not present a written committee report to the county commission.	236
2024-002	The accounting records for various funds had not been properly maintained.	237
2024-003	The offices had deficiencies in budget operations.	237
2024-004	The office had deficiencies in purchasing procedures.	238
2024-005	The Tennessee Office of Criminal Justice Program under the State Department of Finance and Administration reported deficiencies related to the administration of the Evidence Based Programming grant resulting in questioned costs of \$61,464.	238
2024-006	County management entered into a contract for employee health insurance without proper approval.	239
2024-007	A retirement deposit due to the State of Tennessee Consolidated Retirement System was not reported timely resulting in the assessment of a penalty totaling \$13,057.	239
2024-008	Payroll taxes were overpaid to the Internal Revenue Service.	240

OFFICE OF DIRECTOR OF SCHOOLS

2024-009	Bank statements for the payroll clearing account were not accurately reconciled.	241
2024-010	A tax deposit due to the Internal Revenue Service was not reported timely resulting in the assessment of a penalty totaling \$10,191.	242

OFFICE OF GENERAL SESSIONS COURT CLERK

2024-012	The office did not prepare an annual financial report for Juvenile Court.	243
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Office: (423) 623-8791
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 COUNTY'S AUDIT COMMITTEE DID NOT PRESENT A WRITTEN
COMMITTEE REPORT TO THE COUNTY COMMISSION**

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:
6/30/2025

Repeat Finding:
No

Planned Corrective Action:
The secretary of the Audit Committee will submit to the county clerk's office the minutes of the audit committee meetings to be added to the county commission agenda.

Signature: _____

A handwritten signature in black ink, appearing to read "Rob Mathis", is written over a horizontal line.

Office: (423) 623-8791
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 ACCOUNTING RECORDS FOR VARIOUS FUNDS HAD NOT BEEN PROPERLY MAINTAINED

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:
6/30/2025

Repeat Finding:
No

Planned Corrective Action:
The payroll staff members will be trained on the liability accounts associated with payroll. They will help to monitor and reconcile the accounts monthly that will then be reviewed by the finance director. Other staff members will be trained to reconcile other accounts including bank accounts and receivable accounts monthly that will then be reviewed by the finance director.

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:
6/30/2025

Repeat Finding:
Yes

Planned Corrective Action:
Purchasing and Payables staff members will be responsible for monitoring line items as purchase orders are written and bills are paid to assist finance director in knowing when budget amendments need to be made.

FINDING: THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

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:

6/30/2025

Repeat Finding:

No

Planned Corrective Action:

All purchase requisitions over \$49,999 will be required to be reviewed by finance director prior to purchase to ensure proper bid requirements are met.

FINDING: THE TENNESSEE OFFICE OF CRIMINAL JUSTICE PROGRAM UNDER THE STATE DEPARTMENT OF FINANCE AND ADMINISTRATION REPORTED DEFICIENCIES RELATED TO THE ADMINISTRATION OF THE EVIDENCE BASED PROGRAMMING GRANT RESULTING IN QUESTIONED COSTS OF \$61,464

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:

No

Planned Corrective Action:

The county has not extended the grant listed above and will follow all grant oversight provisions on future grants. A staff member has been assigned to be a grant coordinator and will work closely with the finance director and county employees who are grant administrators to ensure that oversight provisions are being done properly.

FINDING: COUNTY MANAGEMENT ENTERED INTO A CONTRACT FOR EMPLOYEE HEALTH INSURANCE WITHOUT PROPER APPROVAL

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:
6/30/2025

Repeat Finding:
No

Planned Corrective Action:
The county plans to create an insurance committee consisting of county employees to review and make recommendations on insurance benefits to the county commission.

FINDING: RETIREMENT DEPOSIT DUE TO THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF A PENALTY TOTALING \$13,057

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:
12/31/2024

Repeat Finding:
No

Planned Corrective Action:
New payroll staff has been made aware of procedures and deadlines related to Tennessee Consolidated Retirement System.

FINDING: PAYROLL TAXES WERE OVERPAID TO THE INTERNAL REVENUE SERVICE

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:

12/31/2024

Repeat Finding:

No

Planned Corrective Action:

Overpayment has been refunded and new payroll staff has been made aware of procedures and deadlines related to Internal Revenue Service.

Signature:

A handwritten signature in black ink, appearing to read "H. McGaha", is written over a horizontal line.

Corrective Action Plan

FINDING: BANK STATEMENTS FOR THE PAYROLL CLEARING ACCOUNT WERE NOT ACCURATELY RECONCILED

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, 2024

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

I agree. The Cocke County Board of Education will create an Excel file that will provide a detailed breakdown of monthly transactions. This will help streamline our reconciliation process clearer insights into our financial activities. Additionally, we have requested the bank to modify our statement period. Instead of receiving statements that span the middle of two months, we will now receive them from the beginning to the end of each month. This change is aimed at reducing unnecessary confusion and ensuring our records are more organized. In tandem with the bank reconciliation, we have integrated a spreadsheet that details the health insurance deduction versus billing. This will allow us to better track and manage these deductions accurately.

FINDING:

A TAX DEPOSIT DUE TO THE INTERNAL REVENUE SERVICE WAS NOT REPORTED TIMELY RESULTING IN THE ASSESSMENT OF A PENALTY TOTALING \$10,191

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, 2024

Repeat Finding:

No

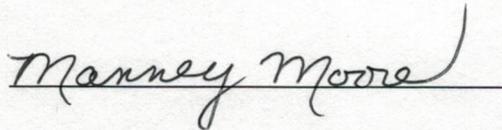
Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

I agree. We have made adjustments to ensure that the correct personnel receive all confirmation and correspondence emails. This change is crucial to avoid any penalties associated with miscommunication. We are in the process of ordering deposit slips that include the correct routing number to prevent any further confusion.

Signature:

A handwritten signature in cursive script that reads "Manney Moore". The signature is written in black ink and is positioned above a horizontal line.



Brenda Ramsey
Cocke County Sessions & Juvenile Court Clerk

Corrective Action Plan

FINDING: THE OFFICE DID NOT PREPARE AN ANNUAL FINANCIAL REPORT FOR JUVENILE COURT

Response and Corrective Action Plan Prepared by:
Brenda Ramsey, General Sessions Court Clerk

Person Responsible for Implementing the Corrective Action:
Brenda Ramsey, General Sessions Court

Anticipated Completion Date of Corrective Action:
06302025

Repeat Finding:
No

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

Planned Corrective Action:
I PLAN TO HAVE THIS REPORT DONE IN A TIMELY MANNER IN THE FUTURE. I HAVE BEEN OUT OF THE OFFICE FOR 6 MONTHS DUE TO BEING TREATED FOR STAGE 4 KIDNEY CANCER.

Signature:

Brenda Ramsey

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 Cocke County.

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

Cocke 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 Cocke 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.