



ANNUAL FINANCIAL REPORT

Hawkins County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HAWKINS 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.

HAWKINS COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
INTRODUCTORY SECTION		7
Hawkins County Officials		8
FINANCIAL SECTION		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	26-29
Highway/Public Works Fund	C-6	30
Fiduciary Funds:		
Statement of Net Position	D-1	31
Statement of Changes in Net Position	D-2	32
Index and Notes to the Financial Statements		33-100
REQUIRED SUPPLEMENTARY INFORMATION:		101
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	102
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS - Discretely Presented Hawkins County School Department	E-2	103
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-3	104
Schedule of Contributions Based on Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS - Discretely Presented Hawkins County School Department	E-4	105

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Hawkins County School Department	E-5	106
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hawkins County School Department	E-6	107
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Hawkins County School Department	E-7	108
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hawkins County School Department	E-8	109
Schedule of Changes in the Total OPEB Liability and Related Ratios- Hawkins County Plan - Primary Government	E-9	110
Schedule of Changes in the Total OPEB Liability and Related Ratios- Life Insurance Plan - Discretely Presented Hawkins County School Department	E-10	111
Schedule of Changes in the Total OPEB Liability and Related Ratios- Local Education Plan - Discretely Presented Hawkins County School Department	E-11	112
Schedule of Changes in the Total OPEB Liability and Related Ratios- Tennessee Plan - Medicare - Discretely Presented Hawkins County School Department	E-12	113
Notes to the Required Supplementary Information		114
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		115
Nonmajor Governmental Funds:		116-117
Combining Balance Sheet	F-1	118-121
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	122-125
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	F-3	126
Drug Control Fund	F-4	127
Other Special Revenue Fund	F-5	128
General Debt Service Fund	F-6	129
Special Debt Service Fund	F-7	130
General Capital Projects Fund	F-8	131
Major Governmental Fund:		132
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Education Debt Service Fund	G	133
Fiduciary Funds:		134
Combining Statement of Net Position - Custodial Funds	H-1	135
Combining Statement of Changes in Net Position - Custodial Funds	H-2	136

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Hawkins County School Department:		137
Statement of Activities	I-1	138
Balance Sheet – Governmental Funds	I-2	139-142
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	143
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	144-147
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	148
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	149-150
School Federal Projects Fund	I-7	151-152
Central Cafeteria Fund	I-8	153
School Transportation Fund	I-9	154
Education Capital Projects Fund	I-10	155
Miscellaneous Schedules:		156
Schedule of Changes in Long-term Other Loans and Bonds	J-1	157
Schedule of Long-term Debt Requirements by Year	J-2	158
Schedule of Changes in Lease Obligations – Discretely Presented Hawkins County School Department	J-3	159
Schedule of Lease Requirements by Year	J-4	160
Schedule of Leases Receivable – Discretely Presented Hawkins County School Department	J-5	161
Schedule of Transfers – Primary Government and Discretely Presented Hawkins County School Department	J-6	162
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hawkins County School Department	J-7	163
Schedule of Detailed Revenues – All Governmental Fund Types	J-8	164-177
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-9	178-185
Schedule of Detailed Expenditures – All Governmental Fund Types	J-10	186-210
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-11	211-224
SINGLE AUDIT SECTION		225
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>		226-227
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		228-230
Schedule of Expenditures of Federal Awards and State Grants		231-233
Summary Schedule of Prior-year Findings		234
Schedule of Findings and Questioned Costs		235-238
Management's Corrective Action Plan		239-242
Best Practice		243

Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR AND ROAD SUPERINTENDENT

- ◆ Deficiencies were noted in the purchases of used vehicles and equipment.

OFFICE OF COUNTY MAYOR

- ◆ A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of penalties totaling \$1,808.

OFFICE OF TRUSTEE

- ◆ Bank statements were not accurately reconciled with the general ledger.



INTRODUCTORY SECTION

HAWKINS COUNTY OFFICIALS

June 30, 2024

Officials

Mark DeWitte, County Mayor
Danny Jones, Road Superintendent
Matt Hixson, Director of Schools
Jim Shanks, Trustee
Michael Gillespie, Assessor of Property
Nancy Davis, County Clerk
Randall Collier, Circuit and General Sessions Courts Clerk
Brent Price, Clerk and Master
Judy Kirkpatrick, Register of Deeds
Ronnie Lawson, Sheriff

Board of County Commissioners

Mark DeWitte, County Mayor, Chairman
Danny Alvis
Nancy Barker
Jeff Barrett
Chad Britton
Larry Clonce
Glenda Davis
John Gibson

Josh Gilliam
Tom Kern
Robbie Palmer
Jim Riley
Jason Roach
Charles Thacker
Syble Vaughan Trent

Board of Education

Chris Christian, Chairman
McClure Boyd
Jackie Charles
Kathy Cradic

Alina Gorlova
Debbie Shedden
Hannah Winegar

Audit Committee

Charles Thacker, Chairman
Jeff Barrett
Chad Britton
Larry Clonce

Glenda Davis
Jimmy Riley
Syble Vaughan Trent

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of June 30, 2024, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Hawkins County School Department, which represent 1.77 percent, 2.32 percent, and 2.95 percent, respectively, of the assets, net position, and revenues of the discretely presented Hawkins County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Hawkins County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Hawkins County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 Hawkins County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Hawkins County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawkins County’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkins County’s basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, on our consideration of Hawkins County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hawkins County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hawkins County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 14, 2025

JEM./gc



BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Governmental Activities	Component Unit Hawkins County School Department
ASSETS		
Cash	\$ 22,893	\$ 1,888,420
Equity in Pooled Cash and Investments	46,713,791	20,675,674
Accounts Receivable	432,204	164,155
Due from Other Governments	1,498,557	7,991,167
Property Taxes Receivable	22,003,043	11,846,406
Allowance for Uncollectible Property Taxes	(720,824)	(408,358)
Prepaid Items	70,057	0
Leases Receivable - Long-term	0	349,566
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	1,225,023
Net Pension Asset - Agent Plan - Legacy	1,129,703	623,677
Net Pension Asset - Agent Plan - Hybrid	0	60,860
Net Pension Asset - Teacher Retirement Plan	0	236,468
Net Pension Asset - Teacher Legacy Pension Plan	0	8,140,532
Capital Assets:		
Assets Not Depreciated:		
Land	1,482,700	1,565,973
Construction in Progress	1,547,637	6,215,994
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	13,713,951	42,612,785
Infrastructure	26,415,918	0
Other Capital Assets	6,320,656	3,119,960
Intangible Right-to-Use Assets	0	249,054
Total Assets	<u>\$ 120,630,286</u>	<u>\$ 106,557,356</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 814,408	\$ 0
Pension Changes in Experience	576,591	2,330,997
Pension Changes in Investment Earnings	375,325	1,700,926
Pension Changes in Assumptions	741,319	3,278,858
Pension Changes in Proportion	0	445,792
Pension Contributions after Measurement Date	795,752	2,499,472
OPEB Changes in Experience	433,828	1,386,014
OPEB Changes in Assumptions	0	1,657,257
OPEB Changes in Proportion	0	544,708
OPEB Contributions After Measurement Date	0	696,878
Total Deferred Outflows of Resources	<u>\$ 3,737,223</u>	<u>\$ 14,540,902</u>

(Continued)

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

	Primary Governmental Activities	Component Unit Hawkins County School Department
LIABILITIES		
Accounts Payable	\$ 393,625	\$ 1,468,016
Accrued Payroll	704	17,172
Payroll Deductions Payable	119,401	0
Contracts Payable	1,261,910	1,694,298
Retainage Payable	34,412	0
Accrued Interest Payable	217,101	0
Due to Other Governments	207,000	0
Due to State of Tennessee	1,122	0
Other Current Liabilities	128,792	3,179,600
Noncurrent Liabilities:		
Due Within One Year - Leases	0	67,835
Due Within One Year - Debt	4,389,155	0
Due Within One Year - Other	1,457,859	1,652,365
Due in More Than One Year - Leases	0	183,872
Due in More Than One Year - Debt	50,061,387	0
Due in More Than One Year - Other	5,954,815	14,996,970
Total Liabilities	<u>\$ 64,227,283</u>	<u>\$ 23,260,128</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 20,780,125	\$ 11,135,517
Deferred Leases Receivables	0	349,566
Pension Changes in Experience	85,488	623,197
Pension Changes in Proportion	0	108,988
OPEB Changes in Experience	527,922	1,007,530
OPEB Changes in Assumptions	0	1,816,762
OPEB Changes in Proportion	0	1,429,774
Total Deferred Inflows of Resources	<u>\$ 21,393,535</u>	<u>\$ 16,471,334</u>
NET POSITION		
Net Investment in Capital Assets	\$ 39,910,962	\$ 52,069,468
Restricted for:		
General Government	401,389	0
Finance	227,753	0
Administration of Justice	398,811	0
Public Safety	700,166	0
Public Health and Welfare	579,756	0
Highways	3,896,916	0
Debt Service	13,827,087	0
Education	0	7,817,894
Capital Projects	2,182,466	1,542,395
Pensions	1,129,703	10,286,560
Unrestricted	<u>(24,508,318)</u>	<u>9,650,479</u>
Total Net Position	<u>\$ 38,746,691</u>	<u>\$ 81,366,796</u>

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

Exhibit B

HAWKINS COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Program Revenues				Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Hawkins County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,948,753	\$ 459,421	\$ 4,150,922	\$ 3,000	\$ 664,590	\$ 0
Finance	2,855,042	1,658,887	0	0	(1,196,155)	0
Administration of Justice	2,435,836	1,090,880	84,085	0	(1,260,871)	0
Public Safety	12,862,290	1,300,055	1,716,464	0	(9,845,771)	0
Public Health and Welfare	3,250,891	113,459	696,447	11,398	(2,429,587)	0
Social, Cultural, and Recreational Services	988,400	1,700	414,635	0	(572,065)	0
Agriculture and Natural Resources	241,431	0	0	0	(241,431)	0
Highways	9,243,319	44,073	2,922,420	2,006,852	(4,269,974)	0
Interest on Long-term Debt	1,459,353	0	0	0	(1,459,353)	0
Total Primary Government	\$ 37,285,315	\$ 4,668,475	\$ 9,984,973	\$ 2,021,250	\$ (20,610,617)	\$ 0
Component Unit:						
Hawkins County School Department	\$ 91,191,107	\$ 954,918	\$ 24,163,223	\$ 1,147,018	\$ 0	\$ (64,925,948)
Total Component Unit	\$ 91,191,107	\$ 954,918	\$ 24,163,223	\$ 1,147,018	\$ 0	\$ (64,925,948)

(Continued)

Exhibit B

HAWKINS COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Hawkins County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 12,162,506	\$ 5,200,459
Property Taxes Levied for Highway/Public Works					1,623,181	0
Property Taxes Levied for Transportation					0	4,468,350
Property Taxes Levied for Capital Projects					0	1,501,312
Property Taxes Levied for Debt Service					4,016,807	0
Local Option Sales Taxes					2,019,321	7,829,638
Wheel Tax					3,365,138	335,910
Litigation Tax - General					91,989	0
Litigation Tax - Jail, Workhouse, Courthouse					93,617	0
Litigation Tax - Courthouse Security					92,523	0
Litigation Tax - Special					56,323	0
Business Tax					535,220	0
Mineral Severance Tax					66,059	0
Wholesale Beer Tax					77,804	0
Other Local Tax					0	4,785
Grants and Contributions Not Restricted to Specific Programs					1,543,256	51,272,803
Unrestricted Investment Income					3,280,450	164,270
Miscellaneous					85,173	261,378
Total General Revenues					<u>\$ 29,109,367</u>	<u>\$ 71,038,905</u>
Change in Net Position					\$ 8,498,750	\$ 6,112,957
Net Position, July 1, 2023					<u>30,247,941</u>	<u>75,253,839</u>
Net Position, June 30, 2024					<u>\$ 38,746,691</u>	<u>\$ 81,366,796</u>

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

HAWKINS COUNTY, TENNESSEE
Balance Sheet
 Governmental Funds
June 30, 2024

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 22,893	\$ 22,893
Equity in Pooled Cash and Investments	16,012,599	4,365,674	12,645,477	13,690,041	46,713,791
Accounts Receivable	66,416	0	160,085	205,703	432,204
Due from Other Governments	527,028	532,742	0	438,787	1,498,557
Due from Other Funds	166,423	0	0	26,471	192,894
Property Taxes Receivable	14,719,434	2,665,007	3,433,175	1,185,427	22,003,043
Allowance for Uncollectible Property Taxes	(482,324)	(77,611)	(119,594)	(41,295)	(720,824)
Prepaid Items	0	0	70,057	0	70,057
Total Assets	<u>\$ 31,009,576</u>	<u>\$ 7,485,812</u>	<u>\$ 16,189,200</u>	<u>\$ 15,528,027</u>	<u>\$ 70,212,615</u>
LIABILITIES					
Accounts Payable	\$ 173,081	\$ 52,887	\$ 0	\$ 167,657	\$ 393,625
Accrued Payroll	704	0	0	0	704
Payroll Deductions Payable	101,733	13,832	0	3,836	119,401
Contracts Payable	0	608,072	0	653,838	1,261,910
Retainage Payable	0	0	0	34,412	34,412
Due to Other Funds	0	0	0	192,894	192,894
Due to State of Tennessee	1,026	0	0	96	1,122
Due to Other Governments	0	0	0	207,000	207,000
Other Current Liabilities	128,792	0	0	0	128,792
Total Liabilities	<u>\$ 405,336</u>	<u>\$ 674,791</u>	<u>\$ 0</u>	<u>\$ 1,259,733</u>	<u>\$ 2,339,860</u>

(Continued)

HAWKINS COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 13,901,044	\$ 2,541,987	\$ 3,223,920	\$ 1,113,174	\$ 20,780,125
Deferred Delinquent Property Taxes	315,238	42,595	84,104	29,039	470,976
Other Deferred/Unavailable Revenue	144,913	256,889	0	206,965	608,767
Total Deferred Inflows of Resources	\$ 14,361,195	\$ 2,841,471	\$ 3,308,024	\$ 1,349,178	\$ 21,859,868

FUND BALANCES

Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 70,057	\$ 0	\$ 70,057
Restricted:					
Restricted for General Government	215,371	0	0	0	215,371
Restricted for Finance	227,753	0	0	0	227,753
Restricted for Administration of Justice	398,811	0	0	0	398,811
Restricted for Public Safety	276,536	0	0	384,197	660,733
Restricted for Public Health and Welfare	579,756	0	0	0	579,756
Restricted for Other Operations	186,018	0	0	0	186,018
Restricted for Highways/Public Works	0	3,665,364	0	0	3,665,364
Restricted for Debt Service	0	0	12,811,119	1,057,628	13,868,747
Restricted for Capital Projects	0	0	0	2,174,707	2,174,707
Committed:					
Committed for General Government	8,623	0	0	0	8,623
Committed for Finance	27,905	0	0	0	27,905
Committed for Public Safety	68,788	0	0	300,000	368,788
Committed for Public Health and Welfare	76,000	0	0	4,347,601	4,423,601

(Continued)

HAWKINS COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

FUND BALANCES (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds	
Committed (Cont.):					
Committed for Highways/Public Works	\$ 0	\$ 304,186	\$ 0	\$ 0	\$ 304,186
Committed for Debt Service	0	0	0	1,009,442	1,009,442
Committed for Other Purposes	0	0	0	3,645,541	3,645,541
Assigned:					
Assigned for General Government	2,735,101	0	0	0	2,735,101
Assigned for Finance	26,952	0	0	0	26,952
Assigned for Administration of Justice	2,855	0	0	0	2,855
Assigned for Public Safety	427,282	0	0	0	427,282
Assigned for Public Health and Welfare	11,138	0	0	0	11,138
Assigned for Social, Cultural, and Recreational Services	11,730	0	0	0	11,730
Assigned for Agriculture and Natural Resources	1,900	0	0	0	1,900
Assigned for Other Operations	26,595	0	0	0	26,595
Unassigned	10,933,931	0	0	0	10,933,931
Total Fund Balances	\$ 16,243,045	\$ 3,969,550	\$ 12,881,176	\$ 12,919,116	\$ 46,012,887
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,009,576	\$ 7,485,812	\$ 16,189,200	\$ 15,528,027	\$ 70,212,615

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

HAWKINS COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 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)		\$ 46,012,887
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,482,700	
Add: constriction in progress	1,547,637	
Add: buildings and improvements net of accumulated depreciation	13,713,951	
Add: infrastructure net of accumulated depreciation	26,415,918	
Add: other capital assets net of accumulated depreciation	<u>6,320,656</u>	49,480,862
(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	\$ (5,310,551)	
Less: bonds payable	(46,490,000)	
Add: deferred amount on refunding	814,408	
Less: unamortized premium on debt	(2,649,991)	
Less: accrued interest on bonds and other loans payable	(217,101)	
Less: compensated absences payable	(1,011,568)	
Less: OPEB liability	<u>(6,401,106)</u>	(61,265,909)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,488,987	
Less: deferred inflows of resources related to pensions	(85,488)	
Add: deferred outflows of resources related to OPEB	433,828	
Less: deferred inflows of resources related to OPEB	<u>(527,922)</u>	2,309,405
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		1,079,743
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		<u>1,129,703</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 38,746,691</u></u>

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

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds	
Revenues					
Local Taxes	\$ 14,891,919	\$ 1,696,703	\$ 3,593,591	\$ 4,113,613	\$ 24,295,826
Licenses and Permits	2,541	0	0	152,798	155,339
Fines, Forfeitures, and Penalties	198,567	0	0	13,892	212,459
Charges for Current Services	305,437	0	0	52,681	358,118
Other Local Revenues	259,756	4,649	2,572,674	796,595	3,633,674
Fees Received From County Officials	2,541,744	0	0	0	2,541,744
State of Tennessee	3,394,966	4,911,586	0	180,367	8,486,919
Federal Government	3,132,845	0	0	1,194,538	4,327,383
Other Governments and Citizens Groups	416,382	0	685,307	28,358	1,130,047
Total Revenues	\$ 25,144,157	\$ 6,612,938	\$ 6,851,572	\$ 6,532,842	\$ 45,141,509
Expenditures					
Current:					
General Government	\$ 3,194,380	\$ 0	\$ 0	\$ 0	\$ 3,194,380
Finance	2,373,520	0	0	0	2,373,520
Administration of Justice	2,329,139	0	0	49,076	2,378,215
Public Safety	10,589,192	0	0	44,459	10,633,651
Public Health and Welfare	805,264	0	0	2,690,769	3,496,033
Social, Cultural, and Recreational Services	564,939	0	0	0	564,939
Agriculture and Natural Resources	240,741	0	0	0	240,741
Other Operations	3,096,032	0	0	4,336,514	7,432,546
Highways	63,199	7,606,763	0	0	7,669,962

(Continued)

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Governmental Funds	
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 2,956,622	\$ 1,390,721	\$ 4,347,343
Interest on Debt	0	0	1,293,085	253,362	1,546,447
Other Debt Service	0	0	93,439	24,438	117,877
Capital Projects	0	0	0	580,328	580,328
Total Expenditures	\$ 23,256,406	\$ 7,606,763	\$ 4,343,146	\$ 9,369,667	\$ 44,575,982
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,887,751	\$ (993,825)	\$ 2,508,426	\$ (2,836,825)	\$ 565,527
Other Financing Sources (Uses)					
Insurance Recovery	\$ 54,055	\$ 1,244	\$ 0	\$ 0	\$ 55,299
Transfers In	0	0	107,512	0	107,512
Transfers Out	(107,512)	0	0	0	(107,512)
Total Other Financing Sources (Uses)	\$ (53,457)	\$ 1,244	\$ 107,512	\$ 0	\$ 55,299
Net Change in Fund Balances	\$ 1,834,294	\$ (992,581)	\$ 2,615,938	\$ (2,836,825)	\$ 620,826
Fund Balance, July 1, 2023	14,408,751	4,962,131	10,265,238	15,755,941	45,392,061
Fund Balance, June 30, 2024	\$ 16,243,045	\$ 3,969,550	\$ 12,881,176	\$ 12,919,116	\$ 46,012,887

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

HAWKINS COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)	\$	620,826	
(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	\$	6,110,593	
Less: current-year depreciation expense		<u>(2,948,362)</u>	3,162,231
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Add: capital assets donated and capitalized	\$	544,650	
Less: book value of assets disposed		<u>(2,423)</u>	542,227
(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	\$	1,079,743	
Less: deferred delinquent property taxes and other deferred June 30, 2023		<u>(981,837)</u>	97,906
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt related items.			
Add: principal payments on bonds	\$	3,695,000	
Add: principal payments on other loans		652,343	
Add: change in unamortized premium on debt issuances		234,257	
Less: change in deferred amount on refunding debt		<u>(166,621)</u>	4,414,979
(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	\$	19,458	
Change in OPEB liability		(246,872)	
Change in compensated absences payable		29,492	
Change in net pension asset/liability		230,243	
Change in deferred outflows related to pensions		(418,807)	
Change in deferred inflows related to pensions		87,646	
Change in deferred outflows related to OPEB		(227,161)	
Change in deferred inflows related to OPEB		<u>186,582</u>	<u>(339,419)</u>
Change in net position of governmental activities (Exhibit B)	\$		<u><u>8,498,750</u></u>

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

HAWKINS COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
For the Year Ended June 30, 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	\$ 14,891,919	\$ 0	\$ 0	\$ 14,891,919	\$ 14,367,483	\$ 14,367,483	\$ 524,436
Licenses and Permits	2,541	0	0	2,541	2,000	2,000	541
Fines, Forfeitures, and Penalties	198,567	0	0	198,567	135,300	135,300	63,267
Charges for Current Services	305,437	0	0	305,437	217,500	217,500	87,937
Other Local Revenues	259,756	0	0	259,756	56,225	56,998	202,758
Fees Received From County Officials	2,541,744	0	0	2,541,744	2,284,000	2,284,000	257,744
State of Tennessee	3,394,966	0	0	3,394,966	2,797,770	3,366,457	28,509
Federal Government	3,132,845	0	0	3,132,845	981,679	3,337,472	(204,627)
Other Governments and Citizens Groups	416,382	0	0	416,382	35,156	35,966	380,416
Total Revenues	\$ 25,144,157	\$ 0	\$ 0	\$ 25,144,157	\$ 20,877,113	\$ 23,803,176	\$ 1,340,981
Expenditures							
General Government							
County Commission	\$ 68,376	\$ 0	\$ 0	\$ 68,376	\$ 93,403	\$ 93,403	\$ 25,027
Board of Equalization	5,674	0	0	5,674	8,912	8,912	3,238
Beer Board	865	0	0	865	3,033	3,033	2,168
Budget and Finance Committee	7,698	0	0	7,698	8,427	8,427	729
County Mayor/Executive	191,900	0	0	191,900	195,103	202,807	10,907
County Attorney	32,260	0	0	32,260	41,673	41,673	9,413
Election Commission	732,474	0	0	732,474	839,759	839,759	107,285
Register of Deeds	336,811	0	0	336,811	351,306	364,786	27,975
Planning	23,187	0	0	23,187	23,137	23,137	(50)
County Buildings	881,598	(48,814)	91,969	924,753	931,513	1,004,573	79,820
Other General Administration	905,349	(2,000)	0	903,349	976,379	977,152	73,803
Preservation of Records	8,188	0	0	8,188	10,831	13,831	5,643
Finance							
Accounting and Budgeting	406,124	0	22,948	429,072	513,757	451,501	22,429
Property Assessor's Office	549,083	0	0	549,083	585,484	585,484	36,401
Reappraisal Program	197,490	0	0	197,490	208,828	208,828	11,338
County Trustee's Office	349,948	(3,332)	515	347,131	372,766	379,573	32,442

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	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	\$ 870,875	\$ 0	\$ 3,489	\$ 874,364	\$ 889,055	\$ 899,319	\$ 24,955
Administration of Justice							
Circuit Court Clerk	794,261	0	1,469	795,730	857,360	866,497	70,767
Criminal Court	14,290	0	0	14,290	15,000	15,000	710
General Sessions Court	373,666	0	0	373,666	391,097	393,084	19,418
Drug Court	87,390	0	0	87,390	98,470	101,970	14,580
Chancery Court	417,582	0	1,386	418,968	434,301	434,301	15,333
Juvenile Court	440,776	0	0	440,776	339,432	453,005	12,229
Courtroom Security	201,174	(2,910)	0	198,264	324,744	324,744	126,480
Public Safety							
Sheriff's Department	5,227,337	(154,599)	627,828	5,700,566	5,470,760	6,055,309	354,743
Drug Enforcement	8,445	0	0	8,445	8,448	8,448	3
Administration of the Sexual Offender Registry	3,669	0	53,467	57,136	5,400	60,400	3,264
Jail	3,529,663	(8,649)	6,016	3,527,030	3,813,615	3,813,615	286,585
Juvenile Services	273,321	0	0	273,321	351,226	351,226	77,905
Fire Prevention and Control	367,080	0	0	367,080	365,580	372,080	5,000
Rescue Squad	122,000	0	0	122,000	122,000	122,000	0
Disaster Relief	0	0	0	0	6,000	0	0
Other Emergency Management	239,672	(21,480)	9,000	227,192	223,508	234,925	7,733
County Coroner/Medical Examiner	198,695	0	0	198,695	238,867	238,867	40,172
Public Safety Grants Program	173,448	0	0	173,448	180,456	180,456	7,008
Other Public Safety	445,862	0	0	445,862	445,862	449,910	4,048
Public Health and Welfare							
Local Health Center	216,318	(12,217)	11,138	215,239	360,554	284,554	69,315
Ambulance/Emergency Medical Services	200,000	0	0	200,000	200,000	200,000	0
Alcohol and Drug Programs	95,000	0	0	95,000	0	95,000	0
Other Local Health Services	291,816	0	0	291,816	580,469	583,869	292,053
Other Public Health and Welfare	2,130	0	0	2,130	9,361	9,361	7,231

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	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							
Senior Citizens Assistance	\$ 285,830	\$ 0	\$ 0	\$ 285,830	\$ 270,016	\$ 304,859	\$ 19,029
Libraries	113,000	0	0	113,000	113,000	113,000	0
Parks and Fair Boards	166,109	(1,500)	11,730	176,339	216,017	318,992	142,653
Agriculture and Natural Resources							
Agricultural Extension Service	142,323	0	0	142,323	147,602	147,602	5,279
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	87,156	0	0	87,156	92,397	92,397	5,241
Flood Control	0	0	0	0	3,000	3,000	3,000
Storm Water Management	9,762	(500)	1,900	11,162	21,238	21,238	10,076
Other Operations							
Tourism	1,500	0	0	1,500	1,500	1,500	0
Industrial Development	249,771	0	2,135	251,906	276,617	276,617	24,711
Airport	2,265,231	(6,045)	116,132	2,375,318	89,800	2,444,738	69,420
Veterans' Services	103,140	0	0	103,140	107,296	107,296	4,156
Contributions to Other Agencies	58,720	0	0	58,720	63,720	63,720	5,000
Employee Benefits	65,967	0	0	65,967	128,608	107,404	41,437
COVID-19 Grant #8	13,765	0	24,435	38,200	340,000	340,000	301,800
COVID-19 Grant #9	16,693	0	0	16,693	16,703	17,603	910
Miscellaneous	321,245	0	0	321,245	357,698	357,698	36,453
Highways							
Litter and Trash Collection	63,199	0	0	63,199	76,549	81,117	17,918
Interest on Debt							
General Government	0	0	0	0	4,000	4,000	4,000
Total Expenditures	\$ 23,256,406	\$ (262,046)	\$ 985,557	\$ 23,979,917	\$ 23,223,137	\$ 26,559,100	\$ 2,579,183
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,887,751	\$ 262,046	\$ (985,557)	\$ 1,164,240	\$ (2,346,024)	\$ (2,755,924)	\$ 3,920,164

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Insurance Recovery	\$ 54,055	\$ 0	\$ 0	\$ 54,055	\$ 0	\$ 14,221	\$ 39,834
Transfers Out	(107,512)	0	0	(107,512)	(106,657)	(107,512)	0
Total Other Financing Sources	\$ (53,457)	\$ 0	\$ 0	\$ (53,457)	\$ (106,657)	\$ (93,291)	\$ 39,834
Net Change in Fund Balance	\$ 1,834,294	\$ 262,046	\$ (985,557)	\$ 1,110,783	\$ (2,452,681)	\$ (2,849,215)	\$ 3,959,998
Fund Balance, July 1, 2023	14,408,751	(262,046)	0	14,146,705	12,514,658	12,514,658	1,632,047
Fund Balance, June 30, 2024	\$ 16,243,045	\$ 0	\$ (985,557)	\$ 15,257,488	\$ 10,061,977	\$ 9,665,443	\$ 5,592,045

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

Exhibit C-6

HAWKINS COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
For the Year Ended June 30, 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	\$ 1,696,703	\$ 0	\$ 0	\$ 1,696,703	\$ 1,671,575	\$ 1,671,575	\$ 25,128
Other Local Revenues	4,649	0	0	4,649	750	750	3,899
State of Tennessee	4,911,586	0	0	4,911,586	4,387,582	5,617,073	(705,487)
Total Revenues	<u>\$ 6,612,938</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,612,938</u>	<u>\$ 6,059,907</u>	<u>\$ 7,289,398</u>	<u>\$ (676,460)</u>
Expenditures							
Highways							
Administration	\$ 237,037	\$ (2,445)	\$ 0	\$ 234,592	\$ 250,246	\$ 250,246	\$ 15,654
Highway and Bridge Maintenance	4,062,950	(854,249)	978,535	4,187,236	4,368,852	4,368,852	181,616
Operation and Maintenance of Equipment	635,791	0	0	635,791	737,320	777,320	141,529
Other Charges	153,327	0	0	153,327	218,300	218,300	64,973
Employee Benefits	449,694	0	0	449,694	523,500	523,500	73,806
Capital Outlay	2,067,964	(9,026)	8,000	2,066,938	1,758,500	2,947,991	881,053
Total Expenditures	<u>\$ 7,606,763</u>	<u>\$ (865,720)</u>	<u>\$ 986,535</u>	<u>\$ 7,727,578</u>	<u>\$ 7,856,718</u>	<u>\$ 9,086,209</u>	<u>\$ 1,358,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (993,825)</u>	<u>\$ 865,720</u>	<u>\$ (986,535)</u>	<u>\$ (1,114,640)</u>	<u>\$ (1,796,811)</u>	<u>\$ (1,796,811)</u>	<u>\$ 682,171</u>
Other Financing Sources (Uses)							
Insurance Recovery	\$ 1,244	\$ 0	\$ 0	\$ 1,244	\$ 0	\$ 0	\$ 1,244
Total Other Financing Sources	<u>\$ 1,244</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,244</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,244</u>
Net Change in Fund Balance	\$ (992,581)	\$ 865,720	\$ (986,535)	\$ (1,113,396)	\$ (1,796,811)	\$ (1,796,811)	\$ 683,415
Fund Balance, July 1, 2023	4,962,131	(865,720)	0	4,096,411	3,334,197	3,334,197	762,214
Fund Balance, June 30, 2024	<u>\$ 3,969,550</u>	<u>\$ 0</u>	<u>\$ (986,535)</u>	<u>\$ 2,983,015</u>	<u>\$ 1,537,386</u>	<u>\$ 1,537,386</u>	<u>\$ 1,445,629</u>

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

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

Fiduciary Funds

June 30, 2024

	Custodial Funds
	<u> </u>
ASSETS	
Cash	\$ 2,632,129
Equity in Pooled Cash and Investments	116,024
Due from Other Governments	1,441,526
Taxes Receivable	1,084,021
Allowance for Uncollectible Taxes	<u>(42,072)</u>
Total Assets	<u>\$ 5,231,628</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 1,592,710</u>
Total Liabilities	<u>\$ 1,592,710</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 1,006,789</u>
Total Deferred Inflows of Resources	<u>\$ 1,006,789</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,632,129</u>
Total Net Position	<u><u>\$ 2,632,129</u></u>

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

HAWKINS COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 7,144,397
ADA - Educational Funds Collected for Cities	2,312,207
Fines/Fees and Other Collections	<u>9,944,055</u>
Total Additions	<u>\$ 19,400,659</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 7,144,397
Payments to City School Systems	2,312,207
Payments to State	6,442,194
Payments to Individuals and Others	<u>2,852,071</u>
Total Deductions	<u>\$ 18,750,869</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 649,790
Net Position, July 1, 2023	<u>1,982,339</u>
Net Position, June 30, 2024	<u>\$ 2,632,129</u>

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

HAWKINS COUNTY, TENNESSEE
INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note	Page(s)
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	34
B. Government-wide and Fund Financial Statements	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	36
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	38
2. Receivables and Payables	39
3. Prepaid Items	40
4. Restricted Assets	40
5. Capital Assets	41
6. Deferred Outflows/Inflows of Resources	41
7. Compensated Absences	42
8. Long-term Debt, Lease Obligations, and Long-term Obligations	42
9. Net Position and Fund Balance	43
E. Pension Plans	45
F. Other Postemployment Benefit (OPEB) Plans	45
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	46
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	46
III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	46
B. Expenditures Exceeded Appropriations	47
C. Internal Revenue Service Penalty	47
IV. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	48
B. Lease Receivable	51
C. Capital Assets	52
D. Construction and Renovation Contract Commitments	55
E. Interfund Receivables, Payables, and Transfers	56
F. Lease Obligations	57
G. Long-term Debt	58
H. Long-term Obligations	61
I. On-behalf Payments	62
V. OTHER INFORMATION	
A. Risk Management	63
B. Accounting Change	64
C. Contingent Liabilities	64
D. Joint Ventures	64
E. Jointly Governed Organization	65
F. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	66
2. Deferred Compensation	86
G. Other Postemployment Benefits (OPEB)	86
H. Termination Benefits and Retirement Honorarium	100
I. Purchasing Law	100

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *Reporting Entity*

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

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

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

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

The Hawkins County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Hawkins County Industrial Development Board nominates, and the Hawkins County Commission confirms the board members. In a prior year, the county agreed to assume the liability for a note issued by the Industrial Development Board. Due to this financial burden relationship, the board is reported as a discretely presented component unit. The financial statements of the Hawkins County

Industrial Development Board were not material to the component units' opinion unit and therefore have been omitted from this report.

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

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

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or

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

Hawkins County issues all debt for the discretely presented Hawkins County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2024.

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

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

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

Fund financial statements of Hawkins County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance/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. Hawkins County does not have any proprietary funds to report.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized

as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Hawkins County reports the following major governmental funds:

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

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

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

Additionally, Hawkins County reports the following fund types:

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

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

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

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

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools. Service charges and federal grants are the foundational revenues of this fund.

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (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 Hawkins County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the debt service funds. Hawkins County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These

policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.84 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for

uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

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

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives. Right-to-use assets are amortized over the shorter of the lease term or useful life.

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that

applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; deferred leases receivable; pension changes in experience and proportion; OPEB changes in experience, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

Primary Government

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

Discretely Presented Hawkins County School Department

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Hawkins County Board of Education has adopted policies allowing all 12-month employees who separate employment to be paid their unused vacation benefits as they accrue. Other 12-month employees are allowed to accumulate a limited amount (five days) of earned but unused vacation benefits.

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

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

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

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

In the government-wide financial statements, long-term debt, lease obligations, and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the

difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$23,344,047 of restricted net position for the primary government, of which \$1,803,492 is restricted by enabling legislation.

As of June 30, 2024, Hawkins County had \$43,583,031 in outstanding debt for capital purposes for the discretely presented Hawkins County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Rogersville School

System and the City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Hawkins County, but the capital assets acquired are reported in the financial statements of the school department, the City of Rogersville School System, and the City of Kingsport School System. Therefore, Hawkins County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for Other Purposes in the Other Special Revenue Fund represents funds received and committed for revenue loss under the American Rescue Plan Act.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund includes amounts appropriated for use in the 2024-2025 budget (\$2,510,698), encumbrances (\$600,421), employee vacation pay (\$25,000), and unclaimed property refunds (\$107,434). Assigned fund balance in the school department's General Purpose School Fund includes encumbrances (\$751,471), fund balance assigned for textbooks (\$71,757), and fund balance appropriated for use in the 2024-2025 budget (\$4,601,563).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

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

Discretely Presented Hawkins County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Hawkins County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

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

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

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

On June 30, 2024, Hawkins County and the discretely presented Hawkins County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 985,557
Highway/Public Works	986,535
Nonmajor governmental funds	2,958,547
School Department:	
Major Funds:	
General Purpose School	751,471
School Federal Projects	1,490,563
School Transportation	516,723
Education Capital Projects Fund	1,404,810

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Planning major appropriations category (the legal level of control) of the General Fund by \$50 and the American Rescue Plan Act Grant major appropriations category (the legal level of control) of the Other Special Revenue Fund by \$16,299. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances in both funds.

C. Internal Revenue Service Penalty

Hawkins County did not make a deposit for payroll taxes into its payroll clearing account in a timely manner and the funds were not available when the Internal Revenue Service (IRS) attempted to make a withdrawal. As a result, the IRS assessed the county a penalty totaling \$1,808. This is further discussed in the audit findings and recommendations in the Single Audit Section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and

administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool, the State Treasurer’s Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer’s Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer’s Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2024, Hawkins County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Hawkins County and the discretely presented Hawkins 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	\$ 13,167

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 maturities of certain investments as previously disclosed. Hawkins 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. Hawkins County has no investment policy that would further limit its investment choices. As of June 30, 2024, Hawkins 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 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 Hawkins County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the school department.

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

On June 30, 2024, the Hawkins County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 379,757
Developed Market International Equity	N/A	N/A	171,503
Emerging Market International Equity	N/A	N/A	49,001
U.S. Fixed Income	N/A	N/A	245,005
Real Estate	N/A	N/A	122,502
Short-term Securities	N/A	N/A	12,250
NAV - Private Equity and Strategic Lending	N/A	N/A	245,005
 Total			 \$ 1,225,023

Of the total amount above, \$241,386 represents amounts held for the Hybrid Pension Plan and \$983,637 represents amounts held for the Teacher Retirement Plan.

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Lease Receivable

On January 31, 2013, Hawkins County School Department entered into a lease agreement for the use of solar facilities. The lease is for twenty and a half years, and the county will receive annual payments of \$42,004. An initial lease receivable was recorded in the amount of \$466,748 in fiscal year 2022. Hawkins County School Department recognized \$33,591 in lease revenue and \$8,413 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 2.27%. As of June 30, 2024, the long-term lease receivable balance was \$349,566.

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	\$ 1,383,652	\$ 100,000	\$ 952	\$ 1,482,700
Construction in Progress	372,897	1,493,626	318,886	1,547,637
Total Capital Assets Not Depreciated	\$ 1,756,549	\$ 1,593,626	\$ 319,838	\$ 3,030,337
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,472,949	\$ 693,042	\$ 6,548	\$ 24,159,443
Infrastructure	59,447,476	0	0	59,447,476
Other Capital Assets	12,498,053	4,687,461	520,783	16,664,731
Total Capital Assets Depreciated	\$ 95,418,478	\$ 5,380,503	\$ 527,331	\$ 100,271,650
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,804,096	\$ 647,944	\$ 6,548	\$ 10,445,492
Infrastructure	31,566,915	1,464,643	0	33,031,558
Other Capital Assets	10,027,612	835,775	519,312	10,344,075
Total Accumulated Depreciation	\$ 51,398,623	\$ 2,948,362	\$ 525,860	\$ 53,821,125
Total Capital Assets Depreciated, Net	\$ 44,019,855	\$ 2,432,141	\$ 1,471	\$ 46,450,525
Governmental Activities Capital Assets, Net	\$ 45,776,404	\$ 4,025,767	\$ 321,309	\$ 49,480,862

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

Governmental Activities:

General Government	\$	300,529
Finance		18,738
Administration of Justice		6,233
Public Safety		754,066
Public Health and Welfare		281,988
Social, Cultural, and Recreational Services		9,388
Highway/Public Works		<u>1,577,420</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,948,362</u></u>

Net Investment in Capital Assets

Capital Assets	\$	49,480,862
Less:		
Outstanding principal of capital debt and other capital borrowings		(8,217,520)
Unamortized balance of original issue premiums on outstanding capital-related debt		(657,980)
Capital related contracts and retainage payables and other related payables		<u>(694,400)</u>
Net Investment in Capital Assets	\$	<u><u>39,910,962</u></u>

Discretely Presented Hawkins County School Department

Governmental Activities:

	Balance 7-1-23		Increases		Decreases		Balance 6-30-24	
Capital Assets Not Depreciated:								
Land	\$	1,565,973	\$	0	\$	0	\$	1,565,973
Construction in Progress		1,694,711		5,561,991		1,040,708		6,215,994
Total Capital Assets Not Depreciated	\$	3,260,684	\$	5,561,991	\$	1,040,708	\$	7,781,967
Capital Assets Depreciated:								
Buildings and Improvements	\$	114,685,743	\$	1,121,242	\$	0	\$	115,806,985
Other Capital Assets		11,077,810		488,482		115,722		11,450,570
Total Capital Assets Depreciated	\$	125,763,553	\$	1,609,724	\$	115,722	\$	127,257,555
Less Accumulated Depreciation For:								
Buildings and Improvements	\$	69,545,466	\$	3,648,734	\$	0	\$	73,194,200
Other Capital Assets		7,867,734		575,126		112,250		8,330,610
Total Accumulated Depreciation	\$	77,413,200	\$	4,223,860	\$	112,250	\$	81,524,810
Total Capital Assets Depreciated, Net	\$	48,350,353	\$	(2,614,136)	\$	3,472	\$	45,732,745
Intangible Right-to-Use Assets:								
Leased Vehicles	\$	175,731	\$	179,366	\$	0	\$	355,097
Less: Accumulated Amortization		42,128		63,915		0		106,043
Net Intangible Right-to-Use Assets	\$	133,603	\$	115,451	\$	0	\$	249,054
Governmental Activities Capital Assets, Net	\$	51,744,640	\$	3,063,306	\$	1,044,180	\$	53,763,766

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

Governmental Activities:

Instruction	\$ 3,681,615
Support Services	582,214
Operation of Non-instructional Services	<u>23,946</u>
 Total Depreciation and Amortization Expense - Governmental Activities	 <u>\$ 4,287,775</u>

Net Investment in Capital Assets

Capital Assets	\$ 53,763,766
Less:	
Capital related contracts payable	<u>(1,694,298)</u>
Net Investment in Capital Assets	<u>\$ 52,069,468</u>

D. Construction and Renovation Contract Commitments

Primary Government

As of June 30, 2024, the General Fund had uncompleted construction contracts of approximately \$109,957 related to airport renovations, \$6,150 for engineering services for airport renovations, and \$21,603 for architectural fees for health department renovations. Funding for these future expenditures is expected to be provided from future grant revenues.

As of June 30, 2024, the Other Special Revenue Fund had uncompleted construction contracts of approximately \$54,421 for architectural fees for renovations, \$1,083,687 for HVAC Units, and \$981,075 for a roof at the Justice Center. Funding for these future expenditures has been provided by federal revenues as well as available fund balance.

As of June 30, 2024, the General Capital Projects Fund had uncompleted construction contracts of approximately \$57,563 for HVAC Units and \$376,550 for a roof at the Justice Center. Funding for these future expenditures has been provided by available fund balance.

Discretely Presented Hawkins County School Department

As of June 30, 2024, the School Federal Projects fund had uncompleted renovation contracts of approximately \$1,490,563 for HVAC upgrades and other facility improvements. The Education Capital Projects Fund had uncompleted construction contracts of approximately \$1,174,570 for HVAC upgrades and other facility improvements. The General Purpose School Fund had uncompleted construction contracts of \$392,967 for roofing projects at two individual schools and \$22,271 for architectural fees for these projects. Funding for future expenditures of the School Federal Projects Fund is expected to be provided from future grant revenues. Funding has been provided for the future expenditures

of the Education Capital Projects Fund. Funding for future expenditures of the General Purpose School Fund is expected to be provided from available fund balances.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 166,423
Nonmajor governmental	"	26,471
Discretely Presented School Department:		
General Purpose School	School Transportation	1,381
School Federal Projects	General Purpose School	37,640
School Transportation	School Federal Projects	100

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

Interfund Transfers:

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

Primary Government

Transfers Out	<u>Transfers In</u> Education Debt Service Fund	Purpose
General Fund	\$ 107,512	Qualified School Construction Bond (QSCB) rebate
Total	<u>\$ 107,512</u>	

Discretely Presented Hawkins County School Department

Transfers Out	Transfers In		Purpose
	School Federal Projects Fund	Central Cafeteria Fund	
General Purpose School Fund	\$ 500,000	\$ 0	Cash flow
"	0	11,697	Operations
Total	<u>\$ 500,000</u>	<u>\$ 11,697</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 and General Purpose School Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Lease Obligations

In prior years, Hawkins County School Department entered into five 60-month agreements as lessee for the use of vehicles. In the current year, the school department entered into five additional 60-month agreements as lessee for the use of vehicles and recognized lease proceeds of \$179,366 related to those agreements. Outstanding leases entered into prior to June 30, 2023, have an annual interest rate of 2.27%. Leases entered into during the current year have an annual interest rate of 6.5%. As of June 30, 2024, the present value of the total lease liability for all vehicles was \$251,707. The lease vehicles and accumulated amortization of the right-to-use assets are outlined in Note IV.C.

The future lease payments on these vehicle leases include:

Year Ending June 30	Vehicle Leases		
	Principal	Interest	Total
2025	\$ 67,835	\$ 10,919	\$ 78,754
2026	66,876	7,950	74,826
2027	59,532	5,042	64,574
2028	46,189	2,180	48,369
2029	11,275	198	11,473
Total	<u>\$ 251,707</u>	<u>\$ 26,289</u>	<u>\$ 277,996</u>

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2024, was as follows:

Discretely Presented Hawkins County School Department

Governmental Activities:

	<u>Leases</u>
Balance, July 1, 2023	\$ 132,283
Additions	179,366
Reductions	<u>(59,942)</u>
Balance, June 30, 2024	<u>\$ 251,707</u>
Balance Due Within One Year	<u>\$ 67,835</u>

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2024	\$ 251,707
Less: Balance Due Within One Year - Leases	<u>(67,835)</u>
Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A	<u>\$ 183,872</u>

G. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Hawkins County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans and bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 19 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2024, will be retired from the General Debt Service, Special Debt Service, and Education Debt Service funds.

Direct Borrowing and Direct Placements - Hawkins County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith and credit of the government. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as

interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2024, will be retired from the Education Debt Service 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 - Refunding	2 to 5 %	6-1-38	\$ 61,526,353	\$ 46,490,000
Direct Borrowing and Direct Placement:				
Other Loans - Qualified School Construction Bonds	0 to 1.51	9-15-27	4,973,000	825,993
Other Loans - Energy Efficient Schools Initiative	.5 to 0.75	4-1-38	5,410,748	4,484,558

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 tables below.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 3,735,000	\$ 1,258,237	\$ 4,993,237
2026	2,945,000	1,141,688	4,086,688
2027	2,950,000	1,053,137	4,003,137
2028	2,980,000	966,588	3,946,588
2029	2,980,000	879,237	3,859,237
2030-2034	17,895,000	3,186,550	21,081,550
2035-2038	13,005,000	941,000	13,946,000
Total	\$ 46,490,000	\$ 9,426,437	\$ 55,916,437

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 654,155	\$ 174,928	\$ 829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028	346,887	27,488	374,375
2029	312,837	14,724	327,561
2030-2034	1,570,584	50,136	1,620,720
2035-2038	1,230,949	11,583	1,242,532
Total	\$ 5,310,551	\$ 586,568	\$ 5,897,119

There is \$14,948,246 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$820, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premium totaled \$960, based on the 2020 federal census.

During the year, the school department contributed \$685,307 to the primary government's Education Debt Service Fund to be applied toward the retirement of school related debt.

Changes in Long-term Debt

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

Governmental Activities:	Other Loans - Direct Placement	
	Bonds	
Balance, July 1, 2023	\$ 50,185,000	\$ 5,962,894
Reductions	(3,695,000)	(652,343)
Balance, June 30, 2024	\$ 46,490,000	\$ 5,310,551
Balance Due Within One Year	\$ 3,735,000	\$ 654,155

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 51,800,551
Less: Balance Due Within One Year - Debt	(4,389,155)
Add: Unamortized Premium on Debt	2,649,991
Noncurrent Liabilities - Due in More Than One Year - Debt -Exhibit A	\$ 50,061,387

H. 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:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2023	\$ 1,041,060	\$ 6,154,234
Additions	1,002,763	658,605
Reductions	(1,032,255)	(411,733)
Balance, June 30, 2024	<u>\$ 1,011,568</u>	<u>\$ 6,401,106</u>
Balance Due Within One Year	<u>\$ 758,676</u>	<u>\$ 699,183</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 7,412,674
Less: Balance Due Within One Year - Other	<u>(1,457,859)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 5,954,815</u>

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

Discretely Presented Hawkins County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2023	\$ 1,858,720	\$ 508,141
Additions	753,657	186,789
Reductions	(693,114)	(34,667)
Balance, June 30, 2024	<u>\$ 1,919,263</u>	<u>\$ 660,263</u>
Balance Due Within One Year	<u>\$ 700,972</u>	<u>\$ 34,666</u>

	Retirement Honorarium	Other Postemployment Benefits
Balance, July 1, 2023	\$ 45,213	\$ 13,732,193
Additions	17,224	1,860,617
Reductions	(19,377)	(1,566,061)
Balance, June 30, 2024	<u>\$ 43,060</u>	<u>\$ 14,026,749</u>
Balance Due Within One Year	<u>\$ 19,378</u>	<u>\$ 897,349</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 16,649,335
Less: Balance Due Within One Year - Other	<u>(1,652,365)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 14,996,970</u>

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

I. On-Behalf Payments

Discretely Presented Hawkins County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hawkins County School Department. These payments are made by the

state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2024, were \$294,635 and \$97,146, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. *Risk Management*

Primary Government

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

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

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

Discretely Presented Hawkins County School Department

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

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

B. Accounting 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. Management, based on letters from attorneys, estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Joint Ventures

Primary Government

The Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Third Judicial District, Greene, Hamblen, Hancock, and Hawkins counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hawkins County made no contributions to the DTF for the year ended June 30, 2024.

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

Discretely Presented Hawkins 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 Hawkins County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each

member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

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

Administrative Offices:

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

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

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

E. Jointly Governed Organization

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

F. Retirement Commitments

1. **Tennessee Consolidated Retirement System (TCRS)**

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.43 percent, the non-certified employees of the discretely presented school department comprise 35.57 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	507
Inactive Employees Entitled to But Not Yet Receiving Benefits	669
Active Employees	457
Total	1,633

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Hawkins County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for Hawkins County was \$1,196,203 based on a rate of seven percent of covered payroll. The minimum rate established by the Board of Trustees was 6.02 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hawkins County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 75,852,372	\$ 77,344,261	\$ (1,491,889)
Changes for the Year:			
Service Cost	\$ 1,532,566	\$ 0	\$ 1,532,566
Interest	5,096,398	0	5,096,398
Differences Between Expected and Actual Experience	126,760	0	126,760
Contributions-Employer	0	1,132,458	(1,132,458)
Contributions-Employees	0	809,137	(809,137)
Net Investment Income	0	5,135,662	(5,135,662)
Benefit Payments, Including Refunds of Employee Contributions	(3,765,489)	(3,765,489)	0
Administrative Expense	0	(60,042)	60,042
Net Changes	\$ 2,990,235	\$ 3,251,726	\$ (261,491)
Balance, June 30, 2023	\$ 78,842,607	\$ 80,595,987	\$ (1,753,380)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	64.43%	\$ 50,798,291	\$ 51,927,994	\$ (1,129,703)
School Department	35.57%	28,044,316	28,667,993	(623,677)
Total		\$ 78,842,607	\$ 80,595,987	\$ (1,753,380)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Hawkins County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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

Net Pension Liability (Asset) \$ 8,093,742 \$ (1,753,380) \$ (9,977,199)

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, Hawkins County recognized pension expense (negative pension expense) of \$1,700,715.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 894,911	\$ 132,684
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	582,532	0
Changes in Assumptions	1,150,581	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	1,196,203	N/A
Total	<u>\$ 3,824,227</u>	<u>\$ 132,684</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	\$ 2,488,987	\$ 85,488
School Department	1,335,240	47,196
Total	<u>\$ 3,824,227</u>	<u>\$ 132,684</u>

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

Year Ending June 30	Amount
2025	\$ 1,023,671
2026	(287,945)
2027	1,755,325
2028	4,299
2029	0
Thereafter	0

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

Payable to the Pension Plan

On June 30, 2024, Hawkins County reported a payable of \$66,082 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

Discretely Presented Hawkins County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description – Hawkins County Legacy Plan. As noted above under the primary government, employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.43 percent and the non-certified employees of the discretely presented school department comprise 35.57 percent of the plan based on contribution data.

The discretely presented Hawkins County School Department withdrew from the TCRS Hawkins County Plan effective July 1, 2015. Non-certified school employees

hired after the date of withdrawal are not eligible to participate in the Hawkins County Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80 in which the member's age and service credits total 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	201
Active Employees	250
Total	452

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The school department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024, to the Retirement Plan were \$163,922, which is three percent of covered payroll. In addition, employer contributions of \$41,495 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). The school department’s net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 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 the school department will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 1,199,547	\$ 1,178,965	\$ 20,582
Changes for the Year:			
Service Cost	\$ 316,492	\$ 0	\$ 316,492
Interest	101,664	0	101,664
Differences Between Expected and Actual Experience	(67,799)	0	(67,799)
Contributions-Employer	0	134,573	(134,573)
Contributions-Employees	0	221,312	(221,312)
Net Investment Income	0	90,068	(90,068)
Benefit Payments, Including Refunds of Employee Contributions	(19,804)	(19,804)	0
Administrative Expense	0	(14,154)	14,154
Net Changes	\$ 330,553	\$ 411,995	\$ (81,442)
Balance, June 30, 2023	\$ 1,530,100	\$ 1,590,960	\$ (60,860)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the school department calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 260,078	\$ (60,860)	\$ (310,439)

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, the school department recognized pension expense of \$131,099.

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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 65,223	\$ 60,205
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,174	0
Changes in Assumptions	39,283	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	<u>163,922</u>	N/A
Total	<u>\$ 289,602</u>	<u>\$ 60,205</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.

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	<u>Amount</u>
2025	\$ 10,665
2026	9,085
2027	33,805
2028	10,744
2029	4,723
Thereafter	(3,542)

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

Discretely Presented Hawkins County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an

actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024, to the Teacher Retirement Plan were \$416,587, which is 2.95 percent of covered payroll. In addition, employer contributions of \$140,734, 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 (\$236,468) 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 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 .557663 percent. The proportion as of June 30, 2022, was .534966 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$295,291.

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	\$ 7,965	\$ 138,021
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	60,121	0
Changes in Assumptions	177,905	0
Changes in Proportion of Net Pension Liability (Asset)	4,036	52,053
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	416,587	N/A
Total	<u>\$ 666,614</u>	<u>\$ 190,074</u>

The school department's employer contributions of \$416,587, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the 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	\$ (5,081)
2026	(13,831)
2027	78,914
2028	283
2029	650
Thereafter	(982)

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

Actuarial Assumptions. The total pension liability in the June 30, 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
Short-term Securities	1.20	20
	4.38	10
	0.00	1
Total		100 %

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 1,087,742	\$ (236,468)	\$ (1,189,791)

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 Hawkins County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hawkins County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hawkins County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$1,518,512, 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 (\$8,140,532) 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 .690476 percent. The proportion measured as of June 30, 2022, was .719777 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024 the school department recognized pension expense (negative pension expense) of \$2,175,248.

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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 1,939,489	\$ 377,775
Changes in Assumptions	2,652,408	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,412,424	0
Changes in Proportion of Net Pension Liability (Asset)	441,756	56,935
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	<u>1,518,512</u>	<u>N/A</u>
Total	<u>\$ 7,964,589</u>	<u>\$ 434,710</u>

The school department's employer contributions of \$1,518,512 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the 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
<u>June 30</u>	<u>Amount</u>
2025	\$ 2,028,868
2026	(993,252)
2027	4,964,688
2028	11,064
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 in 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	4.88 %	31 %
Developed Market International Equity	5.37	14
Emerging Market International Equity	6.09	4
Private Equity and Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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

Net Pension Liability (Asset) \$ 17,730,646 \$ (8,140,532) \$ (29,658,058)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$636,764 and teachers contributed \$621,810 to this deferred compensation pension plan.

Non-certified personnel of the school department hired after July 1, 2015, are required to participate in a separate hybrid pension plan administered by TCRS. The school department is also required to contribute five percent of non-certified employees' salaries to this Section 401(k) plan. The Section 401(k) plan assets remain the property of the participating employees and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the school department contributed \$340,666 and employees contributed \$230,684 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through Commercial Health Plan (Primary Government)

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

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

Employees Covered by Benefit Terms. At the actuarial valuation date of July 1, 2023, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2024.

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	172
Total	182

Total OPEB Liability

The plan’s total OPEB liability of \$6,401,106 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Discount Rate	3.93%
Healthcare Cost Trend Rates	4.5%
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate of 3.93 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2024.

Mortality rates were based on the 2023 PPA Mortality Table (RP-2014 Mortality, base year 2006, adjusted to 2023 with Mortality Improvement Scale MP-2021).

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2023	\$ 6,154,234
Changes for the Year:	
Service Cost	\$ 408,570
Interest	244,201
Difference between Expected and Actuarial Experience	5,834
Benefit Payments	(79,792)
Implicit Rate Subsidy	(331,941)
Net Changes	<u>\$ 246,872</u>
Balance June 30, 2024	<u>\$ 6,401,106</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the county recognized OPEB expense of \$699,183. On June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 433,828	\$ 527,922
Total	<u>\$ 433,828</u>	<u>\$ 527,922</u>

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

Year Ending June 30	Amount
2025	\$ 29,336
2026	(118,536)
2027	(66,191)
2028	30,080
2029	31,218
Thereafter	0

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Total OPEB Liability	\$ 6,853,239	\$ 6,401,106	\$ 5,994,130

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease (3.5%)	Current Trend Rate (4.5%)	1% Increase (5.5%)
-----------------------------------	--------------------------	------------------------------------	--------------------------

Total OPEB Liability	\$ 5,888,971	\$ 6,401,106	\$ 6,983,519
----------------------	--------------	--------------	--------------

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

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

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

Employees Covered by Benefit Terms. As of July 1, 2023, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2024.

Inactive Employees or Beneficiaries Currently Receiving Benefits	157
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	1,065
Total	1,222

Total OPEB Liability

The plan's total OPEB liability of \$574,427 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	4.89%
Life Insurance Cost Trend Rates	0% for all years
Retirees share of Benefit-related Cost	None

The discount rate of 4.89 percent is based on the S&P Municipal Bond – 20 Year Grade Index as of July 1, 2023.

The mortality assumption is based on PubG-2010, projected generationally with scale MP-2020 for males and females.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2023	\$ 681,653
Changes for the Year:	
Service Cost	\$ 10,265
Interest	24,521
Difference between Expected and Actuarial Experience	66,828
Benefit Payments	(40,557)
Changes of Assumptions	(168,283)
Net Changes	<u>\$ (107,226)</u>
Balance June 30, 2024	<u>\$ 574,427</u>

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 \$35,259. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 115,376	\$ 96,447
Changes of Assumptions	0	144,243
Total	\$ 115,376	\$ 240,690

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

Year Ending June 30	Amount
2025	\$ 473
2026	(22,619)
2027	(25,171)
2028	(36,636)
2029	(26,869)
Thereafter	(14,492)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	3.89%	4.89%	5.89%
Total OPEB Liability	\$ 612,820	\$ 574,427	\$ 539,263

OPEB Provided through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for each plan was measured as of June 30, 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	LEP: Based on the Getzen Model, with trend starting 10.31% for pre-65 retirees in the 2023 calendar year, and gradually decreasing over a 11- year period to an ultimate trend rate of 4.5% TN-M: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.65 percent based on the Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 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 non-disabled pre-retirement mortality projected generationally with MP-2021 from 2010. Post-retirement rates 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 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 Hawkins County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Hawkins County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department provides a direct subsidy ranging from \$162 to \$749 per month toward the cost of insurance for retired certified employees based on years of service and insurance coverage selected. The school department provides a direct subsidy ranging from \$397 to \$1,116 per month toward the cost of insurance for retired non-certified employees based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees’ premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	62
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1
Active Employees Eligible for Benefits	592
	<hr/>
Total	<u>655</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 \$613,092 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		Total OPEB Liability
	Hawkins County School Department 67.7952%	State of TN 32.2048%	
Balance July 1, 2022	\$ 11,262,216	\$ 4,959,542	\$ 16,221,758
Changes for the Year:			
Service Cost	\$ 436,037	\$ 207,131	\$ 643,168
Interest	392,944	186,661	579,605
Difference between Expected and Actuarial Experience	(205,043)	(97,402)	(302,445)
Changes in Proportion	(264,642)	264,642	0
Changes in Assumption and Other Inputs	807,904	383,779	1,191,683
Benefit Payments	(672,834)	(319,617)	(992,451)
Net Changes	\$ 494,366	\$ 625,194	\$ 1,119,560
Balance June 30, 2023	\$ 11,756,582	\$ 5,584,736	\$ 17,341,318

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$522,438 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability was 67.7952 percent and the State of Tennessee's share was 32.2048 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 \$1,384,528 which includes expenses funded by nonemployer contributing entities. 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
Difference Between Expected and Actual Experience	\$ 1,142,397	\$ 676,270
Changes of Assumptions	1,443,169	1,224,328
Changes in Proportion	362,285	853,996
Benefits Paid After the Measurement Date of June 30, 2023	613,092	0
Total	<u>\$ 3,560,943</u>	<u>\$ 2,754,594</u>

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

Year Ending June 30	School Department
2025	\$ 33,109
2026	33,109
2027	33,110
2028	83,657
2029	(7,322)
Thereafter	17,594

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%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 12,564,508	\$ 11,756,582	\$ 10,986,714
--	---------------	---------------	---------------

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.

Healthcare Cost Trend Rate

	1% Decrease 9.31 to 3.5%	Curent Rate 10.31 to 4.5%	1% Increase 11.31 to 5.5%
--	--------------------------------	---------------------------------	---------------------------------

Proportionate Share of the
Collective Total OPEB
Liability

\$	10,677,151	\$	11,756,582	\$	12,995,068
----	------------	----	------------	----	------------

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	161
Inactive Employees Entitled to But Not Yet Receiving Benefits	88
Active Employees Eligible for Benefits	637
Total	<u><u>886</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2024, the school department paid \$83,786 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		Total OPEB Liability
	Hawkins County School Department 46.3078%	State of TN 53.6922%	
Balance July 1, 2022	\$ 1,788,324	\$ 1,960,594	\$ 3,748,918
Changes for the Year:			
Service Cost	\$ 20,839	\$ 24,163	\$ 45,002
Interest	60,721	70,404	131,125
Difference between Expected and Actuarial Experience	(20,747)	(24,055)	(44,802)
Changes in Proportion	(52,283)	52,283	0
Changes in Assumption	(17,181)	(19,921)	(37,102)
Benefit Payments	(83,934)	(97,318)	(181,252)
Net Changes	<u>\$ (92,584)</u>	<u>\$ 5,555</u>	<u>\$ (87,029)</u>
Balance June 30, 2023	<u>\$ 1,695,740</u>	<u>\$ 1,966,149</u>	<u>\$ 3,661,889</u>

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized revenues of \$81,699 for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability for the TNM plan was 46.3078 percent and the State of Tennessee's share was 53.6922 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 (negative OPEB expense) of (\$32,599), which includes expenses funded by nonemployer contributing entities.

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
Difference Between Expected and Actual Experience	\$ 128,241	\$ 234,813
Changes of Assumptions	214,088	448,191
Changes in Proportion	182,423	575,778
Benefits Paid After the Measurement Date of June 30, 2023	83,786	0
Total	<u>\$ 608,538</u>	<u>\$ 1,258,782</u>

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

Year Ending June 30	School Department
2025	\$ (195,858)
2026	(195,858)
2027	(109,091)
2028	(139,452)
2029	(87,168)
Thereafter	(5,793)

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

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

total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,918,031	\$ 1,695,740	\$ 1,510,778
--	--------------	--------------	--------------

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

H. Termination Benefits and Retirement Honorarium

The discretely presented school department offers a voluntary termination benefits plan to its employees. To be eligible, employees must have 30 years of credible service in the Tennessee Consolidated Retirement System and no less than ten years of service with the Hawkins County School System. Under the plan, employees who accept the benefit shall receive an annual amount equal to ten percent of their total compensation based on the highest annual salary of their last three years of employment. Benefits shall begin in July following retirement and continue until they reach the age of 62, or for a maximum of seven years, whichever is less. In the event an employee dies during the term of the agreement, the designated beneficiary shall continue to receive the payments for the remainder of the fiscal year of the employee's death. During the year, 22 retirees participated in the program. The estimated cost of the cash payments reported in the government-wide Statement of Net Position is \$660,263. The school department determined this liability by calculating the total cash payments due over the next seven years. Of that amount, \$34,666 is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers a retirement honorarium payment. Under the plan certified employees with a minimum of 30 years of service with the Hawkins County School Department will receive a benefit of \$2,000. As of June 30, 2024, 20 employees met the requirement of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$43,060, of which \$19,378 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$19,377 in the General Purpose School Fund.

I. Purchasing Law

Purchasing procedures for all departments of Hawkins County, including the discretely presented Hawkins County School Department, are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases and for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 1,292,383	\$ 1,388,131	\$ 1,370,544	\$ 1,372,583	\$ 1,373,076	\$ 1,333,026	\$ 1,281,085	\$ 1,336,245	\$ 1,551,404	\$ 1,532,566
Interest	3,618,616	3,735,883	3,893,700	4,077,560	4,195,156	4,317,167	4,485,475	4,664,516	4,806,563	5,096,398
Differences Between Actual and Expected Experience	(879,835)	(328,471)	15,277	(381,698)	(750,034)	(69,712)	(87,207)	(530,736)	1,599,683	126,760
Changes in Assumptions	0	0	0	1,369,345	0	0	0	4,602,330	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)	(3,524,420)	(3,765,489)
Net Change in Total Pension Liability	\$ 1,478,695	\$ 2,221,311	\$ 2,506,308	\$ 3,550,803	\$ 1,822,138	\$ 2,386,075	\$ 2,459,641	\$ 6,762,114	\$ 4,433,230	\$ 2,990,235
Total Pension Liability, Beginning	48,232,057	49,710,752	51,932,063	54,438,371	57,989,174	59,811,312	62,197,387	64,657,028	71,419,142	75,852,372
Total Pension Liability, Ending (a)	\$ 49,710,752	\$ 51,932,063	\$ 54,438,371	\$ 57,989,174	\$ 59,811,312	\$ 62,197,387	\$ 64,657,028	\$ 71,419,142	\$ 75,852,372	\$ 78,842,607
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 1,073,390	\$ 1,100,416	\$ 1,111,302	\$ 1,132,458
Contributions - Employee	766,561	783,114	775,293	819,476	763,520	760,623	767,560	786,353	794,571	809,137
Net Investment Income	7,260,957	1,554,198	1,364,232	5,914,668	4,750,506	4,534,860	3,181,045	16,991,189	(3,109,758)	5,135,662
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)	(3,524,420)	(3,765,489)
Administrative Expense	(28,022)	(37,272)	(51,442)	(53,513)	(57,156)	(49,779)	(48,348)	(46,581)	(48,863)	(60,042)
Other	0	0	0	0	5	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,850,743	\$ 1,081,960	\$ 660,775	\$ 5,136,643	\$ 3,778,974	\$ 3,350,669	\$ 1,753,935	\$ 15,521,136	\$ (4,777,168)	\$ 3,251,726
Plan Fiduciary Net Position, Beginning	43,986,594	50,837,337	51,919,297	52,580,072	57,716,715	61,495,689	64,846,358	66,600,293	82,121,429	77,344,261
Plan Fiduciary Net Position, Ending (b)	\$ 50,837,337	\$ 51,919,297	\$ 52,580,072	\$ 57,716,715	\$ 61,495,689	\$ 64,846,358	\$ 66,600,293	\$ 82,121,429	\$ 77,344,261	\$ 80,595,987
Net Pension Liability (Asset), Ending (a - b)	\$ (1,126,585)	\$ 12,766	\$ 1,858,299	\$ 272,459	\$ (1,684,377)	\$ (2,648,971)	\$ (1,943,265)	\$ (10,702,287)	\$ (1,491,889)	\$ (1,753,380)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.27%	99.98%	96.59%	99.53%	102.82%	104.26%	103.01%	114.99%	101.97%	102.22%
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971	\$ 15,864,327	\$ 16,177,981
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.38)%	0.08%	11.98%	1.76%	(11.09)%	(17.7)%	(12.78)%	(68.44)%	(9.40)%	(10.84)%

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

Exhibit E-2

HAWKINS COUNTY, TENNESSEE

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability								
Service Cost	\$ 26,012	\$ 51,610	\$ 79,994	\$ 112,311	\$ 162,090	\$ 186,063	\$ 248,774	\$ 316,492
Interest	1,951	5,558	11,749	21,947	37,157	52,518	73,177	101,664
Differences Between Actual and Expected Experience	(5,469)	1,681	21,709	33,978	(2,675)	6,728	49,148	(67,799)
Changes in Assumptions	0	3,074	0	0	0	61,766	0	0
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)	(6,377)	(13,768)	(19,804)
Net Change in Total Pension Liability	\$ 22,494	\$ 61,923	\$ 108,734	\$ 162,751	\$ 185,616	\$ 300,698	\$ 357,331	\$ 330,553
Total Pension Liability, Beginning	0	22,494	84,417	193,151	355,902	541,518	842,216	1,199,547
Total Pension Liability, Ending (a)	\$ 22,494	\$ 84,417	\$ 193,151	\$ 355,902	\$ 541,518	\$ 842,216	\$ 1,199,547	\$ 1,530,100
Plan Fiduciary Net Position								
Contributions - Employer	\$ 11,561	\$ 37,107	\$ 58,503	\$ 44,592	\$ 59,341	\$ 76,722	\$ 103,181	\$ 134,573
Contributions - Employee	14,451	46,384	73,130	114,682	117,063	153,104	192,350	221,312
Net Investment Income	327	7,092	13,745	22,961	23,695	175,595	(41,710)	90,068
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)	(6,377)	(13,768)	(19,804)
Administrative Expense	(2,563)	(7,069)	(10,331)	(12,262)	(14,218)	(16,150)	(21,014)	(14,154)
Net Change in Plan Fiduciary Net Position	\$ 23,776	\$ 83,514	\$ 130,329	\$ 164,488	\$ 174,925	\$ 382,894	\$ 219,039	\$ 411,995
Plan Fiduciary Net Position, Beginning	0	23,776	107,290	237,619	402,107	577,032	959,926	1,178,965
Plan Fiduciary Net Position, Ending (b)	\$ 23,776	\$ 107,290	\$ 237,619	\$ 402,107	\$ 577,032	\$ 959,926	\$ 1,178,965	\$ 1,590,960
Net Pension Liability (Asset), Ending (a - b)	\$ (1,282)	\$ (22,873)	\$ (44,468)	\$ (46,205)	\$ (35,514)	\$ (117,710)	\$ 20,582	\$ (60,860)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.70%	127.10%	123.02%	112.98%	106.56%	113.98%	98.28%	103.98%
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,522	\$ 3,842,852	\$ 4,426,200
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.44)%	(2.47)%	(3.04)%	(2.23)%	(1.45)%	(3.87)%	0.54%	(1.37)%

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

Exhibit E-3

HAWKINS COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Public

Employee Pension Plan of TCRS

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 870,980	\$ 892,909	\$ 901,742	\$ 973,914	\$ 1,028,735
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,356,152)	(1,345,905)	(1,342,999)	(1,318,159)	(1,299,371)	(1,073,390)	(1,100,416)	(1,111,302)	(1,132,458)	(1,196,203)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (202,410)	\$ (207,507)	\$ (209,560)	\$ (158,544)	\$ (167,468)
Covered Payroll	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971	\$ 15,864,327	\$ 16,177,981	\$ 17,088,617
Contributions as a Percentage of Covered Payroll	8.68%	8.68%	8.68%	8.68%	8.68%	7.06%	7.04%	7.01%	7.00%	7.00%

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

Exhibit E-4

HAWKINS COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Hawkins County Board of Education

Hybrid Retirement Plan of TCRS

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 5,780	\$ 10,483	\$ 22,886	\$ 44,592	\$ 59,341	\$ 76,722	\$ 103,181	\$ 134,573	\$ 163,922
Less: Contributions in Relation to the Actuarially Determined Contribution	(11,561)	(37,107)	(58,503)	(44,592)	(59,341)	(76,722)	(103,181)	(134,573)	(163,922)
Contribution Deficiency (Excess)	\$ (5,781)	\$ (26,624)	\$ (35,617)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,523	\$ 3,842,852	\$ 4,426,200	\$ 5,464,090
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	2.15%	2.42%	2.52%	2.69%	3.04%	3.00%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.

2019: Pension - 2.15%, SRT - 1.85%

2020: Pension - 2.42%, SRT - 1.58%

2021: Pension - 2.52%, SRT - 1.48%

2022: Pension - 2.69%, SRT - 1.31%

2023: Pension - 3.04%, SRT - 0.96%

2024: Pension - 3%, SRT - 1%

Exhibit E-5

HAWKINS COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Retirement Plan of TCRS

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 29,900	\$ 73,046	\$ 119,156	\$ 162,926	\$ 98,179	\$ 128,842	\$ 143,559	\$ 183,626	\$ 318,345	\$ 416,587
Less: Contributions in Relation to the Contractually Required Contribution	(29,900)	(73,046)	(119,156)	(162,926)	(98,179)	(128,842)	(143,559)	(183,626)	(318,345)	(416,587)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386	\$ 9,135,623	\$ 11,092,173	\$ 14,121,604
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.00%	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.

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%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 2,467,027	\$ 2,360,756	\$ 2,309,662	\$ 2,259,837	\$ 2,510,225	\$ 2,468,721	\$ 2,416,019	\$ 2,439,805	\$ 1,947,105	\$ 1,518,512
Less: Contributions in Relation to the Contractually Required Contribution	(2,467,027)	(2,360,756)	(2,309,662)	(2,259,837)	(2,510,225)	(2,468,721)	(2,416,019)	(2,439,805)	(1,947,105)	(1,518,512)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033	\$ 23,687,424	\$ 22,406,263	\$ 22,298,765
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

Exhibit E-7

HAWKINS COUNTY, TENNESSEE

**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS**

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.359770%	0.415032%	0.453865%	0.466100%	0.478240%	0.502955%	0.492433%	0.534966%	0.557663%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,473)	\$ (43,206)	\$ (119,745)	\$ (211,389)	\$ (269,960)	\$ (286,001)	\$ (533,409)	\$ (162,055)	\$ (236,468)
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386	\$ 9,135,623	\$ 11,092,173
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.41)%	(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.

HAWKINS COUNTY, TENNESSEE

Schedule of Proportionate Share of the Net Pension Liability (Asset)

in the Teacher Legacy Pension Plan of TCRS

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.717381%	0.729000%	0.723435%	0.722764%	0.710748%	0.715696%	0.697785%	0.716752%	0.719777%	0.690476%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (116,571)	\$ 298,623	\$ 4,521,070	\$ (236,476)	\$ (2,501,062)	\$ (7,358,648)	\$ (5,321,127)	\$ (30,915,226)	\$ (8,827,388)	\$ (8,140,532)
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033	\$ 23,687,424	\$ 22,406,263
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(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%

HAWKINS COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Hawkins County Plan

Primary Government

For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 308,392	\$ 332,149	\$ 322,023	\$ 407,240	\$ 454,791	\$ 377,786	\$ 408,570
Interest	176,978	175,628	197,572	149,915	148,835	225,275	244,201
Differences Between Actual and Expected Experience	(564,540)	642,483	1,007,506	(343,147)	(416,295)	(31,637)	5,834
Benefit Payments	(29,211)	(25,485)	(35,289)	(48,223)	(60,295)	(76,431)	(79,792)
Implicit Rate Subsidy	(205,319)	(205,319)	(356,475)	(356,475)	(326,669)	(326,669)	(331,941)
Net Change in Total OPEB Liability	\$ (313,700)	\$ 919,456	\$ 1,135,337	\$ (190,690)	\$ (199,633)	\$ 168,324	\$ 246,872
Total OPEB Liability, Beginning	4,635,140	4,321,440	5,240,896	6,376,233	6,185,543	5,985,910	6,154,234
Total OPEB Liability, Ending	\$ 4,321,440	\$ 5,240,896	\$ 6,376,233	\$ 6,185,543	\$ 5,985,910	\$ 6,154,234	\$ 6,401,106
Covered Employee Payroll	\$ 8,285,453	\$ 8,307,211	\$ 8,736,986	\$ 9,350,409	\$ 9,484,749	\$ 10,541,362	\$ 11,410,529
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	63.09%	72.98%	66.15%	63.11%	58.38%	56.10%

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

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

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

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

HAWKINS COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Life Insurance Plan

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 34,860	\$ 9,741	\$ 9,936	\$ 11,217	\$ 11,913	\$ 9,575	\$ 10,265
Interest	17,234	28,318	26,255	17,949	18,367	24,626	24,521
Differences Between Actual and Expected Experience	(425)	182,442	87,185	(74,201)	(92,040)	(50,739)	66,828
Changes of Assumptions or Other Inputs	0	0	0	0	0	0	(168,283)
Benefit Payments	(27,868)	(23,782)	(22,153)	(21,423)	(20,330)	(19,128)	(40,557)
Net Change in Total OPEB Liability	\$ 23,801	\$ 196,719	\$ 101,223	\$ (66,458)	\$ (82,090)	\$ (35,666)	\$ (107,226)
Total OPEB Liability, Beginning	544,124	567,925	764,644	865,867	799,409	717,319	681,653
Total OPEB Liability, Ending	<u>\$ 567,925</u>	<u>\$ 764,644</u>	<u>\$ 865,867</u>	<u>\$ 799,409</u>	<u>\$ 717,319</u>	<u>\$ 681,653</u>	<u>\$ 574,427</u>
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220	\$ 38,051,162	\$ 40,742,567	\$ 44,314,944	\$ 46,580,441
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.56%	2.09%	2.34%	2.10%	1.76%	1.54%	1.23%

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

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

2017	3.00%
2018	3.05%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	4.89%

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

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 877,677	\$ 819,891	\$ 810,255	\$ 695,021	\$ 775,328	\$ 838,668	\$ 838,668	\$ 643,168
Interest	458,702	547,363	555,735	524,560	348,910	359,503	359,503	579,605
Changes in Benefit Terms	0	(2,633,339)	478,173	0	0	0	0	0
Differences Between Actual and Expected Experience	0	1,858,982	(179,264)	(1,238,721)	188,530	1,098,029	1,098,029	(302,445)
Changes in Assumptions or Other Inputs	(655,917)	325,543	(1,119,990)	1,556,697	224,606	(1,510,891)	(1,510,891)	1,191,683
Benefit Payments	(921,688)	(990,826)	(881,777)	(790,674)	(756,277)	(733,173)	(733,173)	(992,451)
Net Change in Total OPEB Liability	\$ (241,226)	\$ (72,386)	\$ (336,868)	\$ 746,883	\$ 781,097	\$ 52,136	\$ 52,136	\$ 1,119,560
Total OPEB Liability, Beginning	15,292,122	15,050,896	14,978,510	14,641,642	15,388,525	16,169,622	16,169,622	16,221,758
Total OPEB Liability, Ending	\$ 15,050,896	\$ 14,978,510	\$ 14,641,642	\$ 15,388,525	\$ 16,169,622	\$ 16,221,758	\$ 16,221,758	\$ 17,341,318
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,329,661	\$ 3,439,755	\$ 3,599,136	\$ 4,106,797	\$ 4,708,529	\$ 4,959,542	\$ 4,959,542	\$ 5,584,736
Employer Proportionate Share of the Total OPEB Liability	10,721,235	11,538,755	11,042,506	11,281,728	11,461,093	11,262,216	11,262,216	11,756,582
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220	\$ 38,051,162	\$ 40,234,338	\$ 43,300,597	\$ 43,300,597	\$ 44,337,621
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.48%	31.53%	29.78%	29.65%	28.49%	26.01%	26.01%	26.52%

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:

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%
2022 plan year	- from 9.02% to 7.36%
2023 plan year	- from 7.36% to 8.37%
2024 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.

HAWKINS COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare

Discretely Presented Hawkins County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 208,059	\$ 171,994	\$ 113,256	\$ 159,363	\$ 84,727	\$ 74,465	\$ 45,002
Interest	187,101	214,221	180,560	208,686	113,051	97,077	131,125
Changes in Benefit Terms	0	(267,040)	0	(1,549,290)	0	0	0
Differences Between Actual and Expected Experience	0	(873,709)	685,387	(211,017)	(163,504)	(39,622)	(44,802)
Changes in Assumptions or Other Inputs	(580,688)	(42,554)	112,759	823,349	(462,276)	(713,308)	(37,102)
Benefit Payments	(164,100)	(173,016)	(176,067)	(184,875)	(187,548)	(178,095)	(181,252)
Net Change in Total OPEB Liability	\$ (349,628)	\$ (970,104)	\$ 915,895	\$ (753,784)	\$ (615,550)	\$ (759,483)	\$ (87,029)
Total OPEB Liability, Beginning	6,281,572	5,931,944	4,961,840	5,877,735	5,123,951	4,508,401	3,748,918
Total OPEB Liability, Ending	\$ 5,931,944	\$ 4,961,840	\$ 5,877,735	\$ 5,123,951	\$ 4,508,401	\$ 3,748,918	\$ 3,661,889
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,421,004	\$ 2,186,805	\$ 2,267,301	\$ 2,710,001	\$ 2,424,149	\$ 1,960,594	\$ 1,966,149
Employer Proportionate Share of the Total OPEB Liability	3,510,940	2,775,035	3,610,434	2,413,950	2,084,252	1,788,324	1,695,740
Covered Employee Payroll	N/A						
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A						

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

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

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

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

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

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

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for and report financial resources and expenditures relating to the American Rescue Plan Act.

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

DEBT SERVICE FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

Exhibit F-1

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

	Special Revenue Funds				Total	Debt Service
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees		General Debt Service
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 22,893	\$ 22,893	\$ 0
Equity in Pooled Cash and Investments	4,371,924	687,093	4,585,195	0	9,644,212	1,635,659
Accounts Receivable	40,489	0	0	140,912	181,401	24,302
Due from Other Governments	74,112	0	0	0	74,112	0
Due from Other Funds	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	868,668
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(30,260)
Total Assets	\$ 4,486,525	\$ 687,093	\$ 4,585,195	\$ 163,805	\$ 9,922,618	\$ 2,498,369
LIABILITIES						
Accounts Payable	\$ 88,563	\$ 278	\$ 78,816	\$ 0	\$ 167,657	\$ 0
Payroll Deductions Payable	3,836	0	0	0	3,836	0
Contracts Payable	0	0	653,838	0	653,838	0
Retainage Payable	0	0	0	0	0	0
Due to Other Funds	26,471	2,618	0	163,805	192,894	0
Due to State of Tennessee	96	0	0	0	96	0
Due to Other Governments	0	0	207,000	0	207,000	0
Total Liabilities	\$ 118,966	\$ 2,896	\$ 939,654	\$ 163,805	\$ 1,225,321	\$ 0

(Continued)

HAWKINS COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	General Debt Service
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 815,722
Deferred Delinquent Property Taxes	0	0	0	0	0	21,280
Other Deferred/Unavailable Revenue	19,958	0	0	0	19,958	0
Total Deferred Inflows of Resources	\$ 19,958	\$ 0	\$ 0	\$ 0	\$ 19,958	\$ 837,002
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 384,197	\$ 0	\$ 0	\$ 384,197	\$ 0
Restricted for Debt Service	0	0	0	0	0	651,925
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Safety	0	300,000	0	0	300,000	0
Committed for Public Health and Welfare	4,347,601	0	0	0	4,347,601	0
Committed for Debt Service	0	0	0	0	0	1,009,442
Committed for Other Purposes	0	0	3,645,541	0	3,645,541	0
Total Fund Balances	\$ 4,347,601	\$ 684,197	\$ 3,645,541	\$ 0	\$ 8,677,339	\$ 1,661,367
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,486,525	\$ 687,093	\$ 4,585,195	\$ 163,805	\$ 9,922,618	\$ 2,498,369

(Continued)

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	22,893
Equity in Pooled Cash and Investments	405,703	2,041,362	1,981,545	22,922	2,004,467	13,690,041
Accounts Receivable	0	24,302	0	0	0	205,703
Due from Other Governments	0	0	364,675	0	364,675	438,787
Due from Other Funds	0	0	26,471	0	26,471	26,471
Property Taxes Receivable	0	868,668	316,759	0	316,759	1,185,427
Allowance for Uncollectible Property Taxes	0	(30,260)	(11,035)	0	(11,035)	(41,295)
Total Assets	\$ 405,703	\$ 2,904,072	\$ 2,678,415	\$ 22,922	\$ 2,701,337	\$ 15,528,027
LIABILITIES						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	167,657
Payroll Deductions Payable	0	0	0	0	0	3,836
Contracts Payable	0	0	0	0	0	653,838
Retainage Payable	0	0	34,412	0	34,412	34,412
Due to Other Funds	0	0	0	0	0	192,894
Due to State of Tennessee	0	0	0	0	0	96
Due to Other Governments	0	0	0	0	0	207,000
Total Liabilities	\$ 0	\$ 0	\$ 34,412	\$ 0	\$ 34,412	\$ 1,259,733

(Continued)

HAWKINS COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 815,722	\$ 297,452	\$ 0	\$ 297,452	\$ 1,113,174
Deferred Delinquent Property Taxes	0	21,280	7,759	0	7,759	29,039
Other Deferred/Unavailable Revenue	0	0	187,007	0	187,007	206,965
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 837,002</u>	<u>\$ 492,218</u>	<u>\$ 0</u>	<u>\$ 492,218</u>	<u>\$ 1,349,178</u>
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 384,197
Restricted for Debt Service	405,703	1,057,628	0	0	0	1,057,628
Restricted for Capital Projects	0	0	2,151,785	22,922	2,174,707	2,174,707
Committed:						
Committed for Public Safety	0	0	0	0	0	300,000
Committed for Public Health and Welfare	0	0	0	0	0	4,347,601
Committed for Debt Service	0	1,009,442	0	0	0	1,009,442
Committed for Other Purposes	0	0	0	0	0	3,645,541
Total Fund Balances	<u>\$ 405,703</u>	<u>\$ 2,067,070</u>	<u>\$ 2,151,785</u>	<u>\$ 22,922</u>	<u>\$ 2,174,707</u>	<u>\$ 12,919,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 405,703</u>	<u>\$ 2,904,072</u>	<u>\$ 2,678,415</u>	<u>\$ 22,922</u>	<u>\$ 2,701,337</u>	<u>\$ 15,528,027</u>

HAWKINS 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					Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	General Debt Service
Revenues						
Local Taxes	\$ 2,335,220	\$ 0	\$ 0	\$ 0	2,335,220	\$ 907,817
Licenses and Permits	152,798	0	0	0	152,798	0
Fines, Forfeitures, and Penalties	0	13,892	0	0	13,892	0
Charges for Current Services	3,224	0	0	49,457	52,681	0
Other Local Revenues	88,560	259	319,176	0	407,995	388,600
State of Tennessee	180,367	0	0	0	180,367	0
Federal Government	0	10,023	778,515	0	788,538	0
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	\$ 2,760,169	\$ 24,174	\$ 1,097,691	\$ 49,457	\$ 3,931,491	\$ 1,296,417
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 49,076	\$ 49,076	\$ 0
Public Safety	0	44,078	0	381	44,459	0
Public Health and Welfare	2,690,769	0	0	0	2,690,769	0
Other Operations	0	0	4,336,514	0	4,336,514	0
Debt Service:						
Principal on Debt	0	0	0	0	0	971,419
Interest on Debt	0	0	0	0	0	210,098
Other Debt Service	0	0	0	0	0	20,690
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 2,690,769	\$ 44,078	\$ 4,336,514	\$ 49,457	\$ 7,120,818	\$ 1,202,207

(Continued)

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

	Special Revenue Funds					Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,400	\$ (19,904)	\$ (3,238,823)	\$ 0	\$ (3,189,327)	\$ 94,210
Net Change in Fund Balances	\$ 69,400	\$ (19,904)	\$ (3,238,823)	\$ 0	\$ (3,189,327)	\$ 94,210
Fund Balance, July 1, 2023	4,278,201	704,101	6,884,364	0	11,866,666	1,567,157
Fund Balance, June 30, 2024	\$ 4,347,601	\$ 684,197	\$ 3,645,541	\$ 0	\$ 8,677,339	\$ 1,661,367

(Continued)

HAWKINS COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds (Cont.)

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
Revenues						
Local Taxes	\$ 366,295	\$ 1,274,112	\$ 504,281	\$ 0	\$ 504,281	\$ 4,113,613
Licenses and Permits	0	0	0	0	0	152,798
Fines, Forfeitures, and Penalties	0	0	0	0	0	13,892
Charges for Current Services	0	0	0	0	0	52,681
Other Local Revenues	0	388,600	0	0	0	796,595
State of Tennessee	0	0	0	0	0	180,367
Federal Government	0	0	11,398	394,602	406,000	1,194,538
Other Governments and Citizens Groups	0	0	0	28,358	28,358	28,358
Total Revenues	\$ 366,295	\$ 1,662,712	\$ 515,679	\$ 422,960	\$ 938,639	\$ 6,532,842
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	49,076
Public Safety	0	0	0	0	0	44,459
Public Health and Welfare	0	0	0	0	0	2,690,769
Other Operations	0	0	0	0	0	4,336,514
Debt Service:						
Principal on Debt	419,302	1,390,721	0	0	0	1,390,721
Interest on Debt	43,264	253,362	0	0	0	253,362
Other Debt Service	3,748	24,438	0	0	0	24,438
Capital Projects	0	0	180,290	400,038	580,328	580,328
Total Expenditures	\$ 466,314	\$ 1,668,521	\$ 180,290	\$ 400,038	\$ 580,328	\$ 9,369,667

(Continued)

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (100,019)	\$ (5,809)	\$ 335,389	\$ 22,922	\$ 358,311	\$ (2,836,825)
Net Change in Fund Balances	\$ (100,019)	\$ (5,809)	\$ 335,389	\$ 22,922	\$ 358,311	\$ (2,836,825)
Fund Balance, July 1, 2023	505,722	2,072,879	1,816,396	0	1,816,396	15,755,941
Fund Balance, June 30, 2024	\$ 405,703	\$ 2,067,070	\$ 2,151,785	\$ 22,922	\$ 2,174,707	\$ 12,919,116

HAWKINS COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Solid Waste/Sanitation Fund

For the Year Ended June 30, 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	\$ 2,335,220	\$ 0	\$ 0	\$ 2,335,220	\$ 2,000,000	\$ 2,000,000	\$ 335,220
Licenses and Permits	152,798	0	0	152,798	150,000	150,000	2,798
Charges for Current Services	3,224	0	0	3,224	1,500	1,500	1,724
Other Local Revenues	88,560	0	0	88,560	430,000	430,000	(341,440)
State of Tennessee	180,367	0	0	180,367	155,500	183,154	(2,787)
Total Revenues	\$ 2,760,169	\$ 0	\$ 0	\$ 2,760,169	\$ 2,737,000	\$ 2,764,654	\$ (4,485)
Expenditures							
General Government							
Other Boards and Committees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,185	\$ 6,185	\$ 6,185
Public Health and Welfare							
Sanitation Management	93,592	0	0	93,592	98,348	98,348	4,756
Waste Pickup	820,923	0	33,000	853,923	904,383	904,383	50,460
Convenience Centers	627,876	(3,640)	8,855	633,091	566,075	693,729	60,638
Recycling Center	240,112	(1,000)	4,500	243,612	329,102	329,102	85,490
Landfill Operation and Maintenance	908,266	0	0	908,266	919,297	919,297	11,031
Total Expenditures	\$ 2,690,769	\$ (4,640)	\$ 46,355	\$ 2,732,484	\$ 2,823,390	\$ 2,951,044	\$ 218,560
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 69,400	\$ 4,640	\$ (46,355)	\$ 27,685	\$ (86,390)	\$ (186,390)	\$ 214,075
Net Change in Fund Balance							
Fund Balance, July 1, 2023	\$ 4,278,201	(4,640)	0	\$ 4,273,561	\$ 3,980,320	\$ 3,980,320	\$ 293,241
Fund Balance, June 30, 2024	\$ 4,347,601	\$ 0	\$ (46,355)	\$ 4,301,246	\$ 3,893,930	\$ 3,793,930	\$ 507,316

HAWKINS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Drug Control Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 13,892	\$ 15,000	\$ 15,000	\$ (1,108)
Other Local Revenues	259	0	0	259
Federal Government	10,023	22,500	22,500	(12,477)
Total Revenues	\$ 24,174	\$ 37,500	\$ 37,500	\$ (13,326)
Expenditures				
Public Safety				
Drug Enforcement	\$ 44,078	\$ 91,100	\$ 92,000	\$ 47,922
Total Expenditures	\$ 44,078	\$ 91,100	\$ 92,000	\$ 47,922
Excess (Deficiency) of Revenues Over Expenditures	\$ (19,904)	\$ (53,600)	\$ (54,500)	\$ 34,596
Net Change in Fund Balance	\$ (19,904)	\$ (53,600)	\$ (54,500)	\$ 34,596
Fund Balance, July 1, 2023	704,101	651,692	651,692	52,409
Fund Balance, June 30, 2024	\$ 684,197	\$ 598,092	\$ 597,192	\$ 87,005

HAWKINS COUNTY, TENNESSEE
Schedule 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							
Other Local Revenues	\$ 319,176	\$ 0	\$ 0	\$ 319,176	\$ 0	\$ 111,141	\$ 208,035
Federal Government	778,515	0	0	778,515	242,500	592,500	186,015
Total Revenues	\$ 1,097,691	\$ 0	\$ 0	\$ 1,097,691	\$ 242,500	\$ 703,641	\$ 394,050
Expenditures							
Other Operations							
American Rescue Plan Act Grant #1	\$ 1,565,407	\$ (379,668)	\$ 2,326,183	\$ 3,511,922	\$ 3,034,482	\$ 3,495,623	\$ (16,299)
American Rescue Plan Act Grant #2	63,587	(39,949)	0	23,638	213,000	213,000	189,362
American Rescue Plan Act Grant #3	442,188	(55,000)	0	387,188	450,000	450,000	62,812
American Rescue Plan Act Grant #4	2,265,332	(125,000)	121,766	2,262,098	2,770,000	2,770,000	507,902
Total Expenditures	\$ 4,336,514	\$ (599,617)	\$ 2,447,949	\$ 6,184,846	\$ 6,467,482	\$ 6,928,623	\$ 743,777
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,238,823)	\$ 599,617	\$ (2,447,949)	\$ (5,087,155)	\$ (6,224,982)	\$ (6,224,982)	\$ 1,137,827
Other Financing Sources (Uses)							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (112,500)	\$ (112,500)	\$ 112,500
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (112,500)	\$ (112,500)	\$ 112,500
Net Change in Fund Balance	\$ (3,238,823)	\$ 599,617	\$ (2,447,949)	\$ (5,087,155)	\$ (6,337,482)	\$ (6,337,482)	\$ 1,250,327
Fund Balance, July 1, 2023	6,884,364	(599,617)	0	6,284,747	6,424,356	6,424,356	(139,609)
Fund Balance, June 30, 2024	\$ 3,645,541	\$ 0	\$ (2,447,949)	\$ 1,197,592	\$ 86,874	\$ 86,874	\$ 1,110,718

HAWKINS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 907,817	\$ 866,826	\$ 866,826	\$ 40,991
Other Local Revenues	388,600	40,000	45,000	343,600
Total Revenues	<u>\$ 1,296,417</u>	<u>\$ 906,826</u>	<u>\$ 911,826</u>	<u>\$ 384,591</u>
Expenditures				
Principal on Debt				
General Government	\$ 971,419	\$ 971,419	\$ 971,419	\$ 0
Interest on Debt				
General Government	210,098	210,100	210,100	2
Other Debt Service				
General Government	20,690	19,900	24,900	4,210
Total Expenditures	<u>\$ 1,202,207</u>	<u>\$ 1,201,419</u>	<u>\$ 1,206,419</u>	<u>\$ 4,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 94,210</u>	<u>\$ (294,593)</u>	<u>\$ (294,593)</u>	<u>\$ 388,803</u>
Net Change in Fund Balance	\$ 94,210	\$ (294,593)	\$ (294,593)	\$ 388,803
Fund Balance, July 1, 2023	1,567,157	1,516,562	1,516,562	50,595
Fund Balance, June 30, 2024	<u>\$ 1,661,367</u>	<u>\$ 1,221,969</u>	<u>\$ 1,221,969</u>	<u>\$ 439,398</u>

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 366,295	\$ 345,000	\$ 345,000	\$ 21,295
Total Revenues	\$ 366,295	\$ 345,000	\$ 345,000	\$ 21,295
Expenditures				
Principal on Debt				
Highways and Streets	\$ 419,302	\$ 419,305	\$ 419,305	\$ 3
Interest on Debt				
Highways and Streets	43,264	43,270	43,270	6
Other Debt Service				
Highways and Streets	3,748	4,040	4,040	292
Total Expenditures	\$ 466,314	\$ 466,615	\$ 466,615	\$ 301
Excess (Deficiency) of Revenues Over Expenditures	\$ (100,019)	\$ (121,615)	\$ (121,615)	\$ 21,596
Net Change in Fund Balance	\$ (100,019)	\$ (121,615)	\$ (121,615)	\$ 21,596
Fund Balance, July 1, 2023	505,722	499,467	499,467	6,255
Fund Balance, June 30, 2024	\$ 405,703	\$ 377,852	\$ 377,852	\$ 27,851

HAWKINS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Capital Projects Fund
For the Year Ended June 30, 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	\$ 504,281	\$ 0	\$ 0	\$ 504,281	\$ 298,548	\$ 298,548	\$ 205,733
Federal Government	11,398	0	0	11,398	337,500	837,500	(826,102)
Total Revenues	\$ 515,679	\$ 0	\$ 0	\$ 515,679	\$ 636,048	\$ 1,136,048	\$ (620,369)
Expenditures							
Capital Projects							
General Administration Projects	\$ 51,977	\$ 0	\$ 0	\$ 51,977	\$ 0	\$ 55,000	\$ 3,023
Public Safety Projects	102,858	(46,900)	444,042	500,000	0	681,311	181,311
Public Health and Welfare Projects	17,149	0	20,201	37,350	450,000	450,000	412,650
Other General Government Projects	8,306	(2,512)	0	5,794	12,000	12,000	6,206
Capital Projects - Donated							
Capital Projects Donated to Other Entities	0	0	0	0	0	500,000	500,000
Total Expenditures	\$ 180,290	\$ (49,412)	\$ 464,243	\$ 595,121	\$ 462,000	\$ 1,698,311	\$ 1,103,190
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 335,389	\$ 49,412	\$ (464,243)	\$ (79,442)	\$ 174,048	\$ (562,263)	\$ 482,821
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,500	\$ 112,500	\$ (112,500)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 112,500	\$ 112,500	\$ (112,500)
Net Change in Fund Balance							
Fund Balance, July 1, 2023	\$ 1,816,396	(49,412)	0	1,766,984	1,527,283	1,527,283	239,701
Fund Balance, June 30, 2024	\$ 2,151,785	\$ 0	\$ (464,243)	\$ 1,687,542	\$ 1,813,831	\$ 1,077,520	\$ 610,022

MAJOR GOVERNMENTAL FUND

EDUCATION DEBT SERVICE FUND

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

HAWKINS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Education Debt Service Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 3,593,591	\$ 3,506,794	\$ 3,506,794	\$ 86,797
Other Local Revenues	2,572,674	288,000	313,000	2,259,674
Other Governments and Citizens Groups	685,307	688,933	688,933	(3,626)
Total Revenues	<u>\$ 6,851,572</u>	<u>\$ 4,483,727</u>	<u>\$ 4,508,727</u>	<u>\$ 2,342,845</u>
Expenditures				
Principal on Debt				
Education	\$ 2,956,622	\$ 2,956,625	\$ 2,956,625	\$ 3
Interest on Debt				
Education	1,293,085	1,296,017	1,296,017	2,932
Other Debt Service				
Education	93,439	85,200	110,200	16,761
Total Expenditures	<u>\$ 4,343,146</u>	<u>\$ 4,337,842</u>	<u>\$ 4,362,842</u>	<u>\$ 19,696</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,508,426</u>	<u>\$ 145,885</u>	<u>\$ 145,885</u>	<u>\$ 2,362,541</u>
Other Financing Sources (Uses)				
Transfers In	\$ 107,512	\$ 106,657	\$ 106,657	\$ 855
Total Other Financing Sources	<u>\$ 107,512</u>	<u>\$ 106,657</u>	<u>\$ 106,657</u>	<u>\$ 855</u>
Net Change in Fund Balance	\$ 2,615,938	\$ 252,542	\$ 252,542	\$ 2,363,396
Fund Balance, July 1, 2023	<u>10,265,238</u>	<u>9,929,594</u>	<u>9,929,594</u>	<u>335,644</u>
Fund Balance, June 30, 2024	<u><u>\$ 12,881,176</u></u>	<u><u>\$ 10,182,136</u></u>	<u><u>\$ 10,182,136</u></u>	<u><u>\$ 2,699,040</u></u>

CUSTODIAL FUNDS

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

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

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

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

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

	Custodial Funds				Total
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu - tional Officers - Custodial	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	2,632,129	\$ 2,632,129
Equity in Pooled Cash and Investments	0	61,131	54,893	0	116,024
Due from Other Governments	1,207,757	128,344	105,425	0	1,441,526
Property Taxes Receivable	0	595,149	488,872	0	1,084,021
Allowance for Uncollectible Property Taxes	0	(23,098)	(18,974)	0	(42,072)
Total Assets	\$ 1,207,757	\$ 761,526	\$ 630,216	\$ 2,632,129	\$ 5,231,628
LIABILITIES					
Due to Other Taxing Units	\$ 1,207,757	\$ 208,779	\$ 176,174	\$ 0	\$ 1,592,710
Total Liabilities	\$ 1,207,757	\$ 208,779	\$ 176,174	\$ 0	\$ 1,592,710
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 0	\$ 552,747	\$ 454,042	\$ 0	\$ 1,006,789
Total Deferred Inflows of Resources	\$ 0	\$ 552,747	\$ 454,042	\$ 0	\$ 1,006,789
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	2,632,129	\$ 2,632,129
Total Net Position	\$ 0	\$ 0	\$ 0	2,632,129	\$ 2,632,129

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

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu - tional Officers - Custodial	Total
Additions					
Sales Tax Collections for Other Governments	\$ 7,144,397	\$ 0	\$ 0	\$ 0	\$ 7,144,397
ADA - Educational Funds Collected for Cities	0	1,269,666	1,042,541	0	2,312,207
Fines/Fees and Other Collections	0	0	0	9,944,055	9,944,055
Total Additions	\$ 7,144,397	\$ 1,269,666	\$ 1,042,541	\$ 9,944,055	\$ 19,400,659
Deductions					
Payment of Sales Tax Collections for Other Governments	\$ 7,144,397	\$ 0	\$ 0	\$ 0	\$ 7,144,397
Payments to City School Systems	0	1,269,666	1,042,541	0	2,312,207
Payments to State	0	0	0	6,442,194	6,442,194
Payments to Individuals and Others	0	0	0	2,852,071	2,852,071
Total Deductions	\$ 7,144,397	\$ 1,269,666	\$ 1,042,541	\$ 9,294,265	\$ 18,750,869
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 649,790	\$ 649,790
Net Position July 1, 2023	0	0	0	1,982,339	1,982,339
Net Position June 30, 2024	\$ 0	\$ 0	\$ 0	\$ 2,632,129	\$ 2,632,129

HAWKINS COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

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

HAWKINS COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Hawkins 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	\$ 51,564,849	\$ 101,756	\$ 6,725,713	\$ 1,147,018	\$ (43,590,362)
Support Services	31,615,214	122,629	9,517,863	0	(21,974,722)
Operation of Non-instructional Services	8,011,044	730,533	7,919,647	0	639,136
Total Governmental Activities	\$ 91,191,107	\$ 954,918	\$ 24,163,223	\$ 1,147,018	\$ (64,925,948)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,200,459
Property Taxes Levied for Transportation					4,468,350
Property Taxes Levied for Education Capital Projects					1,501,312
Local Option Sales Taxes					7,829,638
Wheel Tax					335,910
Other Local Tax					4,785
Grants and Contributions Not Restricted for Specific Programs					51,272,803
Unrestricted Investment Income					164,270
Miscellaneous					261,378
Total General Revenues					\$ 71,038,905
Change in Net Position					\$ 6,112,957
Net Position, July 1, 2023					75,253,839
Net Position, June 30, 2024					\$ 81,366,796

HAWKINS COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Hawkins County School Department

June 30, 2024

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
ASSETS					
Cash	\$ 0	\$ 0	\$ 949	\$ 0	\$ 0
Equity in Pooled Cash and Investments	11,177,438	131,271	4,476,737	1,415,698	3,474,530
Accounts Receivable	138,131	0	17,767	4,921	0
Due from Other Governments	3,575,809	4,264,668	150,690	0	0
Due from Other Funds	1,381	37,640	0	100	0
Property Taxes Receivable	6,195,495	0	0	4,450,049	1,200,862
Allowance for Uncollectible Property Taxes	(240,455)	0	0	(138,032)	(29,871)
Restricted Assets	1,225,023	0	0	0	0
Leases Receivable - Long-term	349,566	0	0	0	0
Total Assets	\$ 22,422,388	\$ 4,433,579	\$ 4,646,143	\$ 5,732,736	\$ 4,645,521
LIABILITIES					
Accounts Payable	\$ 219,003	\$ 1,246,881	\$ 1,198	\$ 934	\$ 0
Accrued Payroll	14,499	0	0	2,673	0
Contracts Payable	8,000	1,686,298	0	0	0
Due to Other Funds	37,640	100	0	1,381	0
Other Current Liabilities	3,179,600	0	0	0	0
Total Liabilities	\$ 3,458,742	\$ 2,933,279	\$ 1,198	\$ 4,988	\$ 0
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 5,754,091	\$ 0	\$ 0	\$ 4,222,790	\$ 1,158,636
Deferred Delinquent Property Taxes	188,495	0	0	83,697	11,589
Deferred Leases Receivable	349,566	0	0	0	0

(Continued)

HAWKINS COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Hawkins County School Department (Cont.)

DEFERRED INFLOWS OF RESOURCES (Cont.)

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
Other Deferred/Unavailable Revenue	\$ 673,614	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 6,965,766</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,306,487</u>	<u>\$ 1,170,225</u>

FUND BALANCES

Restricted:					
Restricted for Education	\$ 74,969	\$ 300	\$ 4,644,945	\$ 1,123,176	\$ 0
Restricted for Capital Projects	0	0	0	0	1,530,806
Restricted for Hybrid Retirement Stabilization Funds	1,225,023	0	0	0	0
Committed:					
Committed for Education	0	1,500,000	0	298,085	0
Committed for Capital Projects	0	0	0	0	1,944,490
Assigned:					
Assigned for Education	5,009,552	0	0	0	0
Assigned for Capital Projects	415,239	0	0	0	0
Unassigned	5,273,097	0	0	0	0
Total Fund Balances	<u>\$ 11,997,880</u>	<u>\$ 1,500,300</u>	<u>\$ 4,644,945</u>	<u>\$ 1,421,261</u>	<u>\$ 3,475,296</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,422,388</u>	<u>\$ 4,433,579</u>	<u>\$ 4,646,143</u>	<u>\$ 5,732,736</u>	<u>\$ 4,645,521</u>

(Continued)

HAWKINS COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Hawkins County School Department (Cont.)

	Nonmajor Fund	
	Internal School	Total Governmental Funds
ASSETS		
Cash	\$ 1,887,471	\$ 1,888,420
Equity in Pooled Cash and Investments	0	20,675,674
Accounts Receivable	3,336	164,155
Due from Other Governments	0	7,991,167
Due from Other Funds	0	39,121
Property Taxes Receivable	0	11,846,406
Allowance for Uncollectible Property Taxes	0	(408,358)
Restricted Assets	0	1,225,023
Leases Receivable - Long-term	0	349,566
	<hr/>	<hr/>
Total Assets	<u>\$ 1,890,807</u>	<u>\$ 43,771,174</u>
LIABILITIES		
Accounts Payable	\$ 0	\$ 1,468,016
Accrued Payroll	0	17,172
Contracts Payable	0	1,694,298
Due to Other Funds	0	39,121
Other Current Liabilities	0	3,179,600
Total Liabilities	<u>\$ 0</u>	<u>\$ 6,398,207</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 0	\$ 11,135,517
Deferred Delinquent Property Taxes	0	283,781
Deferred Leases Receivable	0	349,566

(Continued)

HAWKINS COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Hawkins County School Department (Cont.)

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

Nonmajor Fund	Total Governmental Funds
Internal School	Governmental Funds
\$ 0	\$ 673,614
<u>\$ 0</u>	<u>\$ 12,442,478</u>

FUND BALANCES

Restricted:
 Restricted for Education
 Restricted for Capital Projects
 Restricted for Hybrid Retirement Stabilization Funds
 Committed:
 Committed for Education
 Committed for Capital Projects
 Assigned:
 Assigned for Education
 Assigned for Capital Projects
 Unassigned
 Total Fund Balances

\$ 1,890,807	\$ 7,734,197
0	1,530,806
0	1,225,023
0	1,798,085
0	1,944,490
0	5,009,552
0	415,239
0	5,273,097
<u>\$ 1,890,807</u>	<u>\$ 24,930,489</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 1,890,807 \$ 43,771,174

HAWKINS COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
 Discretely Presented Hawkins County School Department
June 30, 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)		\$ 24,930,489
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,565,973	
Add: construction in progress	6,215,994	
Add: building and improvements net of accumulated depreciation	42,612,785	
Add: other capital assets net of accumulated depreciation	3,119,960	
Add: intangible right-to-use assets net of accumulated amortization	<u>249,054</u>	53,763,766
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: leases payable	\$ (251,707)	
Less: compensated absences payable	(1,919,263)	
Less: termination benefits payable	(660,263)	
Less: retirement honorarium payable	(43,060)	
Less: OPEB liability	<u>(14,026,749)</u>	(16,901,042)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		957,395
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 10,256,045	
Less: deferred inflows of resources related to pensions	(732,185)	
Add: deferred outflows of resources related to OPEB	4,284,857	
Less: deferred inflows of resources related to OPEB	<u>(4,254,066)</u>	9,554,651
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan - legacy	\$ 623,677	
Add: net pension asset - agent plan - hybrid	60,860	
Add: net pension asset - teacher retirement plan	236,468	
Add: net pension asset - teacher legacy pension plan	<u>8,140,532</u>	<u>9,061,537</u>
Net position of governmental activities (Exhibit A)		<u>\$ 81,366,796</u>

HAWKINS COUNTY, TENNESSEE

**Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds**

Discretely Presented Hawkins County School Department

For the Year Ended June 30, 2024

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
Revenues					
Local Taxes	\$ 13,238,045	\$ 0	\$ 0	\$ 4,621,443	\$ 1,506,739
Licenses and Permits	3,916	0	0	0	0
Charges for Current Services	60,326	0	678,278	69,620	0
Other Local Revenues	541,808	0	164,368	88,808	0
State of Tennessee	52,070,610	0	31,979	0	0
Federal Government	787,164	14,986,588	4,178,991	0	0
Other Governments and Citizens Groups	1,237,940	0	0	0	0
Total Revenues	\$ 67,939,809	\$ 14,986,588	\$ 5,053,616	\$ 4,779,871	\$ 1,506,739
Expenditures					
Current:					
Instruction	\$ 40,237,914	\$ 6,399,184	\$ 0	\$ 0	\$ 0
Support Services	23,357,179	3,346,575	0	4,067,435	0
Operation of Non-Instructional Services	509,965	44,995	4,925,077	0	0
Capital Outlay	144,798	5,124,565	0	0	0
Debt Service:					
Other Debt Service	685,307	0	0	0	0
Capital Projects	0	0	0	0	602,685
Total Expenditures	\$ 64,935,163	\$ 14,915,319	\$ 4,925,077	\$ 4,067,435	\$ 602,685
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,004,646	\$ 71,269	\$ 128,539	\$ 712,436	\$ 904,054

(Continued)

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

Discretely Presented Hawkins County School Department (Cont.)

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
Other Financing Sources (Uses)					
Leases Issued	\$ 179,366	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	82,305	0	0	173,967	0
Transfers In	0	500,000	11,697	0	0
Transfers Out	(511,697)	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (250,026)</u>	<u>\$ 500,000</u>	<u>\$ 11,697</u>	<u>\$ 173,967</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 2,754,620	\$ 571,269	\$ 140,236	\$ 886,403	\$ 904,054
Fund Balance, July 1, 2023	<u>9,243,260</u>	<u>929,031</u>	<u>4,504,709</u>	<u>534,858</u>	<u>2,571,242</u>
Fund Balance, June 30, 2024	<u>\$ 11,997,880</u>	<u>\$ 1,500,300</u>	<u>\$ 4,644,945</u>	<u>\$ 1,421,261</u>	<u>\$ 3,475,296</u>

(Continued)

HAWKINS COUNTY, TENNESSEE

**Statement of Revenues, Expenditures,
and Changes in Fund Balances -**

Governmental Funds

Discretely Presented Hawkins County School Department (Cont.)

	<u>Nonmajor Fund</u>	Total Governmental Funds
	Internal School	
Revenues		
Local Taxes	\$ 0	\$ 19,366,227
Licenses and Permits	0	3,916
Charges for Current Services	0	808,224
Other Local Revenues	2,869,680	3,664,664
State of Tennessee	0	52,102,589
Federal Government	0	19,952,743
Other Governments and Citizens Groups	0	1,237,940
Total Revenues	<u>\$ 2,869,680</u>	<u>\$ 97,136,303</u>
Expenditures		
Current:		
Instruction	\$ 0	\$ 46,637,098
Support Services	0	30,771,189
Operation of Non-Instructional Services	2,703,726	8,183,763
Capital Outlay	0	5,269,363
Debt Service:		
Other Debt Service	0	685,307
Capital Projects	0	602,685
Total Expenditures	<u>\$ 2,703,726</u>	<u>\$ 92,149,405</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 165,954</u>	<u>\$ 4,986,898</u>

(Continued)

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

Discretely Presented Hawkins County School Department (Cont.)

	<u>Nonmajor Fund</u>	
	Internal School	Total Governmental Funds
Other Financing Sources (Uses)		
Leases Issued	\$ 0	\$ 179,366
Insurance Recovery	0	256,272
Transfers In	0	511,697
Transfers Out	0	(511,697)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 435,638</u>
Net Change in Fund Balances	\$ 165,954	\$ 5,422,536
Fund Balance, July 1, 2023	<u>1,724,853</u>	<u>19,507,953</u>
Fund Balance, June 30, 2024	<u>\$ 1,890,807</u>	<u>\$ 24,930,489</u>

HAWKINS COUNTY, TENNESSEE

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

Discretely Presented Hawkins County School Department

For the Year Ended June 30, 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)		\$ 5,422,536
(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	\$ 6,131,007	
Add: right-to-use lease assets acquired in the current period	179,366	
Less: current-year depreciation expense	(4,223,860)	
Less: current-year amortization expense	<u>(63,915)</u>	2,022,598
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of assets disposed		(3,472)
(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	\$ 957,395	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(1,001,990)</u>	(44,595)
(4) The issuance of lease obligations provides current financial resources to governmental funds, while the payment of principal of leases consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of lease obligations.		
Less: leases issued	\$ (179,366)	
Add: principal payments on lease obligations	<u>59,942</u>	(119,424)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (60,543)	
Change in termination benefits payable	(152,122)	
Change in retirement honorarium payable	2,153	
Change in OPEB liability	(294,556)	
Change in net pension asset/liability	(499,753)	
Change in deferred outflows related to pensions	(1,530,111)	
Change in deferred inflows related to pensions	1,121,306	
Change in deferred outflows related to OPEB	(78,246)	
Change in deferred inflows related to OPEB	<u>327,186</u>	<u>(1,164,686)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,112,957</u>

HAWKINS COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Hawkins County School Department
General Purpose School Fund
For the Year Ended June 30, 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	\$ 13,238,045	\$ 0	\$ 0	\$ 13,238,045	\$ 10,929,441	\$ 10,929,441	\$ 2,308,604
Licenses and Permits	3,916	0	0	3,916	4,000	4,000	(84)
Charges for Current Services	60,326	0	0	60,326	85,000	85,000	(24,674)
Other Local Revenues	541,808	0	0	541,808	732,560	1,214,094	(672,286)
State of Tennessee	52,070,610	0	0	52,070,610	53,557,358	55,613,221	(3,542,611)
Federal Government	787,164	0	0	787,164	130,000	1,559,622	(772,458)
Other Governments and Citizens Groups	1,237,940	0	0	1,237,940	0	1,333,916	(95,976)
Total Revenues	\$ 67,939,809	\$ 0	\$ 0	\$ 67,939,809	\$ 65,438,359	\$ 70,739,294	\$ (2,799,485)
Expenditures							
Instruction							
Regular Instruction Program	\$ 32,568,294	\$ 0	\$ 0	\$ 32,568,294	\$ 31,480,684	\$ 33,720,132	\$ 1,151,838
Alternative Instruction Program	341,844	0	0	341,844	397,721	398,254	56,410
Special Education Program	4,593,773	0	0	4,593,773	5,166,016	5,256,496	662,723
Career and Technical Education Program	2,734,003	0	0	2,734,003	5,365,813	5,360,858	2,626,855
Support Services							
Attendance	333,936	0	0	333,936	344,108	344,108	10,172
Health Services	1,248,335	0	0	1,248,335	1,237,252	1,284,468	36,133
Other Student Support	2,928,024	(12,000)	0	2,916,024	2,985,712	3,097,005	180,981
Regular Instruction Program	2,322,650	0	0	2,322,650	1,999,795	2,519,323	196,673
Special Education Program	652,334	0	0	652,334	719,414	720,394	68,060
Career and Technical Education Program	207,153	0	0	207,153	214,038	318,076	110,923
Technology	1,284,575	(4,092)	207,188	1,487,671	1,378,680	2,146,519	658,848
Other Programs	391,781	0	0	391,781	0	391,781	0
Board of Education	1,786,635	(29,500)	29,500	1,786,635	1,850,740	1,857,240	70,605
Director of Schools	429,232	(4,800)	3,720	428,152	453,975	456,575	28,423

(Continued)

HAWKINS COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	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.)							
Office of the Principal	\$ 4,247,091	\$ 0	\$ 0	\$ 4,247,091	\$ 4,331,408	\$ 4,391,739	\$ 144,648
Fiscal Services	479,952	0	62	480,014	499,995	500,666	20,652
Human Services/Personnel	187,661	0	0	187,661	187,301	195,947	8,286
Operation of Plant	4,288,411	(28,662)	8,656	4,268,405	5,080,177	5,010,916	742,511
Maintenance of Plant	2,388,886	0	39,913	2,428,799	1,970,870	2,822,899	394,100
Transportation	180,523	0	9,612	190,135	42,662	231,882	41,747
Operation of Non-Instructional Services							
Food Service	19,358	0	0	19,358	0	21,174	1,816
Community Services	94,739	0	0	94,739	102,499	114,399	19,660
Early Childhood Education	395,868	0	0	395,868	397,453	397,453	1,585
Capital Outlay							
Regular Capital Outlay	144,798	0	452,820	597,618	882,100	1,423,832	826,214
Other Debt Service							
Education	685,307	0	0	685,307	726,933	726,933	41,626
Total Expenditures	\$ 64,935,163	\$ (79,054)	\$ 751,471	\$ 65,607,580	\$ 67,815,346	\$ 73,709,069	\$ 8,101,489
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,004,646	\$ 79,054	\$ (751,471)	\$ 2,332,229	\$ (2,376,987)	\$ (2,969,775)	\$ 5,302,004
Other Financing Sources (Uses)							
Leases Issued	\$ 179,366	\$ 0	\$ 0	\$ 179,366	\$ 0	\$ 179,366	\$ 0
Insurance Recovery	82,305	0	0	82,305	0	79,810	2,495
Transfers Out	(511,697)	0	0	(511,697)	0	(511,738)	41
Total Other Financing Sources	\$ (250,026)	\$ 0	\$ 0	\$ (250,026)	\$ 0	\$ (252,562)	\$ 2,536
Net Change in Fund Balance	\$ 2,754,620	\$ 79,054	\$ (751,471)	\$ 2,082,203	\$ (2,376,987)	\$ (3,222,337)	\$ 5,304,540
Fund Balance, July 1, 2023	9,243,260	(79,054)	0	9,164,206	8,251,604	8,251,604	912,602
Fund Balance, June 30, 2024	\$ 11,997,880	\$ 0	\$ (751,471)	\$ 11,246,409	\$ 5,874,617	\$ 5,029,267	\$ 6,217,142

HAWKINS COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Hawkins County School Department
School Federal Projects Fund
For the Year Ended June 30, 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	\$ 14,986,588	\$ 0	\$ 0	\$ 14,986,588	\$ 4,682,465	\$ 19,689,437	\$ (4,702,849)
Total Revenues	\$ 14,986,588	\$ 0	\$ 0	\$ 14,986,588	\$ 4,682,465	\$ 19,689,437	\$ (4,702,849)
Expenditures							
Instruction							
Regular Instruction Program	\$ 4,512,362	\$ 0	\$ 0	\$ 4,512,362	\$ 1,021,254	\$ 5,138,663	\$ 626,301
Special Education Program	1,721,337	(3,460)	0	1,717,877	1,534,789	2,279,856	561,979
Career and Technical Education Program	165,485	0	0	165,485	110,713	188,343	22,858
Support Services							
Attendance	38,781	0	0	38,781	0	39,455	674
Health Services	25,860	0	0	25,860	9,000	26,761	901
Other Student Support	550,728	0	0	550,728	469,734	1,285,616	734,888
Regular Instruction Program	1,927,004	(71,250)	300	1,856,054	1,086,047	2,904,463	1,048,409
Special Education Program	494,455	(1,745)	0	492,710	323,578	731,630	238,920
Career and Technical Education Program	3,532	0	0	3,532	5,450	3,538	6
Technology	203,022	0	0	203,022	0	205,183	2,161
Operation of Plant	70,857	0	0	70,857	116,800	93,000	22,143
Transportation	32,336	0	0	32,336	5,100	136,457	104,121
Operation of Non-Instructional Services							
Community Services	44,995	0	0	44,995	0	50,000	5,005
Capital Outlay							
Regular Capital Outlay	5,124,565	(4,233,258)	1,490,263	2,381,570	0	6,606,472	4,224,902
Total Expenditures	\$ 14,915,319	\$ (4,309,713)	\$ 1,490,563	\$ 12,096,169	\$ 4,682,465	\$ 19,689,437	\$ 7,593,268
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 71,269	\$ 4,309,713	\$ (1,490,563)	\$ 2,890,419	\$ 0	\$ 0	\$ 2,890,419

(Continued)

HAWKINS COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Transfers In	\$ 500,000	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Total Other Financing Sources	\$ 500,000	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Net Change in Fund Balance	\$ 571,269	\$ 4,309,713	\$ (1,490,563)	\$ 3,390,419	\$ 0	\$ 0	\$ 3,390,419
Fund Balance, July 1, 2023	929,031	(4,309,713)	0	(3,380,682)	1,000,000	1,000,000	(4,380,682)
Fund Balance, June 30, 2024	\$ 1,500,300	\$ 0	\$ (1,490,563)	\$ 9,737	\$ 1,000,000	\$ 1,000,000	\$ (990,263)

Exhibit I-8

HAWKINS COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Hawkins County School Department
Central Cafeteria Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 678,278	\$ 0	\$ 678,278	\$ 980,000	\$ 980,000	\$ (301,722)
Other Local Revenues	164,368	0	164,368	5,000	5,000	159,368
State of Tennessee	31,979	0	31,979	34,000	34,000	(2,021)
Federal Government	4,178,991	0	4,178,991	4,074,627	4,074,627	104,364
Total Revenues	\$ 5,053,616	\$ 0	\$ 5,053,616	\$ 5,093,627	\$ 5,093,627	\$ (40,011)
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 4,925,077	\$ (15,368)	\$ 4,909,709	\$ 5,473,202	\$ 5,473,202	\$ 563,493
Total Expenditures	\$ 4,925,077	\$ (15,368)	\$ 4,909,709	\$ 5,473,202	\$ 5,473,202	\$ 563,493
Excess (Deficiency) of Revenues Over Expenditures						
	\$ 128,539	\$ 15,368	\$ 143,907	\$ (379,575)	\$ (379,575)	\$ 523,482
Other Financing Sources (Uses)						
Transfers In	\$ 11,697	\$ 0	\$ 11,697	\$ 0	\$ 0	\$ 11,697
Total Other Financing Sources	\$ 11,697	\$ 0	\$ 11,697	\$ 0	\$ 0	\$ 11,697
Net Change in Fund Balance						
Fund Balance, July 1, 2023	\$ 140,236	\$ 15,368	\$ 155,604	\$ (379,575)	\$ (379,575)	\$ 535,179
	4,504,709	(15,368)	4,489,341	4,419,822	4,419,822	69,519
Fund Balance, June 30, 2024	\$ 4,644,945	\$ 0	\$ 4,644,945	\$ 4,040,247	\$ 4,040,247	\$ 604,698

Exhibit I-9

HAWKINS COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Hawkins County School Department
School 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	\$ 4,621,443	\$ 0	\$ 0	\$ 4,621,443	\$ 4,496,252	\$ 4,496,252	\$ 125,191
Charges for Current Services	69,620	0	0	69,620	30,000	30,000	39,620
Other Local Revenues	88,808	0	0	88,808	10,000	10,000	78,808
State of Tennessee	0	0	0	0	0	2,259	(2,259)
Total Revenues	<u>\$ 4,779,871</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,779,871</u>	<u>\$ 4,536,252</u>	<u>\$ 4,538,511</u>	<u>\$ 241,360</u>
Expenditures							
Support Services							
Board of Education	\$ 89,690	\$ 0	\$ 0	\$ 89,690	\$ 80,000	\$ 96,000	\$ 6,310
Transportation	3,977,745	(254,455)	516,723	4,240,013	4,456,117	4,616,342	376,329
Total Expenditures	<u>\$ 4,067,435</u>	<u>\$ (254,455)</u>	<u>\$ 516,723</u>	<u>\$ 4,329,703</u>	<u>\$ 4,536,117</u>	<u>\$ 4,712,342</u>	<u>\$ 382,639</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 712,436</u>	<u>\$ 254,455</u>	<u>\$ (516,723)</u>	<u>\$ 450,168</u>	<u>\$ 135</u>	<u>\$ (173,831)</u>	<u>\$ 623,999</u>
Other Financing Sources (Uses)							
Insurance Recovery	\$ 173,967	\$ 0	\$ 0	\$ 173,967	\$ 0	\$ 173,967	\$ 0
Total Other Financing Sources	<u>\$ 173,967</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 173,967</u>	<u>\$ 0</u>	<u>\$ 173,967</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 886,403	\$ 254,455	\$ (516,723)	\$ 624,135	\$ 135	\$ 136	\$ 623,999
Fund Balance, July 1, 2023	534,858	(254,455)	0	280,403	197,353	197,353	83,050
Fund Balance, June 30, 2024	<u>\$ 1,421,261</u>	<u>\$ 0</u>	<u>\$ (516,723)</u>	<u>\$ 904,538</u>	<u>\$ 197,488</u>	<u>\$ 197,489</u>	<u>\$ 707,049</u>

HAWKINS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Hawkins County School Department
 Education Capital Projects Fund
For the Year Ended June 30, 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	\$ 1,506,739	\$ 0	\$ 0	\$ 1,506,739	\$ 1,514,237	\$ 1,514,237	\$ (7,498)
Total Revenues	\$ 1,506,739	\$ 0	\$ 0	\$ 1,506,739	\$ 1,514,237	\$ 1,514,237	\$ (7,498)
Expenditures							
Capital Projects							
Education Capital Projects	\$ 602,685	\$ (562,892)	\$ 1,404,810	\$ 1,444,603	\$ 3,444,147	\$ 3,444,147	\$ 1,999,544
Total Expenditures	\$ 602,685	\$ (562,892)	\$ 1,404,810	\$ 1,444,603	\$ 3,444,147	\$ 3,444,147	\$ 1,999,544
Excess (Deficiency) of Revenues Over Expenditures	\$ 904,054	\$ 562,892	\$ (1,404,810)	\$ 62,136	\$ (1,929,910)	\$ (1,929,910)	\$ 1,992,046
Net Change in Fund Balance	\$ 904,054	\$ 562,892	\$ (1,404,810)	\$ 62,136	\$ (1,929,910)	\$ (1,929,910)	\$ 1,992,046
Fund Balance, July 1, 2023	2,571,242	(562,892)	0	2,008,350	1,984,529	1,984,529	23,821
Fund Balance, June 30, 2024	\$ 3,475,296	\$ 0	\$ (1,404,810)	\$ 2,070,486	\$ 54,619	\$ 54,619	\$ 2,015,867

MISCELLANEOUS SCHEDULES

HAWKINS COUNTY, TENNESSEE
Schedule of Changes in Long-term 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	Paid and/or Matured During Period	Outstanding 6-30-24
OTHER LOANS PAYABLE							
Payable through Education Debt Service Fund							
Qualified School Construction Bonds	\$ 2,640,000	1.51 %	12-17-09	7-1-26	\$ 525,943	\$ 164,732	\$ 361,211
Qualified School Construction Bonds	2,333,000	0	10-1-10	9-15-27	610,357	145,575	464,782
Energy Efficient Schools Initiative	158,556	0.75	6-28-16	7-1-28	68,892	13,356	55,536
Energy Efficient Schools Initiative	266,859	0.75	9-16-16	12-1-27	122,559	26,880	95,679
Energy Efficient Schools Initiative	4,985,333	0.5	4-15-21	4-1-38	4,635,143	301,800	4,333,343
Total Other Loans Payable					<u>\$ 5,962,894</u>	<u>\$ 652,343</u>	<u>\$ 5,310,551</u>
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding Bonds, Series 2016	1,660,204	2	5-26-16	6-1-25	\$ 1,060,000	\$ 525,000	\$ 535,000
General Obligation Refunding Bonds, Series 2019	1,555,476	5	6-28-19	6-1-25	72,958	31,419	41,539
General Obligation Refunding Bonds, Series 2021B	8,440,000	2 to 3	4-30-21	3-1-36	7,610,000	415,000	7,195,000
Total Payable through General Debt Service Fund					<u>\$ 8,742,958</u>	<u>\$ 971,419</u>	<u>\$ 7,771,539</u>
Payable through Special Debt Service Fund							
General Obligation Refunding Bonds, Series 2019	2,345,911	5	6-28-19	6-1-25	\$ 865,283	\$ 419,302	\$ 445,981
Total Payable through Special Debt Service Fund					<u>\$ 865,283</u>	<u>\$ 419,302</u>	<u>\$ 445,981</u>
Payable through Education Debt Service Fund							
General Obligation Refunding Bonds, Series 2016	7,416,149	2 to 2.5	5-26-16	6-30-33	\$ 4,695,000	\$ 440,000	\$ 4,255,000
General Obligation Refunding Bonds, Series 2019	17,468,613	3 to 5	6-28-19	6-1-38	16,696,759	209,279	16,487,480
General Obligation Refunding Bonds, Series 2021A	13,925,000	2 to 3	3-31-21	3-1-35	12,000,000	1,000,000	11,000,000
General Obligation Refunding Bonds, Series 2021C	8,715,000	2 to 3	5-28-21	6-1-36	7,185,000	655,000	6,530,000
Total Payable through Education Debt Service Fund					<u>\$ 40,576,759</u>	<u>\$ 2,304,279</u>	<u>\$ 38,272,480</u>
Total Bonds Payable					<u>\$ 50,185,000</u>	<u>\$ 3,695,000</u>	<u>\$ 46,490,000</u>

Exhibit J-2

HAWKINS COUNTY, TENNESSEE
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 654,155	\$ 174,928	\$ 829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028	346,887	27,488	374,375
2029	312,837	14,724	327,561
2030	310,980	13,164	324,144
2031	312,540	11,604	324,144
2032	314,112	10,032	324,144
2033	315,684	8,460	324,144
2034	317,268	6,876	324,144
2035	318,852	5,292	324,144
2036	320,448	3,696	324,144
2037	322,056	2,088	324,144
2038	269,593	507	270,100
Total	\$ 5,310,551	\$ 586,568	\$ 5,897,119

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 3,735,000	\$ 1,258,237	\$ 4,993,237
2026	2,945,000	1,141,688	4,086,688
2027	2,950,000	1,053,137	4,003,137
2028	2,980,000	966,588	3,946,588
2029	2,980,000	879,237	3,859,237
2030	3,070,000	791,738	3,861,738
2031	3,085,000	712,912	3,797,912
2032	3,585,000	646,875	4,231,875
2033	3,985,000	564,725	4,549,725
2034	4,170,000	470,300	4,640,300
2035	3,635,000	367,850	4,002,850
2036	2,775,000	274,950	3,049,950
2037	3,250,000	197,850	3,447,850
2038	3,345,000	100,350	3,445,350
Total	\$ 46,490,000	\$ 9,426,437	\$ 55,916,437

Exhibit J-3

HAWKINS COUNTY, TENNESSEE

Schedule of Changes in Leases Obligations

Discretely Presented Hawkins County School Department

For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
DISCRETELY PRESENTED HAWKINS COUNTY SCHOOL DEPARTMENT									
Payable through General Purpose School Fund									
Enterprise 2021 GMC Van	\$ 28,986	2.27	%	3-1-21	3-1-26	\$ 15,837	\$ 0	\$ 5,680	\$ 10,157
Enterprise 2020 RAM 2500	41,211	2.27		3-1-21	3-1-26	21,572	0	7,790	13,782
Enterprise 2022 Silverado	34,398	2.27		8-1-22	8-1-27	28,147	0	6,559	21,588
Enterprise 2022 Colorado	30,146	2.27		10-1-22	10-1-27	25,694	0	5,734	19,960
Enterprise 2021 Silverado	47,738	2.27		11-1-22	11-1-27	41,033	0	9,026	32,007
Enterprise 2023 Transit	34,413	6.5		8-1-23	7-1-28	0	34,413	5,874	28,539
Enterprise 2023 Savana	34,130	6.5		7-1-23	6-1-28	0	34,130	6,189	27,941
Enterprise 2021 Transit	32,276	6.5		11-1-23	10-1-28	0	32,276	3,927	28,349
Enterprise 2024 Silverado	44,198	6.5		2-1-24	1-1-29	0	44,198	3,353	40,845
Enterprise 2023 Transit	34,349	6.5		8-1-23	7-1-28	0	34,349	5,810	28,539
Total Leases Payable						\$ 132,283	\$ 179,366	\$ 59,942	\$ 251,707

Exhibit J-4

HAWKINS COUNTY, TENNESSEE
Schedule of Lease Requirements by Year

Year Ending June 30	Leases		
	Principal	Interest	Total
2025	\$ 67,835	\$ 10,919	\$ 78,754
2026	66,876	7,950	74,826
2027	59,532	5,042	64,574
2028	46,189	2,180	48,369
2029	11,275	198	11,473
Total	\$ 251,707	\$ 26,289	\$ 277,996

HAWKINS COUNTY, TENNESSEE

Schedule of Leases Receivable

Discretely Presented Hawkins 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 HAWKINS COUNTY SCHOOL DEPARTMENT									
General Purpose School Fund									
Solar Facilities	Distributed Solar Holdings LLC	\$ 715,563	1-31-13	8-1-33	2.27 %		\$ 383,157	\$ 33,591	\$ 349,566
Total Leases Receivable							<u>\$ 383,157</u>	<u>\$ 33,591</u>	<u>\$ 349,566</u>

HAWKINS COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Hawkins County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Education Debt Service	Transfer QSCB rebate	\$ 107,512
Total Transfers Primary Government			<u>\$ 107,512</u>
DISCRETELY PRESENTED HAWKINS COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Operations	\$ 500,000
"	Central Cafeteria	"	<u>11,697</u>
Total Transfers Discretely Presented Hawkins County School Department			<u>\$ 511,697</u>

HAWKINS COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Hawkins County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 121,008</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 112,246</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 126,667			
Travel allowance	7,200			
Chief executive officer training supplement	1,000			
Total compensation	<u>\$ 134,867</u>			
Trustee		Section 8-24-102, <i>TCA</i>	2,627,843	Liberty Mutual Insurance Company
Base salary/Total compensation	<u>\$ 102,042</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 102,042</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 102,042</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 102,042</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 102,042			
Special commissioner fees	49,076			
Total compensation	<u>\$ 151,118</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 102,042</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 112,246			
Superintendent of workhouse	3,000			
Law enforcement training supplement	800			
Total compensation	<u>\$ 116,046</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			500,000	Tennessee Risk Management Trust

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

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 11,349,283	\$ 0	\$ 0	\$ 0	\$ 0	1,552,483
Trustee's Collections - Prior Year	272,075	0	0	0	0	33,874
Trustee's Collections - Bankruptcy	275	0	0	0	0	36
Circuit Clerk/Clerk and Master Collections - Prior Years	197,360	0	0	0	0	28,542
Interest and Penalty	59,533	0	0	0	0	7,672
Pickup Taxes	4,872	0	0	0	0	653
Payments in-Lieu-of Taxes - T.V.A.	1,827	0	0	0	0	247
Payments in-Lieu-of Taxes - Other	23,144	0	0	0	0	3,127
County Local Option Taxes						
Local Option Sales Tax	0	1,800,000	0	0	0	0
Wheel Tax	2,632,548	0	0	0	0	0
Litigation Tax - General	91,989	0	0	0	0	0
Litigation Tax - Special Purpose	56,323	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	92,523	0	0	0	0	0
Business Tax	0	535,220	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	66,059
Statutory Local Taxes						
Bank Excise Tax	32,363	0	0	0	0	4,010
Wholesale Beer Tax	77,804	0	0	0	0	0
Total Local Taxes	\$ 14,891,919	\$ 2,335,220	\$ 0	\$ 0	\$ 0	1,696,703
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 0	\$ 152,798	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Licenses and Permits (Cont.)						
Permits						
Beer Permits	\$ 1,591	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Permits	950	0	0	0	0	0
Total Licenses and Permits	\$ 2,541	\$ 152,798	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 7,157	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,241	0	0	0	0	0
Drug Control Fines	10,318	0	758	0	0	0
Drug Court Fees	632	0	0	0	0	0
DUI Treatment Fines	1,140	0	0	0	0	0
Data Entry Fee - Circuit Court	1,364	0	0	0	0	0
Courtroom Security Fee	327	0	0	0	0	0
Criminal Court						
Jail Fees	1,331	0	0	0	0	0
General Sessions Court						
Fines	30,989	0	0	0	0	0
Officers Costs	35,836	0	0	0	0	0
Game and Fish Fines	124	0	0	0	0	0
Drug Control Fines	1,292	0	12,134	0	0	0
Drug Court Fees	5,644	0	0	0	0	0
Jail Fees	44,600	0	0	0	0	0
DUI Treatment Fines	10,359	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,617	0	0	0	0	0
Courtroom Security Fee	49	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 6,920	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	9,797	0	0	0	0	0
Jail Fees	1,100	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,344	0	0	0	0	0
Courtroom Security Fee	179	0	0	0	0	0
Chancery Court						
Officers Costs	519	0	0	0	0	0
Data Entry Fee - Chancery Court	9,688	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	1,000	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 198,567	\$ 0	\$ 13,892	\$ 0	\$ 0	0
Charges for Current Services						
General Service Charges						
Surcharge - Waste Tire Disposal	\$ 0	\$ 3,224	\$ 0	\$ 0	\$ 0	0
Patient Charges	21,675	0	0	0	0	0
Work Release Charges for Board	20,954	0	0	0	0	0
Fees						
Recreation Fees	1,700	0	0	0	0	0
Copy Fees	3,621	0	0	0	0	0
Greenbelt Late Application Fee	250	0	0	0	0	0
Telephone Commissions	174,689	0	0	0	0	0
Vending Machine Collections	182	0	0	0	0	0
Additional Fees - Titling and Registration	46,040	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	381	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,076	\$ 0
Data Processing Fee - Register	14,762	0	0	0	0	0
Data Processing Fee - Sheriff	2,528	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,000	0	0	0	0	0
Data Processing Fee - County Clerk	5,121	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	1,250	0	0	0	0	0
Vehicle Registration Reinstatement Fees	3,665	0	0	0	0	0
Total Charges for Current Services	\$ 305,437	\$ 3,224	\$ 0	\$ 0	\$ 49,457	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 319,176	\$ 0	\$ 0
Lease/Rentals/PPP	8,092	0	0	0	0	0
Commissary Sales	23,964	0	0	0	0	0
Sale of Gasoline	39,424	0	0	0	0	0
Sale of Maps	33	0	0	0	0	0
Sale of Recycled Materials	0	88,560	210	0	0	4,092
Miscellaneous Refunds	8,979	0	0	0	0	557
Nonrecurring Items						
Sale of Equipment	0	0	49	0	0	0
Sale of Property	74,098	0	0	0	0	0
Damages Recovered from Individuals	100,000	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	5,166	0	0	0	0	0
Total Other Local Revenues	\$ 259,756	\$ 88,560	\$ 259	\$ 319,176	\$ 0	\$ 4,649

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 687,651	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	117,305	0	0	0	0	0
General Sessions Court Clerk	260,848	0	0	0	0	0
Clerk and Master	290,537	0	0	0	0	0
Juvenile Court Clerk	60,405	0	0	0	0	0
Register	227,623	0	0	0	0	0
Sheriff	14,572	0	0	0	0	0
Trustee	882,803	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,541,744	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Airport Maintenance Program	\$ 5,191	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	68,952	0	0	0	0	0
Solid Waste Grants	0	34,242	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	44,800	0	0	0	0	0
School Resource Officer Grants	1,275,000	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	296,537	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	2,006,852
Other State Revenues						
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	5,028	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Alcoholic Beverage Tax	\$ 0	\$ 134,375	\$ 0	\$ 0	\$ 0	0
Opioid Settlement Funds - TN Abatement Council	286,327	0	0	0	0	0
State Revenue Sharing - Telecommunications	65,711	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	65,026	0	0	0	0	0
Prisoner Transportation	30	0	0	0	0	0
Contracted Prisoner Boarding	1,052,757	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,855,595
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	11,557
Petroleum Special Tax	0	0	0	0	0	37,582
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	147,286	11,750	0	0	0	0
Other State Revenues	48,659	0	0	0	0	0
Total State of Tennessee	\$ 3,394,966	\$ 180,367	\$ 0	\$ 0	\$ 0	4,911,586
Federal Government						
Federal Through State						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	45,382	0	0	0	0	0
COVID-19 Grant C	13,765	0	0	0	0	0
COVID-19 Grant D	235,020	0	0	0	0	0
American Rescue Plan Act Grant #1	307	0	0	0	0	0
Other Federal through State	2,720,859	0	0	0	0	0
Direct Federal Revenue						
Tax Credit Bond Rebate	107,512	0	0	0	0	0
American Rescue Plan Act Grant #6	0	0	0	778,515	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Federal Government (Cont.)						
Direct Federal Revenue (Cont.)						
American Rescue Plan Act Grant J	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Direct Federal Revenue	10,000	0	10,023	0	0	0
Total Federal Government	<u>\$ 3,132,845</u>	<u>\$ 0</u>	<u>\$ 10,023</u>	<u>\$ 778,515</u>	<u>\$ 0</u>	<u>0</u>
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 33,156	\$ 0	\$ 0	\$ 0	\$ 0	0
Citizens Groups						
Donations	2,222	0	0	0	0	0
Other						
Other	7,092	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	373,912	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 416,382</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 25,144,157</u>	<u>\$ 2,760,169</u>	<u>\$ 24,174</u>	<u>\$ 1,097,691</u>	<u>\$ 49,457</u>	<u>\$ 6,612,938</u>

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 775,630	\$ 0	\$ 3,065,464	\$ 282,832	\$ 0	\$ 17,025,692
Trustee's Collections - Prior Year	18,800	0	70,830	5,660	0	401,239
Trustee's Collections - Bankruptcy	18	0	76	8	0	413
Circuit Clerk/Clerk and Master Collections - Prior Years	11,732	0	59,099	8,673	0	305,406
Interest and Penalty	4,019	0	15,883	1,466	0	88,573
Pickup Taxes	313	0	1,365	158	0	7,361
Payments in-Lieu-of Taxes - T.V.A.	123	0	488	45	0	2,730
Payments in-Lieu-of Taxes - Other	1,562	0	6,175	570	0	34,578
County Local Option Taxes						
Local Option Sales Tax	0	0	0	204,139	0	2,004,139
Wheel Tax	0	366,295	366,295	0	0	3,365,138
Litigation Tax - General	0	0	0	0	0	91,989
Litigation Tax - Special Purpose	0	0	0	0	0	56,323
Litigation Tax - Jail, Workhouse, or Courthouse	93,617	0	0	0	0	93,617
Litigation Tax - Courthouse Security	0	0	0	0	0	92,523
Business Tax	0	0	0	0	0	535,220
Mineral Severance Tax	0	0	0	0	0	66,059
Statutory Local Taxes						
Bank Excise Tax	2,003	0	7,916	730	0	47,022
Wholesale Beer Tax	0	0	0	0	0	77,804
Total Local Taxes	\$ 907,817	\$ 366,295	\$ 3,593,591	\$ 504,281	\$ 0	\$ 24,295,826
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 152,798

(Continued)

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Licenses and Permits (Cont.)						
Permits						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,591
Other Permits	0	0	0	0	0	950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	155,339
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,157
Officers Costs	0	0	0	0	0	6,241
Drug Control Fines	0	0	0	0	0	11,076
Drug Court Fees	0	0	0	0	0	632
DUI Treatment Fines	0	0	0	0	0	1,140
Data Entry Fee - Circuit Court	0	0	0	0	0	1,364
Courtroom Security Fee	0	0	0	0	0	327
Criminal Court						
Jail Fees	0	0	0	0	0	1,331
General Sessions Court						
Fines	0	0	0	0	0	30,989
Officers Costs	0	0	0	0	0	35,836
Game and Fish Fines	0	0	0	0	0	124
Drug Control Fines	0	0	0	0	0	13,426
Drug Court Fees	0	0	0	0	0	5,644
Jail Fees	0	0	0	0	0	44,600
DUI Treatment Fines	0	0	0	0	0	10,359
Data Entry Fee - General Sessions Court	0	0	0	0	0	11,617
Courtroom Security Fee	0	0	0	0	0	49

(Continued)

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,920
Officers Costs	0	0	0	0	0	9,797
Jail Fees	0	0	0	0	0	1,100
Data Entry Fee - Juvenile Court	0	0	0	0	0	1,344
Courtroom Security Fee	0	0	0	0	0	179
Chancery Court						
Officers Costs	0	0	0	0	0	519
Data Entry Fee - Chancery Court	0	0	0	0	0	9,688
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	1,000
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	212,459
Charges for Current Services						
General Service Charges						
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,224
Patient Charges	0	0	0	0	0	21,675
Work Release Charges for Board	0	0	0	0	0	20,954
Fees						
Recreation Fees	0	0	0	0	0	1,700
Copy Fees	0	0	0	0	0	3,621
Greenbelt Late Application Fee	0	0	0	0	0	250
Telephone Commissions	0	0	0	0	0	174,689
Vending Machine Collections	0	0	0	0	0	182
Additional Fees - Titling and Registration	0	0	0	0	0	46,040
Constitutional Officers' Fees and Commissions	0	0	0	0	0	381

(Continued)

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Charges for Current Services (Cont.)						
Fees (Cont.)						
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	49,076
Data Processing Fee - Register	0	0	0	0	0	14,762
Data Processing Fee - Sheriff	0	0	0	0	0	2,528
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	9,000
Data Processing Fee - County Clerk	0	0	0	0	0	5,121
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	0	1,250
Vehicle Registration Reinstatement Fees	0	0	0	0	0	3,665
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	358,118
Other Local Revenues						
Recurring Items						
Investment Income	\$ 388,600	\$ 0	\$ 2,572,674	\$ 0	\$ 0	3,280,450
Lease/Rentals/PPP	0	0	0	0	0	8,092
Commissary Sales	0	0	0	0	0	23,964
Sale of Gasoline	0	0	0	0	0	39,424
Sale of Maps	0	0	0	0	0	33
Sale of Recycled Materials	0	0	0	0	0	92,862
Miscellaneous Refunds	0	0	0	0	0	9,536
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	49
Sale of Property	0	0	0	0	0	74,098
Damages Recovered from Individuals	0	0	0	0	0	100,000
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	5,166
Total Other Local Revenues	\$ 388,600	\$ 0	\$ 2,572,674	\$ 0	\$ 0	3,633,674

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	687,651
Circuit Court Clerk	0	0	0	0	0	117,305
General Sessions Court Clerk	0	0	0	0	0	260,848
Clerk and Master	0	0	0	0	0	290,537
Juvenile Court Clerk	0	0	0	0	0	60,405
Register	0	0	0	0	0	227,623
Sheriff	0	0	0	0	0	14,572
Trustee	0	0	0	0	0	882,803
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,541,744
State of Tennessee						
General Government Grants						
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,191
Aging Programs	0	0	0	0	0	68,952
Solid Waste Grants	0	0	0	0	0	34,242
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	44,800
School Resource Officer Grants	0	0	0	0	0	1,275,000
Health and Welfare Grants						
Other Health and Welfare Grants	0	0	0	0	0	296,537
Public Works Grants						
State Aid Program	0	0	0	0	0	2,006,852
Other State Revenues						
Beer Tax	0	0	0	0	0	18,498
Vehicle Certificate of Title Fees	0	0	0	0	0	5,028

(Continued)

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	134,375
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0	286,327
State Revenue Sharing - Telecommunications	0	0	0	0	0	65,711
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	65,026
Prisoner Transportation	0	0	0	0	0	30
Contracted Prisoner Boarding	0	0	0	0	0	1,052,757
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,855,595
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	11,557
Petroleum Special Tax	0	0	0	0	0	37,582
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	159,036
Other State Revenues	0	0	0	0	0	48,659
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,486,919
Federal Government						
Federal Through State						
Community Development	\$ 0	\$ 0	\$ 0	11,398	\$ 0	11,398
Civil Defense Reimbursement	0	0	0	0	0	45,382
COVID-19 Grant C	0	0	0	0	0	13,765
COVID-19 Grant D	0	0	0	0	0	235,020
American Rescue Plan Act Grant #1	0	0	0	0	0	307
Other Federal through State	0	0	0	0	345,683	3,066,542
Direct Federal Revenue						
Tax Credit Bond Rebate	0	0	0	0	0	107,512
American Rescue Plan Act Grant #6	0	0	0	0	0	778,515

(Continued)

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

	Debt Service Funds			Capital Projects Funds		Total
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
Federal Government (Cont.)						
Direct Federal Revenue (Cont.)						
American Rescue Plan Act Grant J	\$ 0	\$ 0	\$ 0	\$ 0	48,919	\$ 48,919
Other Direct Federal Revenue	0	0	0	0	0	20,023
Total Federal Government	\$ 0	\$ 0	\$ 0	11,398	\$ 394,602	\$ 4,327,383
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	685,307	\$ 0	28,358	\$ 746,821
Citizens Groups						
Donations	0	0	0	0	0	2,222
Other						
Other	0	0	0	0	0	7,092
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	373,912
Total Other Governments and Citizens Groups	\$ 0	\$ 0	685,307	\$ 0	28,358	\$ 1,130,047
Total	\$ 1,296,417	\$ 366,295	\$ 6,851,572	\$ 515,679	\$ 422,960	\$ 45,141,509

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 4,884,234	\$ 0	\$ 0	\$ 4,316,131	\$ 0
Trustee's Collections - Prior Year	173,520	0	0	76,035	0
Trustee's Collections - Bankruptcy	167	0	0	75	0
Circuit Clerk/Clerk and Master Collections - Prior Years	117,864	0	0	62,916	0
Interest and Penalty	33,849	0	0	16,937	0
Pickup Taxes	2,979	0	0	1,358	0
Payments in-Lieu-of Taxes - T.V.A.	1,284	0	0	485	0
Payments in-Lieu-of Taxes - Other	16,260	0	0	6,145	0
County Local Option Taxes					
Local Option Sales Tax	7,784,707	0	0	0	0
Wheel Tax	205,717	0	0	130,193	0
Mixed Drink Tax	4,785	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	12,679	0	0	11,168	0
Total Local Taxes	<u>\$ 13,238,045</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,621,443</u>	<u>\$ 0</u>
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 3,916	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	<u>\$ 3,916</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Charges for Current Services					
Education Charges					
Lunch Payments - Children	\$ 0	\$ 0	\$ 365,952	\$ 0	\$ 0

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 63,658	\$ 0	\$ 0
Income from Breakfast	0	0	50,623	0	0
A la Carte Sales	0	0	28,761	0	0
Transportation - Other State Systems	0	0	0	24,941	0
Receipts from Individual Schools	53,009	0	0	44,679	0
Other Charges for Services	7,317	0	169,284	0	0
Total Charges for Current Services	<u>\$ 60,326</u>	<u>\$ 0</u>	<u>\$ 678,278</u>	<u>\$ 69,620</u>	<u>\$ 0</u>
Other Local Revenues					
Recurring Items					
Investment Income	\$ 101,756	\$ 0	\$ 164,270	\$ 0	\$ 0
Lease/Rentals/PPP	42,004	0	0	0	0
Sale of Recycled Materials	488	0	0	2,446	0
Miscellaneous Refunds	160,559	0	0	17,587	0
Nonrecurring Items					
Sale of Equipment	8,186	0	98	0	0
Sale of Property	64,000	0	0	0	0
Damages Recovered from Individuals	10,673	0	0	275	0
Contributions and Gifts	144,757	0	0	68,500	0
Other Local Revenues					
Other Local Revenues	9,385	0	0	0	2,869,680
Total Other Local Revenues	<u>\$ 541,808</u>	<u>\$ 0</u>	<u>\$ 164,368</u>	<u>\$ 88,808</u>	<u>\$ 2,869,680</u>

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 391,781	\$ 0	\$ 0	\$ 0	0
State Education Funds					
Tennessee Investment in Student Achievement	47,321,675	0	0	0	0
TISA - On-behalf Payments	120,009	0	0	0	0
Early Childhood Education	437,831	0	0	0	0
School Food Service	0	0	31,979	0	0
Driver Education	13,357	0	0	0	0
Other State Education Funds	547,320	0	0	0	0
Paid Parental Leave	126,674	0	0	0	0
Career Ladder Program	64,041	0	0	0	0
Other Vocational	847,623	0	0	0	0
Other State Revenues					
State Revenue Sharing - T.V.A.	1,453,265	0	0	0	0
Other State Grants	144,781	0	0	0	0
Other State Revenues	602,253	0	0	0	0
Total State of Tennessee	<u>\$ 52,070,610</u>	<u>\$ 0</u>	<u>\$ 31,979</u>	<u>\$ 0</u>	<u>0</u>
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	2,639,340	\$ 0	0
USDA - Commodities	0	0	340,700	0	0
Breakfast	0	0	959,518	0	0
USDA - Other	0	0	169,433	0	0
USDA Food Service Equipment Grant	0	0	70,000	0	0

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	Internal School
Federal Government (Cont.)					
Federal Through State (Cont.)					
Vocational Education - Basic Grants to States	\$ 0	\$ 178,097	\$ 0	\$ 0	0
Title I Grants to Local Education Agencies	0	2,321,197	0	0	0
Special Education - Grants to States	0	2,040,871	0	0	0
Special Education Preschool Grants	0	33,001	0	0	0
English Language Acquisition Grants	0	3,588	0	0	0
Education for Homeless Children and Youth	0	30,006	0	0	0
21st Century Community Learning Centers	0	44,996	0	0	0
Eisenhower Professional Development State Grants	0	503,783	0	0	0
COVID-19 Grant B	0	302,886	0	0	0
COVID-19 Grant D	0	9,000	0	0	0
American Rescue Plan Act Grant #1	0	8,951,809	0	0	0
American Rescue Plan Act Grant #2	0	8,613	0	0	0
American Rescue Plan Act Grant #3	0	85	0	0	0
American Rescue Plan Act Grant #4	0	19,225	0	0	0
Other Federal through State	653,712	539,431	0	0	0
Direct Federal Revenue					
ROTC Reimbursement	133,452	0	0	0	0
Total Federal Government	\$ 787,164	\$ 14,986,588	\$ 4,178,991	\$ 0	0
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 1,147,018	\$ 0	\$ 0	\$ 0	0
Other					
Other	90,922	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,237,940	\$ 0	\$ 0	\$ 0	0
Total	\$ 67,939,809	\$ 14,986,588	\$ 5,053,616	\$ 4,779,871	\$ 2,869,680

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 1,469,518	\$ 10,669,883
Trustee's Collections - Prior Year	7,895	257,450
Trustee's Collections - Bankruptcy	14	256
Circuit Clerk/Clerk and Master Collections - Prior Years	21,186	201,966
Interest and Penalty	3,121	53,907
Pickup Taxes	285	4,622
Payments in-Lieu-of Taxes - T.V.A.	67	1,836
Payments in-Lieu-of Taxes - Other	851	23,256
County Local Option Taxes		
Local Option Sales Tax	0	7,784,707
Wheel Tax	0	335,910
Mixed Drink Tax	0	4,785
Statutory Local Taxes		
Bank Excise Tax	3,802	27,649
Total Local Taxes	<u>\$ 1,506,739</u>	<u>\$ 19,366,227</u>
Licenses and Permits		
Licenses		
Marriage Licenses	\$ 0	\$ 3,916
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 3,916</u>
Charges for Current Services		
Education Charges		
Lunch Payments - Children	\$ 0	\$ 365,952

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Charges for Current Services (Cont.)		
Education Charges (Cont.)		
Lunch Payments - Adults	\$ 0	\$ 63,658
Income from Breakfast	0	50,623
A la Carte Sales	0	28,761
Transportation - Other State Systems	0	24,941
Receipts from Individual Schools	0	97,688
Other Charges for Services	0	176,601
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 808,224</u>
Other Local Revenues		
Recurring Items		
Investment Income	\$ 0	\$ 266,026
Lease/Rentals/PPP	0	42,004
Sale of Recycled Materials	0	2,934
Miscellaneous Refunds	0	178,146
Nonrecurring Items		
Sale of Equipment	0	8,284
Sale of Property	0	64,000
Damages Recovered from Individuals	0	10,948
Contributions and Gifts	0	213,257
Other Local Revenues		
Other Local Revenues	0	2,879,065
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 3,664,664</u>

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
State of Tennessee		
General Government Grants		
On-behalf Contributions for OPEB	\$ 0	\$ 391,781
State Education Funds		
Tennessee Investment in Student Achievement	0	47,321,675
TISA - On-behalf Payments	0	120,009
Early Childhood Education	0	437,831
School Food Service	0	31,979
Driver Education	0	13,357
Other State Education Funds	0	547,320
Paid Parental Leave	0	126,674
Career Ladder Program	0	64,041
Other Vocational	0	847,623
Other State Revenues		
State Revenue Sharing - T.V.A.	0	1,453,265
Other State Grants	0	144,781
Other State Revenues	0	602,253
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 52,102,589</u>
Federal Government		
Federal Through State		
USDA School Lunch Program	\$ 0	\$ 2,639,340
USDA - Commodities	0	340,700
Breakfast	0	959,518
USDA - Other	0	169,433
USDA Food Service Equipment Grant	0	70,000

(Continued)

HAWKINS COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hawkins County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Federal Government (Cont.)		
Federal Through State (Cont.)		
Vocational Education - Basic Grants to States	\$ 0	\$ 178,097
Title I Grants to Local Education Agencies	0	2,321,197
Special Education - Grants to States	0	2,040,871
Special Education Preschool Grants	0	33,001
English Language Acquisition Grants	0	3,588
Education for Homeless Children and Youth	0	30,006
21st Century Community Learning Centers	0	44,996
Eisenhower Professional Development State Grants	0	503,783
COVID-19 Grant B	0	302,886
COVID-19 Grant D	0	9,000
American Rescue Plan Act Grant #1	0	8,951,809
American Rescue Plan Act Grant #2	0	8,613
American Rescue Plan Act Grant #3	0	85
American Rescue Plan Act Grant #4	0	19,225
Other Federal through State	0	1,193,143
Direct Federal Revenue		
ROTC Reimbursement	0	133,452
Total Federal Government	\$ 0	\$ 19,952,743
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 0	\$ 1,147,018
Other		
Other	0	90,922
Total Other Governments and Citizens Groups	\$ 0	\$ 1,237,940
Total	\$ 1,506,739	\$ 97,136,303

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	16,250	
Other Per Diem and Fees		7,000	
Social Security		1,778	
Pensions		822	
Medical Insurance		11,852	
Audit Services		24,390	
Travel		5,642	
Tuition		555	
Other Supplies and Materials		87	
Total County Commission			\$ 68,376

Board of Equalization

Board and Committee Members Fees	\$	5,250	
Social Security		402	
Travel		22	
Total Board of Equalization			5,674

Beer Board

Board and Committee Members Fees	\$	700	
Social Security		54	
Pensions		24	
Other Charges		87	
Total Beer Board			865

Budget and Finance Committee

Board and Committee Members Fees	\$	6,900	
Social Security		528	
Pensions		270	
Total Budget and Finance Committee			7,698

County Mayor/Executive

County Official/Administrative Officer	\$	121,008	
Secretary(ies)		30,450	
Social Security		11,046	
Pensions		10,625	
Life Insurance		99	
Medical Insurance		13,911	
Unemployment Compensation		24	
Communication		1,500	
Maintenance Agreements		1,748	
Office Supplies		1,489	
Total County Mayor/Executive			191,900

County Attorney

Communication	\$	145	
Legal Services		32,115	
Total County Attorney			32,260

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

Supervisor/Director	\$	91,838	
Deputy(ies)		58,468	
Part-time Personnel		10,861	
Overtime Pay		1,817	
Other Salaries and Wages		6,382	
Election Commission		6,120	
Election Workers		43,143	
Social Security		12,547	
Pensions		10,649	
Life Insurance		180	
Medical Insurance		20,434	
Unemployment Compensation		96	
Communication		1,051	
Lease/SBITA Payments		1,762	
Legal Notices, Recording, and Court Costs		10,079	
Maintenance Agreements		19,000	
Postal Charges		79	
Rentals		3,825	
Travel		7,289	
Other Contracted Services		18,882	
Office Supplies		2,544	
Other Supplies and Materials		3,624	
In Service/Staff Development		500	
Other Charges		84	
Data Processing Equipment		580	
Voting Machines		400,640	
Total Election Commission			\$ 732,474

Register of Deeds

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		146,578	
Part-time Personnel		80	
Social Security		17,712	
Pensions		17,403	
Life Insurance		279	
Medical Insurance		27,366	
Unemployment Compensation		84	
Communication		1,852	
Dues and Memberships		135	
Rentals		3,958	
Other Contracted Services		16,468	
Office Supplies		2,684	
Office Equipment		170	
Total Register of Deeds			336,811

Planning

Board and Committee Members Fees	\$	4,250	
----------------------------------	----	-------	--

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Social Security	\$	325	
Contracts with Government Agencies		18,612	
Total Planning			\$ 23,187

County Buildings

Supervisor/Director	\$	90,021	
Custodial Personnel		78,362	
Maintenance Personnel		35,244	
Part-time Personnel		32,836	
Overtime Pay		7,672	
Social Security		17,578	
Pensions		14,254	
Life Insurance		330	
Medical Insurance		27,568	
Unemployment Compensation		185	
Architects		3,000	
Communication		13,922	
Janitorial Services		6,572	
Maintenance and Repair Services - Buildings		15,984	
Maintenance and Repair Services - Equipment		44,416	
Maintenance and Repair Services - Vehicles		527	
Pest Control		4,083	
Rentals		39,096	
Travel		78	
Permits		525	
Other Contracted Services		73,170	
Custodial Supplies		10,818	
Gasoline		2,629	
Office Supplies		49	
Small Tools		170	
Tires and Tubes		913	
Uniforms		653	
Utilities		219,986	
Other Supplies and Materials		17,505	
Other Charges		20	
Building Improvements		116,942	
Data Processing Equipment		488	
Furniture and Fixtures		1,564	
Other Equipment		4,438	
Total County Buildings			881,598

Other General Administration

Bank Charges	\$	165	
Dues and Memberships		10,928	
Evaluation and Testing		2,149	
Legal Notices, Recording, and Court Costs		2,574	
Postal Charges		69,899	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Rentals	\$	7,300	
Duplicating Supplies		6,750	
Other Supplies and Materials		645	
Building and Contents Insurance		3,278	
Liability Insurance		544,446	
Premiums on Corporate Surety Bonds		4,957	
Refunds		128	
Workers' Compensation Insurance		247,512	
Liability Claims		2,250	
Other Charges		2,368	
Total Other General Administration			\$ 905,349

Preservation of Records

Communication	\$	1,358	
Electricity		2,042	
Natural Gas		1,093	
Water and Sewer		389	
Other Supplies and Materials		3,306	
Total Preservation of Records			8,188

Finance

Accounting and Budgeting

Supervisor/Director	\$	81,634	
Accountants/Bookkeepers		143,493	
Part-time Personnel		34,362	
Overtime Pay		12,962	
Social Security		17,611	
Pensions		15,759	
Life Insurance		240	
Medical Insurance		55,056	
Unemployment Compensation		118	
Communication		1,326	
Maintenance Agreements		25,500	
Rentals		1,917	
Travel		118	
Office Supplies		6,496	
Data Processing Equipment		9,532	
Total Accounting and Budgeting			406,124

Property Assessor's Office

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		248,816	
Social Security		23,664	
Pensions		24,025	
Life Insurance		389	
Medical Insurance		84,389	
Unemployment Compensation		141	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Communication	\$	3,736	
Data Processing Services		22,457	
Dues and Memberships		1,925	
Legal Notices, Recording, and Court Costs		156	
Maintenance Agreements		3,333	
Maintenance and Repair Services - Vehicles		1,048	
Rentals		1,596	
Travel		2,057	
Tuition		350	
Other Contracted Services		20,950	
Gasoline		4,838	
Office Supplies		2,563	
Other Charges		84	
Office Equipment		524	
Total Property Assessor's Office			\$ 549,083

Reappraisal Program

Supervisor/Director	\$	52,328	
Deputy(ies)		79,914	
Social Security		8,717	
Pensions		9,257	
Life Insurance		180	
Medical Insurance		35,346	
Unemployment Compensation		63	
Data Processing Services		7,687	
Postal Charges		2,730	
Travel		78	
Other Contracted Services		550	
Office Supplies		640	
Total Reappraisal Program			197,490

County Trustee's Office

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		132,401	
Temporary Personnel		11,037	
Part-time Personnel		8,618	
Social Security		18,621	
Pensions		16,411	
Life Insurance		240	
Medical Insurance		13,671	
Unemployment Compensation		109	
Communication		2,042	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		214	
Maintenance and Repair Services - Office Equipment		20,192	
Rentals		499	
Travel		1,423	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Tuition	\$	100	
Other Contracted Services		8,652	
Office Supplies		4,250	
Data Processing Equipment		3,449	
Other Capital Outlay		5,817	
Total County Trustee's Office			\$ 349,948

County Clerk's Office

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		499,716	
Part-time Personnel		6,636	
Social Security		42,425	
Pensions		42,100	
Life Insurance		839	
Medical Insurance		92,717	
Unemployment Compensation		293	
Communication		4,346	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		287	
Maintenance and Repair Services - Office Equipment		43,005	
Rentals		2,500	
Travel		591	
Other Contracted Services		11,950	
Office Supplies		8,504	
Other Supplies and Materials		4,106	
Office Equipment		8,668	
Total County Clerk's Office			870,875

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		394,801	
Part-time Personnel		7,404	
Other Salaries and Wages		9,011	
Social Security		34,105	
Pensions		34,657	
Life Insurance		704	
Medical Insurance		122,453	
Unemployment Compensation		261	
Communication		2,295	
Dues and Memberships		210	
Legal Notices, Recording, and Court Costs		297	
Maintenance Agreements		57,106	
Rentals		2,023	
Travel		2,167	
Tuition		600	
Other Contracted Services		112	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Office Supplies	\$	13,497	
Other Supplies and Materials		21	
Data Processing Equipment		1,303	
Office Equipment		2,724	
Other Equipment		6,468	
Total Circuit Court Clerk			\$ 794,261

Criminal Court

Jury and Witness Expense	\$	14,290	
Total Criminal Court			14,290

General Sessions Court

Judge(s)	\$	195,051	
Secretary(ies)		39,957	
Clerical Personnel		39,957	
Social Security		18,177	
Pensions		19,247	
Life Insurance		180	
Medical Insurance		47,202	
Unemployment Compensation		42	
Communication		949	
Dues and Memberships		834	
Evaluation and Testing		5,100	
Maintenance and Repair Services - Office Equipment		2,173	
Rentals		807	
Travel		1,350	
Office Supplies		892	
Other Supplies and Materials		280	
Data Processing Equipment		1,468	
Total General Sessions Court			373,666

Drug Court

Other Salaries and Wages	\$	43,269	
Social Security		2,580	
Pensions		3,029	
Life Insurance		60	
Medical Insurance		19,737	
Unemployment Compensation		21	
Communication		682	
Dues and Memberships		200	
Maintenance and Repair Services - Vehicles		1,148	
Travel		2,808	
Other Contracted Services		7,519	
Other Supplies and Materials		1,769	
Workers' Compensation Insurance		93	
In Service/Staff Development		500	
Other Charges		3,975	
Total Drug Court			87,390

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	102,042	
Deputy(ies)		153,790	
Social Security		16,743	
Pensions		17,908	
Life Insurance		300	
Medical Insurance		79,532	
Unemployment Compensation		105	
Communication		407	
Dues and Memberships		205	
Maintenance Agreements		29,977	
Rentals		3,521	
Travel		129	
Tuition		100	
Other Contracted Services		3,939	
Office Supplies		5,649	
Other Supplies and Materials		384	
Office Equipment		2,851	
Total Chancery Court			\$ 417,582

Juvenile Court

Judge(s)	\$	292,252	
Secretary(ies)		39,957	
Clerical Personnel		29,793	
Part-time Personnel		380	
Social Security		25,506	
Pensions		24,300	
Life Insurance		205	
Medical Insurance		26,881	
Unemployment Compensation		42	
Dues and Memberships		345	
Travel		432	
Other Supplies and Materials		408	
In Service/Staff Development		275	
Total Juvenile Court			440,776

Courtroom Security

Deputy(ies)	\$	131,989	
Overtime Pay		981	
Social Security		9,119	
Pensions		9,199	
Life Insurance		208	
Medical Insurance		28,966	
Unemployment Compensation		63	
Law Enforcement Supplies		900	
Uniforms		711	
Liability Insurance		7,686	
Workers' Compensation Insurance		6,034	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

Law Enforcement Equipment	\$	1,459	
Other Equipment		3,859	
Total Courtroom Security			\$ 201,174

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	112,246
Deputy(ies)		966,629
Detective(s)		634,776
Captain(s)		69,095
Lieutenant(s)		258,244
Sergeant(s)		274,561
Salary Supplements		47,800
Secretary(ies)		114,736
Part-time Personnel		16,308
School Resource Officer		622,210
Overtime Pay		156,232
Other Salaries and Wages		41,205
Social Security		232,017
Pensions		221,759
Life Insurance		3,959
Medical Insurance		540,564
Unemployment Compensation		1,662
Communication		14,139
Dues and Memberships		2,550
Evaluation and Testing		1,250
Maintenance Agreements		2,179
Maintenance and Repair Services - Equipment		403
Maintenance and Repair Services - Office Equipment		4,406
Maintenance and Repair Services - Vehicles		101,662
Rentals		2,931
Towing Services		3,580
Travel		6,507
Other Contracted Services		11,332
Data Processing Supplies		226
Gasoline		187,034
Law Enforcement Supplies		24,387
Office Supplies		4,357
Tires and Tubes		28,658
Uniforms		23,703
Other Supplies and Materials		557
Liability Insurance		21,777
Workers' Compensation Insurance		28,237
In Service/Staff Development		25,459
Other Charges		456
Data Processing Equipment		1,305
Law Enforcement Equipment		126,336

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Motor Vehicles	\$ 210,000	
Office Equipment	207	
Other Equipment	79,696	
Total Sheriff's Department		\$ 5,227,337

Drug Enforcement

Salary Supplements	\$ 7,368	
Social Security	561	
Pensions	516	
Total Drug Enforcement		8,445

Administration of the Sexual Offender Registry

Communication	\$ 719	
Other Charges	2,950	
Total Administration of the Sexual Offender Registry		3,669

Jail

Lieutenant(s)	\$ 54,751	
Guards	1,418,952	
Cafeteria Personnel	87,157	
Part-time Personnel	21,953	
Overtime Pay	95,306	
Other Salaries and Wages	39,775	
Social Security	121,970	
Pensions	105,843	
Life Insurance	2,330	
Medical Insurance	255,351	
Unemployment Compensation	1,150	
Communication	6,087	
Evaluation and Testing	1,500	
Maintenance Agreements	1,619	
Maintenance and Repair Services - Buildings	11,544	
Maintenance and Repair Services - Equipment	14,622	
Maintenance and Repair Services - Office Equipment	6,805	
Maintenance and Repair Services - Vehicles	8,800	
Medical and Dental Services	361,041	
Postal Charges	560	
Rentals	2,258	
Travel	2,269	
Other Contracted Services	18,039	
Custodial Supplies	26,296	
Data Processing Supplies	600	
Food Preparation Supplies	6,761	
Food Supplies	368,759	
Office Supplies	3,089	
Prisoners Clothing	8,619	
Small Tools	2,044	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	17,893	
Utilities		207,217	
Other Supplies and Materials		28,062	
Medical Claims		153,828	
In Service/Staff Development		5,614	
Building Improvements		13,086	
Data Processing Equipment		5,101	
Food Service Equipment		13,340	
Law Enforcement Equipment		2,875	
Office Equipment		1,691	
Other Equipment		<u>25,106</u>	
Total Jail			\$ 3,529,663

Juvenile Services

Supervisor/Director	\$	60,683	
Youth Service Officer(s)		45,919	
Overtime Pay		27,860	
Social Security		9,790	
Pensions		7,462	
Life Insurance		99	
Medical Insurance		13,711	
Unemployment Compensation		42	
Communication		3,089	
Contracts with Other Public Agencies		86,523	
Evaluation and Testing		4,259	
Maintenance and Repair Services - Office Equipment		5,868	
Rentals		1,477	
Office Supplies		2,965	
Other Supplies and Materials		1,881	
Office Equipment		<u>1,693</u>	
Total Juvenile Services			273,321

Fire Prevention and Control

Contributions	\$	<u>367,080</u>	
Total Fire Prevention and Control			367,080

Rescue Squad

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

Other Emergency Management

Supervisor/Director	\$	58,714	
Part-time Personnel		14,450	
Other Salaries and Wages		2,738	
Social Security		5,377	
Pensions		4,110	
Life Insurance		60	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Medical Insurance	\$	11,699	
Unemployment Compensation		39	
Communication		4,580	
Dues and Memberships		210	
Lease/SBITA Payments		27,288	
Maintenance and Repair Services - Equipment		35,997	
Maintenance and Repair Services - Vehicles		2,601	
Rentals		805	
Travel		67	
Other Contracted Services		12,625	
Gasoline		3,594	
Office Supplies		83	
Uniforms		396	
Other Supplies and Materials		1,182	
Workers' Compensation Insurance		3,231	
In Service/Staff Development		700	
Other Charges		41	
Communication Equipment		995	
Motor Vehicles		40,096	
Other Equipment		7,994	
Total Other Emergency Management			\$ 239,672

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	60,450	
Contracts with Government Agencies		130,367	
Other Supplies and Materials		508	
Other Charges		7,370	
Total County Coroner/Medical Examiner			198,695

Public Safety Grants Program

Law Enforcement Equipment	\$	173,448	
Total Public Safety Grants Program			173,448

Other Public Safety

Contributions	\$	445,862	
Total Other Public Safety			445,862

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	63,198	
Social Security		3,913	
Pensions		3,953	
Life Insurance		106	
Medical Insurance		24,280	
Unemployment Compensation		63	
Communication		11,098	
Contracts with Government Agencies		15,500	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Dues and Memberships	\$	550	
Maintenance and Repair Services - Buildings		1,506	
Maintenance and Repair Services - Equipment		2,896	
Pest Control		1,333	
Postal Charges		3,412	
Travel		176	
Other Contracted Services		60,388	
Custodial Supplies		6,500	
Office Supplies		6,784	
Other Supplies and Materials		5,329	
Workers' Compensation Insurance		225	
Other Charges		891	
Other Equipment		4,217	
		<u> </u>	
Total Local Health Center	\$		216,318

Ambulance/Emergency Medical Services

Contributions	\$	200,000	
Total Ambulance/Emergency Medical Services			200,000

Alcohol and Drug Programs

Contributions	\$	95,000	
Total Alcohol and Drug Programs			95,000

Other Local Health Services

Other Salaries and Wages	\$	234,797	
Social Security		17,494	
Pensions		15,291	
Life Insurance		221	
Medical Insurance		9,691	
Unemployment Compensation		114	
Travel		9,995	
Other Contracted Services		47	
Liability Insurance		3,328	
Workers' Compensation Insurance		838	
		<u> </u>	
Total Other Local Health Services			291,816

Other Public Health and Welfare

Other Supplies and Materials	\$	2,130	
Total Other Public Health and Welfare			2,130

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	45,919	
Social Workers		22,631	
Bus Drivers		19,871	
Secretary(ies)		35,244	
Other Salaries and Wages		1,842	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Social Security	\$	8,843	
Pensions		6,637	
Life Insurance		137	
Medical Insurance		20,241	
Unemployment Compensation		84	
Communication		5,333	
Contracts with Government Agencies		16,119	
Contributions		49,000	
Maintenance and Repair Services - Vehicles		300	
Rentals		992	
Transportation - Other than Students		8,800	
Travel		2,549	
Other Contracted Services		2,496	
Custodial Supplies		894	
Gasoline		639	
Office Supplies		371	
Utilities		7,565	
Other Supplies and Materials		1,771	
Workers' Compensation Insurance		105	
Other Charges		493	
Other Capital Outlay		26,954	
Total Senior Citizens Assistance			\$ 285,830

Libraries

Contributions	\$	113,000	
Total Libraries			113,000

Parks and Fair Boards

Supervisor/Director	\$	45,919	
Maintenance Personnel		26,172	
Part-time Personnel		21,808	
Other Salaries and Wages		2,975	
Social Security		6,840	
Pensions		4,600	
Life Insurance		120	
Medical Insurance		18,297	
Unemployment Compensation		91	
Communication		1,390	
Maintenance and Repair Services - Equipment		1,613	
Rentals		1,060	
Other Contracted Services		2,574	
Crushed Stone		750	
Custodial Supplies		4,649	
Electricity		5,587	
Gasoline		7,860	
Office Supplies		57	
Propane Gas		45	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Small Tools	\$	19	
Tires and Tubes		585	
Water and Sewer		737	
Other Supplies and Materials		2,707	
Refunds		340	
Other Capital Outlay		9,314	
Total Parks and Fair Boards	\$		166,109

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	131,140	
Communication		1,305	
Rentals		1,949	
Travel		2,577	
Other Charges		2,352	
Other Equipment		3,000	
Total Agricultural Extension Service			142,323

Forest Service

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

Soil Conservation

Clerical Personnel	\$	38,745	
Part-time Personnel		16,371	
Social Security		3,684	
Pensions		2,712	
Life Insurance		60	
Medical Insurance		12,141	
Unemployment Compensation		59	
Communication		184	
Contracts with Other Public Agencies		4,200	
Contributions		9,000	
Total Soil Conservation			87,156

Storm Water Management

Part-time Personnel	\$	4,823	
Social Security		369	
Unemployment Compensation		9	
Dues and Memberships		700	
Evaluation and Testing		147	
Permits		3,460	
Other Supplies and Materials		49	
Workers' Compensation Insurance		205	
Total Storm Water Management			9,762

(Continued)

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

General Fund (Cont.)

Other Operations

Tourism

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

Industrial Development

Secretary(ies)	\$ 45,919	
Maintenance Personnel	39,957	
Part-time Personnel	3,317	
Social Security	6,590	
Pensions	6,011	
Life Insurance	120	
Medical Insurance	6,511	
Unemployment Compensation	52	
Accounting Services	12,000	
Communication	401	
Contributions	31,400	
Dues and Memberships	100	
Engineering Services	2,365	
Legal Services	2,000	
Maintenance and Repair Services - Buildings	2,700	
Maintenance and Repair Services - Equipment	1,230	
Rentals	2,985	
Travel	4,439	
Other Contracted Services	52,472	
Crushed Stone	5,608	
Electricity	15,154	
Gasoline	1,803	
Office Supplies	1,133	
Tires and Tubes	903	
Water and Sewer	264	
Other Supplies and Materials	2,029	
Workers' Compensation Insurance	1,519	
Other Charges	79	
Maintenance Equipment	710	
Total Industrial Development		249,771

Airport

Communication	\$ 779	
Maintenance and Repair Services - Buildings	2,350	
Permits	450	
Other Contracted Services	1,186	
Electricity	3,378	
Gasoline	35,361	
Natural Gas	1,240	
Water and Sewer	937	
Other Supplies and Materials	2,446	
Airport Improvement	2,217,104	
Total Airport		2,265,231

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	40,411	
Deputy(ies)		39,957	
Social Security		5,900	
Pensions		5,626	
Life Insurance		120	
Medical Insurance		6,628	
Unemployment Compensation		42	
Communication		562	
Rentals		656	
Travel		1,000	
Other Contracted Services		832	
Office Supplies		423	
Office Equipment		983	
Total Veterans' Services			\$ 103,140

Contributions to Other Agencies

Contributions	\$	58,720	
Total Contributions to Other Agencies			58,720

Employee Benefits

Medical Insurance	\$	65,967	
Total Employee Benefits			65,967

COVID-19 Grant #8

Building Improvements	\$	13,765	
Total COVID-19 Grant #8			13,765

COVID-19 Grant #9

Custodial Supplies	\$	16,693	
Total COVID-19 Grant #9			16,693

Miscellaneous

Contracts with Other Public Agencies	\$	10,958	
Contributions		38,380	
Lease/SBITA Payments		1,250	
Other Contracted Services		1,205	
Trustee's Commission		268,632	
Other Charges		820	
Total Miscellaneous			321,245

Highways

Litter and Trash Collection

Overtime Pay	\$	169	
Other Salaries and Wages		30,282	
Social Security		2,110	
Pensions		1,812	
Life Insurance		36	

(Continued)

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

General Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Medical Insurance	\$	6,573	
Unemployment Compensation		15	
Contracts with Other Public Agencies		8,000	
Maintenance and Repair Services - Vehicles		2,167	
Gasoline		2,226	
Tires and Tubes		937	
Other Supplies and Materials		5,893	
Workers' Compensation Insurance		2,979	
Total Litter and Trash Collection			\$ 63,199

Total General Fund \$ 23,256,406

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	44,859	
Social Security		3,199	
Pensions		3,140	
Life Insurance		60	
Medical Insurance		6,626	
Unemployment Compensation		21	
Communication		713	
Dues and Memberships		300	
Evaluation and Testing		805	
Maintenance and Repair Services - Vehicles		603	
Travel		294	
Gasoline		2,152	
Tires and Tubes		745	
Uniforms		197	
Trustee's Commission		27,994	
Workers' Compensation Insurance		1,884	
Total Sanitation Management			\$ 93,592

Waste Pickup

Truck Drivers	\$	153,885	
Overtime Pay		25,604	
Social Security		12,993	
Pensions		12,344	
Life Insurance		219	
Medical Insurance		18,489	
Unemployment Compensation		92	
Communication		208	
Maintenance and Repair Services - Vehicles		13,691	
Towing Services		80	
Gasoline		84,977	
Lubricants		4,871	
Tires and Tubes		16,815	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Uniforms	\$	500	
Vehicle Parts		8,250	
Other Supplies and Materials		7,297	
Workers' Compensation Insurance		17,260	
Other Charges		216	
Motor Vehicles		443,132	
Total Waste Pickup			\$ 820,923

Convenience Centers

Laborers	\$	259,780	
Part-time Personnel		69,337	
Overtime Pay		9,950	
Other Salaries and Wages		7,525	
Social Security		22,641	
Pensions		18,116	
Life Insurance		338	
Medical Insurance		31,017	
Unemployment Compensation		333	
Communication		3,894	
Lease/SBITA Payments		3,100	
Maintenance and Repair Services - Equipment		10,068	
Rentals		13,500	
Other Contracted Services		3,317	
Crushed Stone		1,603	
Uniforms		885	
Utilities		10,573	
Other Supplies and Materials		2,866	
Workers' Compensation Insurance		13,315	
Other Charges		582	
Land		100,000	
Other Capital Outlay		45,136	
Total Convenience Centers			627,876

Recycling Center

Laborers	\$	80,667	
Part-time Personnel		16,524	
Overtime Pay		392	
Other Salaries and Wages		1,432	
Social Security		6,820	
Pensions		4,587	
Life Insurance		160	
Medical Insurance		13,723	
Unemployment Compensation		123	
Advertising		71	
Communication		1,212	
Maintenance and Repair Services - Buildings		1,786	
Maintenance and Repair Services - Equipment		1,188	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Maintenance and Repair Services - Office Equipment	\$	499	
Maintenance and Repair Services - Vehicles		3,444	
Rentals		250	
Disposal Fees		67,792	
Other Contracted Services		3,208	
Gasoline		10,507	
Office Supplies		238	
Propane Gas		340	
Tires and Tubes		1,425	
Uniforms		457	
Utilities		6,162	
Other Supplies and Materials		5,238	
Workers' Compensation Insurance		7,446	
Solid Waste Equipment		4,421	
Total Recycling Center			\$ 240,112

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	869,297	
Surcharge		38,969	
Total Landfill Operation and Maintenance			908,266

Total Solid Waste/Sanitation Fund \$ 2,690,769

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	20,164	
Other Fringe Benefits		3,808	
Communication		3,247	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		760	
Maintenance and Repair Services - Vehicles		1,500	
Veterinary Services		200	
Other Contracted Services		2,963	
Animal Food and Supplies		307	
Electricity		927	
Refunds		1,000	
Trustee's Commission		152	
In Service/Staff Development		1,050	
Total Drug Enforcement			\$ 44,078

Total Drug Control Fund 44,078

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #1

Contributions	\$	130,000	
---------------	----	---------	--

(Continued)

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

Other Special Revenue Fund (Cont.)

Other Operations (Cont.)

American Rescue Plan Act Grant #1 (Cont.)

Engineering Services	\$ 153,545	
Other Contracted Services	30,000	
Building Improvements	<u>1,251,862</u>	
Total American Rescue Plan Act Grant #1		\$ 1,565,407

American Rescue Plan Act Grant #2

Building Improvements	\$ 23,638	
Motor Vehicles	<u>39,949</u>	
Total American Rescue Plan Act Grant #2		63,587

American Rescue Plan Act Grant #3

Contributions	\$ 368,111	
Motor Vehicles	54,087	
Other Equipment	<u>19,990</u>	
Total American Rescue Plan Act Grant #3		442,188

American Rescue Plan Act Grant #4

Contributions	\$ 215,000	
Highway Equipment	102,780	
Motor Vehicles	678,234	
Other Equipment	<u>1,269,318</u>	
Total American Rescue Plan Act Grant #4		<u>2,265,332</u>

Total Other Special Revenue Fund \$ 4,336,514

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 49,076	
Total Chancery Court		\$ 49,076

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 381	
Total Sheriff's Department		<u>381</u>

Total Constitutional Officers - Fees Fund 49,457

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 112,246
Secretary(ies)	85,728
Part-time Personnel	1,590
Communication	2,841
Dues and Memberships	4,119
Laundry Service	3,626

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Legal Notices, Recording, and Court Costs	\$	96	
Maintenance Agreements		6,564	
Maintenance and Repair Services - Vehicles		9	
Printing, Stationery, and Forms		265	
Rentals		1,669	
Tuition		610	
Other Contracted Services		325	
Custodial Supplies		248	
Drugs and Medical Supplies		67	
Electricity		10,888	
Natural Gas		2,690	
Water and Sewer		961	
Other Charges		50	
Data Processing Equipment		2,445	
Total Administration			\$ 237,037

Highway and Bridge Maintenance

Foremen	\$	45,553	
Equipment Operators		226,266	
Truck Drivers		223,972	
Laborers		631,189	
Temporary Personnel		110,965	
Overtime Pay		49,144	
Laundry Service		32,254	
Rentals		41,101	
Other Contracted Services		1,579,091	
Asphalt - Hot Mix		21,955	
Asphalt - Liquid		502,575	
Concrete		1,810	
Crushed Stone		427,816	
Pipe		82,127	
Pipe - Metal		47,979	
Road Signs		12,934	
Salt		19,489	
Wood Products		185	
Other Supplies and Materials		6,545	
Total Highway and Bridge Maintenance			4,062,950

Operation and Maintenance of Equipment

Foremen	\$	42,832	
Mechanic(s)		145,057	
Overtime Pay		93	
Laundry Service		4,287	
Maintenance and Repair Services - Buildings		103	
Maintenance and Repair Services - Equipment		29,034	
Maintenance and Repair Services - Vehicles		23,797	
Rentals		4,565	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Towing Services	\$	1,635	
Diesel Fuel		124,312	
Equipment and Machinery Parts		103,805	
Garage Supplies		1,902	
Gasoline		90,348	
Lubricants		15,339	
Small Tools		3,646	
Tires and Tubes		37,855	
Other Supplies and Materials		5,221	
Other Equipment		<u>1,960</u>	
Total Operation and Maintenance of Equipment	\$		635,791

Other Charges

Bank Charges	\$	165	
Evaluation and Testing		2,315	
Trustee's Commission		61,887	
Workers' Compensation Insurance		<u>88,960</u>	
Total Other Charges			153,327

Employee Benefits

Social Security	\$	120,515	
Pensions		99,922	
Life Insurance		2,630	
Medical Insurance		215,623	
Unemployment Compensation		<u>11,004</u>	
Total Employee Benefits			449,694

Capital Outlay

Engineering Services	\$	1,026	
Highway Equipment		16,658	
Motor Vehicles		43,428	
State Aid Projects		<u>2,006,852</u>	
Total Capital Outlay			<u>2,067,964</u>

Total Highway/Public Works Fund \$ 7,606,763

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>971,419</u>	
Total General Government	\$		971,419

Interest on Debt

General Government

Interest on Bonds	\$	<u>210,098</u>	
Total General Government			210,098

(Continued)

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Fiscal Agent Charges	\$	670	
Trustee's Commission		19,631	
Other Debt Service		389	
Total General Government		<u>20,690</u>	\$ 20,690

Total General Debt Service Fund \$ 1,202,207

Special Debt Service Fund

Principal on Debt

Highways and Streets

Principal on Bonds	\$	419,302	
Total Highways and Streets			\$ 419,302

Interest on Debt

Highways and Streets

Interest on Bonds	\$	43,264	
Total Highways and Streets			43,264

Other Debt Service

Highways and Streets

Fiscal Agent Charges	\$	8	
Trustee's Commission		3,701	
Other Debt Service		39	
Total Highways and Streets		<u>3,748</u>	

Total Special Debt Service Fund 466,314

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	2,304,279	
Principal on Other Loans		652,343	
Total Education		<u>2,956,622</u>	\$ 2,956,622

Interest on Debt

Education

Interest on Bonds	\$	1,119,275	
Interest on Other Loans		173,810	
Total Education		<u>1,293,085</u>	1,293,085

Other Debt Service

Education

Fiscal Agent Charges	\$	6,329	
Trustee's Commission		85,038	
Other Debt Service		2,072	
Total Education		<u>93,439</u>	

Total Education Debt Service Fund 4,343,146

(Continued)

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

General Capital Projects Fund		
Capital Projects		
General Administration Projects		
Building Improvements	\$ 51,977	
Total General Administration Projects		\$ 51,977
Public Safety Projects		
Building Improvements	\$ 65,888	
Communication Equipment	<u>36,970</u>	
Total Public Safety Projects		102,858
Public Health and Welfare Projects		
Building Improvements	\$ 17,149	
Total Public Health and Welfare Projects		17,149
Other General Government Projects		
Trustee's Commission	\$ 5,794	
Other Construction	<u>2,512</u>	
Total Other General Government Projects		<u>8,306</u>
Total General Capital Projects Fund		\$ 180,290
Other Capital Projects Fund		
Capital Projects		
Public Utility Projects		
Other Contracted Services	\$ 37,000	
Other Construction	<u>17,355</u>	
Total Public Utility Projects		\$ 54,355
Other General Government Projects		
Other Contracted Services	\$ 39,471	
Other Construction	<u>306,212</u>	
Total Other General Government Projects		<u>345,683</u>
Total Other Capital Projects Fund		<u>400,038</u>
Total Governmental Funds - Primary Government		<u>\$ 44,575,982</u>

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 21,199,817	
Career Ladder Program	32,000	
Career Ladder Extended Contracts	6,435	
Homebound Teachers	129,947	
Educational Assistants	1,522,574	
Other Salaries and Wages	275,315	
Social Security	1,335,540	
Pensions	1,632,407	
Life Insurance	65,211	
Medical Insurance	3,515,520	
Employer Medicare	315,105	
Contributions	1,147,018	
Other Contracted Services	87,203	
Instructional Supplies and Materials	252,308	
Textbooks - Bound	769,545	
Other Supplies and Materials	3,900	
Fee Waivers	106,868	
TISA - On-behalf Payments	98,606	
Regular Instruction Equipment	72,975	
Total Regular Instruction Program		\$ 32,568,294

Alternative Instruction Program

Teachers	\$ 236,033	
Career Ladder Program	1,000	
Educational Assistants	19,813	
Social Security	14,970	
Pensions	18,606	
Life Insurance	763	
Medical Insurance	42,834	
Employer Medicare	3,501	
Instructional Supplies and Materials	1,859	
Other Charges	965	
Other Equipment	1,500	
Total Alternative Instruction Program		341,844

Special Education Program

Teachers	\$ 2,537,233
Career Ladder Program	7,000
Homebound Teachers	121,610
Educational Assistants	605,085
Speech Pathologist	180,513
Social Security	198,850
Pensions	249,757
Life Insurance	12,711
Medical Insurance	570,635
Employer Medicare	46,505

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Contracted Services	\$	18,279	
Instructional Supplies and Materials		620	
Other Supplies and Materials		8,464	
TISA - On-behalf Payments		21,403	
Special Education Equipment		15,108	
Total Special Education Program	\$		4,593,773

Career and Technical Education Program

Teachers	\$	1,824,665	
Other Salaries and Wages		63,644	
Social Security		107,894	
Pensions		139,928	
Life Insurance		4,901	
Medical Insurance		344,593	
Employer Medicare		25,233	
Instructional Supplies and Materials		113,504	
Software		35,912	
Other Supplies and Materials		3,873	
Other Charges		4,119	
Vocational Instruction Equipment		65,737	
Total Career and Technical Education Program			2,734,003

Support Services

Attendance

Supervisor/Director	\$	89,992	
Secretary(ies)		36,700	
Other Salaries and Wages		79,497	
Social Security		11,911	
Pensions		15,057	
Life Insurance		576	
Medical Insurance		38,435	
Employer Medicare		2,786	
Travel		3,232	
Software		44,438	
Other Supplies and Materials		356	
In Service/Staff Development		10,187	
Attendance Equipment		769	
Total Attendance			333,936

Health Services

Supervisor/Director	\$	136,817	
Medical Personnel		624,424	
Other Salaries and Wages		60,116	
Social Security		45,451	
Pensions		59,808	
Life Insurance		2,736	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	230,470	
Employer Medicare		10,630	
Maintenance and Repair Services - Equipment		1,607	
Travel		4,127	
Drugs and Medical Supplies		24,863	
Other Supplies and Materials		19,544	
In Service/Staff Development		3,592	
Other Charges		11,336	
Health Equipment		12,814	
Total Health Services			\$ 1,248,335

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		1,306,625	
Secretary(ies)		58,450	
Other Salaries and Wages		711,776	
Social Security		119,713	
Pensions		142,806	
Life Insurance		5,120	
Medical Insurance		375,202	
Employer Medicare		27,997	
Evaluation and Testing		117,390	
Other Contracted Services		21,897	
Other Supplies and Materials		27,076	
Other Charges		10,472	
Other Equipment		1,500	
Total Other Student Support			2,928,024

Regular Instruction Program

Supervisor/Director	\$	308,452	
Career Ladder Program		4,000	
Librarians		772,191	
Assessment Personnel		14,117	
Educational Assistants		44,672	
Other Salaries and Wages		375,758	
Social Security		87,940	
Pensions		104,968	
Life Insurance		3,321	
Medical Insurance		234,650	
Employer Medicare		20,567	
Travel		26,019	
Other Contracted Services		170,872	
Library Books/Media		35,071	
Periodicals		1,219	
Other Supplies and Materials		8,660	
In Service/Staff Development		61,877	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Charges	\$ 586	
Other Equipment	47,710	
Total Regular Instruction Program		\$ 2,322,650

Special Education Program

Supervisor/Director	\$ 141,847	
Career Ladder Program	5,000	
Psychological Personnel	72,137	
Medical Personnel	111,051	
Assessment Personnel	67,939	
Secretary(ies)	35,836	
Other Salaries and Wages	65,037	
In-service Training	1,900	
Social Security	28,777	
Pensions	34,169	
Life Insurance	1,109	
Medical Insurance	80,727	
Employer Medicare	6,805	
Total Special Education Program		652,334

Career and Technical Education Program

Supervisor/Director	\$ 86,045	
Other Salaries and Wages	82,800	
Social Security	10,142	
Pensions	8,471	
Life Insurance	288	
Medical Insurance	12,786	
Employer Medicare	2,372	
Other Supplies and Materials	307	
In Service/Staff Development	629	
Other Equipment	3,313	
Total Career and Technical Education Program		207,153

Technology

Supervisor/Director	\$ 84,654	
Other Salaries and Wages	369,725	
Social Security	26,852	
Pensions	34,700	
Life Insurance	1,440	
Medical Insurance	52,606	
Employer Medicare	6,280	
Communication	5,377	
Consultants	8,385	
Maintenance and Repair Services - Equipment	39,600	
Internet Connectivity	209,993	
Travel	2,530	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Contracted Services	\$	120,627	
Office Supplies		308	
Cabling		5,545	
Software		22,637	
Other Supplies and Materials		2,821	
In Service/Staff Development		7,451	
Other Charges		2,288	
Other Equipment		280,756	
Total Technology			\$ 1,284,575

Other Programs

On-behalf Payments to OPEB	\$	391,781	
Total Other Programs			391,781

Board of Education

Secretary to Board	\$	1,450	
Other Salaries and Wages		9,700	
Social Security		688	
Pensions		396	
Life Insurance		17,995	
Medical Insurance		491,952	
Unemployment Compensation		10,716	
Employer Medicare		161	
Audit Services		29,500	
Dues and Memberships		20,015	
Legal Services		38,623	
Other Contracted Services		9,540	
Liability Insurance		588,944	
Trustee's Commission		200,729	
Workers' Compensation Insurance		350,289	
In Service/Staff Development		13,614	
Other Charges		2,323	
Total Board of Education			1,786,635

Director of Schools

County Official/Administrative Officer	\$	126,667	
Career Ladder Program		1,000	
Secretary(ies)		82,100	
Other Salaries and Wages		18,428	
Social Security		13,508	
Pensions		16,770	
Life Insurance		428	
Medical Insurance		22,827	
Employer Medicare		3,159	
Communication		100,142	
Postal Charges		7,000	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	1,945	
Other Contracted Services		16,697	
Office Supplies		4,291	
Other Supplies and Materials		675	
In Service/Staff Development		9,734	
Other Charges		3,861	
Total Director of Schools			\$ 429,232

Office of the Principal

Principals	\$	1,364,470	
Career Ladder Program		6,000	
Assistant Principals		808,592	
Secretary(ies)		605,250	
Other Salaries and Wages		376,762	
Social Security		179,181	
Pensions		220,843	
Life Insurance		9,718	
Medical Insurance		633,685	
Employer Medicare		41,905	
Travel		685	
Total Office of the Principal			4,247,091

Fiscal Services

Supervisor/Director	\$	82,040	
Accountants/Bookkeepers		231,200	
Secretary(ies)		21,937	
Social Security		19,042	
Pensions		22,943	
Life Insurance		965	
Medical Insurance		62,817	
Employer Medicare		4,453	
Travel		79	
Other Contracted Services		29,183	
Office Supplies		2,270	
In Service/Staff Development		2,180	
Other Equipment		843	
Total Fiscal Services			479,952

Human Services/Personnel

Supervisor/Director	\$	94,900	
Secretary(ies)		39,100	
Social Security		8,147	
Pensions		9,200	
Life Insurance		288	
Medical Insurance		6,393	
Employer Medicare		1,905	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Advertising	\$	668	
Travel		1,699	
Other Contracted Services		10,247	
Office Supplies		528	
Other Supplies and Materials		1,362	
In Service/Staff Development		2,692	
Other Charges		10,532	
Total Human Services/Personnel			\$ 187,661

Operation of Plant

Custodial Personnel	\$	1,496,793	
Other Salaries and Wages		6,500	
Social Security		85,557	
Pensions		104,273	
Life Insurance		7,278	
Medical Insurance		314,613	
Employer Medicare		20,009	
Other Contracted Services		252,774	
Custodial Supplies		115,671	
Electricity		1,467,660	
Natural Gas		189,064	
Water and Sewer		181,226	
In Service/Staff Development		1,685	
Other Charges		740	
Plant Operation Equipment		9,582	
Other Equipment		34,986	
Total Operation of Plant			4,288,411

Maintenance of Plant

Supervisor/Director	\$	68,614	
Secretary(ies)		29,500	
Maintenance Personnel		891,536	
Other Salaries and Wages		75,619	
Social Security		61,796	
Pensions		76,691	
Life Insurance		3,154	
Medical Insurance		168,520	
Employer Medicare		14,452	
Communication		9,256	
Lease/SBITA Payments		69,873	
Maintenance and Repair Services - Buildings		145,874	
Maintenance and Repair Services - Equipment		6,399	
Travel		1,182	
Other Contracted Services		237,580	
Office Supplies		1,502	
Other Supplies and Materials		264,224	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

In Service/Staff Development	\$	122	
Other Charges		72	
Administration Equipment		27,967	
Maintenance Equipment		49,376	
Motor Vehicles		179,366	
Other Equipment		6,211	
Total Maintenance of Plant			\$ 2,388,886

Transportation

Bus Drivers	\$	55,917	
Other Salaries and Wages		16,609	
Social Security		4,094	
Pensions		4,604	
Employer Medicare		1,039	
Contracts with Parents		3,508	
Diesel Fuel		3,006	
Tires and Tubes		29,090	
Transportation Equipment		62,656	
Total Transportation			180,523

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	16,880	
Social Security		993	
Pensions		1,253	
Employer Medicare		232	
Total Food Service			19,358

Community Services

Other Salaries and Wages	\$	60,741	
Social Security		3,345	
Pensions		4,252	
Life Insurance		216	
Medical Insurance		14,587	
Employer Medicare		782	
Communication		458	
Travel		1,852	
Other Contracted Services		881	
Other Supplies and Materials		6,355	
In Service/Staff Development		1,270	
Total Community Services			94,739

Early Childhood Education

Teachers	\$	200,831	
Clerical Personnel		11,675	
Educational Assistants		64,487	

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Salaries and Wages	\$	2,000	
Social Security		15,815	
Pensions		20,654	
Life Insurance		1,205	
Medical Insurance		62,412	
Employer Medicare		3,699	
Instructional Supplies and Materials		11,594	
In Service/Staff Development		1,496	
Total Early Childhood Education			\$ 395,868

Capital Outlay

Regular Capital Outlay

Architects	\$	34,074	
Other Contracted Services		17,724	
Building Improvements		88,674	
Furniture and Fixtures		4,326	
Total Regular Capital Outlay			144,798

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	685,307	
Total Education			685,307

Total General Purpose School Fund \$ 64,935,163

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	839,934	
Educational Assistants		338,383	
Other Salaries and Wages		116,735	
Social Security		71,710	
Pensions		89,725	
Life Insurance		5,033	
Medical Insurance		229,555	
Employer Medicare		17,451	
Other Contracted Services		439,625	
Instructional Supplies and Materials		595,072	
Other Supplies and Materials		62,779	
Regular Instruction Equipment		1,706,360	
Total Regular Instruction Program			\$ 4,512,362

Special Education Program

Teachers	\$	422,719	
Educational Assistants		572,880	
Speech Pathologist		120,543	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	20,769	
Social Security		64,689	
Pensions		83,758	
Life Insurance		6,125	
Medical Insurance		223,983	
Employer Medicare		15,129	
Contracts with Private Agencies		3,630	
Other Contracted Services		66,771	
Instructional Supplies and Materials		48,625	
Other Supplies and Materials		11,538	
Other Charges		1,012	
Special Education Equipment		59,166	
Total Special Education Program	\$		1,721,337

Career and Technical Education Program

Teachers	\$	32,036	
Employer Medicare		465	
Maintenance and Repair Services - Equipment		3,222	
Instructional Supplies and Materials		19,985	
Other Supplies and Materials		12,182	
Vocational Instruction Equipment		97,595	
Total Career and Technical Education Program			165,485

Support Services

Attendance

Clerical Personnel	\$	33,700	
Social Security		2,089	
Pensions		2,359	
Life Insurance		144	
Employer Medicare		489	
Total Attendance			38,781

Health Services

Other Supplies and Materials	\$	25,860	
Total Health Services			25,860

Other Student Support

Bus Drivers	\$	925	
Other Salaries and Wages		130,156	
Social Security		5,150	
Pensions		6,254	
Life Insurance		144	
Employer Medicare		1,834	
Travel		26,921	
Other Contracted Services		255,633	
Other Supplies and Materials		108,145	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	14,428	
Other Charges		<u>1,138</u>	
Total Other Student Support	\$		550,728

Regular Instruction Program

Supervisor/Director	\$	88,022	
Education Media Personnel		90,710	
Secretary(ies)		40,300	
Part-time Personnel		5,842	
Other Salaries and Wages		669,581	
In-service Training		22,350	
Social Security		50,949	
Pensions		63,042	
Life Insurance		1,786	
Medical Insurance		152,331	
Employer Medicare		12,384	
Travel		16,612	
Other Contracted Services		209,319	
Library Books/Media		2,436	
Other Supplies and Materials		18,311	
In Service/Staff Development		380,066	
Other Charges		2,406	
Other Equipment		<u>100,557</u>	
Total Regular Instruction Program			1,927,004

Special Education Program

Supervisor/Director	\$	37,624	
Medical Personnel		66,706	
Assessment Personnel		56,468	
Other Salaries and Wages		113,470	
In-service Training		650	
Social Security		15,894	
Pensions		19,286	
Life Insurance		576	
Medical Insurance		40,106	
Employer Medicare		3,642	
Maintenance and Repair Services - Equipment		739	
Travel		40,855	
Other Contracted Services		1,416	
Other Supplies and Materials		14,722	
In Service/Staff Development		71,321	
Other Charges		2,822	
Other Equipment		<u>8,158</u>	
Total Special Education Program			494,455

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Other Supplies and Materials	\$	409	
In Service/Staff Development		<u>3,123</u>	
Total Career and Technical Education Program	\$		3,532

Technology

Other Contracted Services	\$	40,600	
Software		143,727	
Regular Instruction Equipment		<u>18,695</u>	
Total Technology			203,022

Operation of Plant

Other Contracted Services	\$	<u>70,857</u>	
Total Operation of Plant			70,857

Transportation

Bus Drivers	\$	300	
Social Security		18	
Pensions		22	
Employer Medicare		4	
Contracts with Parents		<u>31,992</u>	
Total Transportation			32,336

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	540	
Teachers		31,174	
Educational Assistants		4,365	
Other Salaries and Wages		255	
Social Security		2,134	
Pensions		2,586	
Employer Medicare		499	
Instructional Supplies and Materials		1,094	
In Service/Staff Development		1,376	
Other Charges		<u>972</u>	
Total Community Services			44,995

Capital Outlay

Regular Capital Outlay

Architects	\$	230,108	
Building Improvements		4,670,016	
Plant Operation Equipment		<u>224,441</u>	
Total Regular Capital Outlay			<u>5,124,565</u>

Total School Federal Projects Fund \$ 14,915,319

(Continued)

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

Discretely Presented Hawkins County School Department (Cont.)

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 75,622	
Accountants/Bookkeepers	36,400	
Clerical Personnel	61,070	
Cafeteria Personnel	1,349,484	
Other Salaries and Wages	36,803	
Social Security	82,508	
Pensions	111,086	
Life Insurance	12,396	
Medical Insurance	566,151	
Employer Medicare	19,296	
Communication	1,800	
Maintenance and Repair Services - Equipment	46,416	
Travel	3,308	
Other Contracted Services	255,526	
Food Preparation Supplies	192,000	
Food Supplies	1,605,401	
Office Supplies	1,199	
Uniforms	4,813	
USDA - Commodities	340,700	
In Service/Staff Development	6,789	
Food Service Equipment	116,309	
Total Food Service	\$ 4,925,077	

Total Central Cafeteria Fund \$ 4,925,077

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 89,690	
Total Board of Education	\$ 89,690	

Transportation

Supervisor/Director	\$ 75,526
Mechanic(s)	310,843
Bus Drivers	1,473,821
Clerical Personnel	69,469
Other Salaries and Wages	212,556
Social Security	116,991
Pensions	143,240
Life Insurance	8,561
Medical Insurance	332,757
Employer Medicare	29,166
Retirement - Hybrid Stabilization	8,590
Communication	1,437
Contracts with Parents	1,679
Maintenance and Repair Services - Vehicles	58,691

(Continued)

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	6,396	
Other Contracted Services		63,188	
Gasoline		426,834	
Lubricants		9,578	
Office Supplies		4,554	
Propane Gas		21,067	
Tires and Tubes		60,603	
Vehicle Parts		217,641	
Other Supplies and Materials		5,359	
In Service/Staff Development		2,269	
Other Charges		62,420	
Administration Equipment		1,079	
Transportation Equipment		253,430	
Total Transportation			\$ 3,977,745

Total School Transportation Fund \$ 4,067,435

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	2,703,726	
Total Community Services			\$ 2,703,726

Total Internal School Fund 2,703,726

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	140,455	
Trustee's Commission		29,614	
Building Improvements		426,168	
Vocational Instruction Equipment		6,448	
Total Education Capital Projects			\$ 602,685

Total Education Capital Projects Fund 602,685

Total Governmental Funds - Hawkins County School Department \$ 92,149,405

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*

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 14, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Hawkins County School Department, as described in our report on Hawkins County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hawkins County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hawkins County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hawkins County's internal control.

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

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

the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkins County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and 2024-002.

Hawkins County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hawkins County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Hawkins County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 Hawkins County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 14, 2025

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hawkins County’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hawkins County’s major federal programs for the year ended June 30, 2024. Hawkins County’s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hawkins County complied, in all material respects, with the 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hawkins County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Hawkins 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 Hawkins County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Hawkins 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 Hawkins County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Hawkins County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hawkins County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements. We issued our report thereon dated January 14, 2025, 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

January 14, 2025

JEM/gc

HAWKINS COUNTY, TENNESSEE, AND THE HAWKINS COUNTY SCHOOL DEPARTMENT

Schedule of Expenditures of Federal Awards and State Grants (1) (2)

For the Year-Ended June 30, 2024

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	\$ 0	\$ 959,518
National School Lunch Program	10.555	N/A	0	2,642,357 (5)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	0	163,160 (5)
Child Nutrition Discretionary Grant Limited Availability	10.579	N/A	0	70,000
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	0	3,256
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	340,700 (5)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-80422	0	78,050 (6)
Total U.S. Department of Agriculture				<u>\$ 4,257,041</u>
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	(3)	0	\$ 11,398
Passed-through Tennessee Housing Development Agency:				
Home Investment Partnerships Program	14.239	(3)	0	345,683
Total U.S. Department of Housing and Urban Development				<u>\$ 357,081</u>
U.S. Department of Justice:				
Direct Award:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	0	\$ 70,728
Total U.S. Department of Justice				<u>\$ 70,728</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
COVID 19 - Airport Improvement Program	20.106	(3)	0	\$ 681 (5)
Airport Improvement Program	20.106	(3)	0	181,131 (5)
Alcohol Open Container Requirements	20.607	(3)	0	38,856
Total U.S. Department of Transportation				<u>\$ 220,668</u>
U.S. Department of the Treasury:				
Direct Award:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	\$ 778,515 (5)
Passed-through Tennessee Department of Environment and Conservation:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	(7) 17,355	48,919 (5)
Passed-through State Department of Education:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	0	104,157 (5)
Total U.S. Department of the Treasury				<u>\$ 931,591</u>

(Continued)

HAWKINS COUNTY, TENNESSEE, AND THE HAWKINS COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Education:				
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(3)	\$ 0	\$ 54,951
Passed-through East Tennessee State University:				
Supporting Effective Educator Development Program	84.423	84.423A	0	90,922
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	0	2,321,590
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	0	1,969,508 (5)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	0	8,653 (5)
Special Education - Preschool Grants	84.173	N/A	0	33,001 (5)
COVID 19 - Special Education - Grants to State (ARP)	84.173	84.173X	0	85 (5)
Career and Technical Education - Basic Grants to States	84.048	N/A	0	178,097
Education for Homeless Children and Youth	84.196	N/A	0	30,006
Twenty-first Century Community Learning Centers	84.287	N/A	0	44,996
English Language Acquisition Grants	84.365	N/A	0	3,588
Supporting Effective Instruction State Grants	84.367	N/A	0	503,783
Student Support and Academic Enrichment Program	84.424	N/A	0	475,961
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Tennessee All Corps (ESSER II)	84.425D	N/A	0	408,625 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Math Implementation (ESSER II)	84.425D	N/A	0	71,250 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	231,636 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	8,552,184 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	0	19,225 (5)
Passed-through Niswonger Foundation:				
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	478,827 (5)
Total U.S. Department of Education				<u>\$ 15,476,888</u>
U.S. Election Assistance Commission:				
Passed-through Secretary of State:				
Election Security Grants	90.404	N/A	0	\$ 333,853
Total U.S. Election Assistance Commission				<u>\$ 333,853</u>
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Injury Prevention and Control Research and State and Community				
Based Programs	93.136	GG-24-80422	0	\$ 601 (6)
Immunization Cooperative Agreements	93.268	(3)	0	13,765
COVID 19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(3)	0	235,020
Emergency Response: Public Health Crisis Response	93.354	GG-24-80422	0	312 (5)
Medicaid Cluster: (4)				
Medical Assistance Program	93.778	GG-24-80422	0	27,909 (6)
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93.977	GG-24-80422	0	11,650 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-80422	0	10,782 (6)
Passed-through State Department of Education:				
Public Health Emergency Response: Cooperative Agreement for				
Emergency Response: Public Health Crisis Response	93.354	(3)	0	8,180 (5)
Total U.S. Department of Health and Human Services				<u>\$ 308,219</u>

(Continued)

HAWKINS COUNTY, TENNESSEE, AND THE HAWKINS COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	(3)	\$ 0	\$ 45,382
Total U.S. Department of Homeland Security				<u>\$ 45,382</u>
Total Expenditures of Federal Awards				<u>\$ 22,001,451</u>
State Grants		Contract Number		
Safe Schools Act Grant - State Department of Education	N/A	(3)		\$ 144,781
School Resource Office - Finance and Administration	N/A	(3)		1,005,971
Innovative School Models - State Department of Education	N/A	(3)		745,623
Supporting Postsecondary Attainment in Rural Counties (SPARC) - Tennessee Department of Education	N/A	(3)		102,000
Summer Learning Camps - State Department of Education	N/A	(3)		547,320
Aging Program - State Office on Aging	N/A	(3)		60,952
Senior Center Competitive Grant - Tennessee Commission on Aging Disability	N/A	(3)		8,000
Used Automotive Fluid Recycling Grant - State Department of Environment and Conservation	N/A	(3)		11,750
Airport Maintenance Programs - State Department of Transportation	N/A	(3)		2,036,275
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(3)		84,085
Violent Crime Intervention Funding - Tennessee Office of Criminal Justice Program	N/A	(3)		60,201
Library and Archives Grant - Tennessee Secretary of State	N/A	(3)		3,000
Litter Program - State Department of Transportation	N/A	(3)		53,826
Direct Appropriation Grant - Finance and Administration	N/A	(3)		47,815
Election Commission Grant - Tennessee Secretary of State	N/A	(3)		66,790
Early Childhood Education Pilot Project - State Department of Education	N/A	(3)		437,831
Drivers Education - State Department of Education	N/A	(3)		13,357
State Aid Program - State Department of Transportation	N/A	(3)		2,006,852
Health Department Programs - State Department of Health	N/A	GG-24-80422		<u>162,484</u> (6)
Total State Grants				<u>\$ 7,598,913</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) Hawkins County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Child Nutrition Cluster total \$4,105,735; Special Education Cluster total \$2,011,247; Medicaid Cluster total \$27,909.
(5) Total for ALN 10.555 is \$3,146,217; ALN 20.106, \$181,812; ALN 21.027, \$931,591; ALN 84.027, \$1,978,161; ALN 84.173 \$33,086;
ALN 84.425; \$9,761,747; ALN 93.354, \$8,492.
(6) Total for federal GG-24-80422 is \$129,304. Total state and federal is \$291,788.
(7) SUBRECIPIENT AMOUNTS

Program Title	ALN	Amount Provided to Subrecipient
First Utility District	21.027	\$ 17,355
Total Amounts provided to subrecipients		<u>\$ 17,355</u>

HAWKINS 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 Hawkins 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
OFFICE OF COUNTY MAYOR					
2023	237	2023-001	Competitive bids were not solicited for property assessor's vehicle purchase.	N/A	Corrected
OFFICE OF DIRECTOR OF SCHOOLS					
2023	238	2023-002	The school department paid fraudulent fuel card charges.	N/A	Corrected

Prior-year Federal Awards Findings

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

HAWKINS COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Hawkins County is unmodified.

2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:
 - * 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.

OFFICE OF COUNTY MAYOR AND ROAD SUPERINTENDENT

FINDING 2024-001

DEFICIENCIES WERE NOTED IN THE PURCHASES OF USED VEHICLES AND EQUIPMENT

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for examining capital expenditures we noted that Hawkins County purchased two used vehicles totaling \$53,780 and a used excavator for \$30,000 from the Other General Government Special Revenue Fund. An additional used vehicle purchase of \$43,428 was made from the Highway/Public Works Fund. Purchasing procedures for all departments of Hawkins County are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases, and purchases in excess of \$25,000 to be made after public advertisement and solicitation of competitive bids through newspaper advertisement. Since the purchases were for used items, 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 items 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 prices may not have been obtained for the purchase of the vehicles and equipment.

RECOMMENDATION

All purchases should be made in compliance with provisions of Chapter 256, Private Acts of 1957, as amended, and applicable state statutes.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND ROAD SUPERINTENDENT

Regarding finding 2024-001 we thought we were following the guidance provided. We do feel that we were actively researching like models to ensure the best deal was found and feel confident the vehicles and equipment purchased were at or below fair market value. However, we will follow current guidance moving forward to ensure no future findings will be had regarding such a purchase.

OFFICE OF COUNTY MAYOR

FINDING 2024-002

A PAYROLL TAX DEPOSIT TO THE INTERNAL REVENUE SERVICE WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF PENALTIES TOTALING \$1,808

(Noncompliance Under *Government Auditing Standards*)

Hawkins County maintains a payroll clearing account with the bank to deposit employee payroll taxes due to the Internal Revenue Service (IRS), and the IRS automatically withdraws payment from the account. In January 2024, the county failed to deposit the IRS payment timely, and funds were not available when the IRS attempted withdrawal. As a result, the IRS assessed the county a penalty totaling \$1,808, which the county paid on March 7, 2024. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll taxes should be deposited timely with the Internal Revenue Service to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Regarding finding 2024-002 we do concur with the finding. The accounting and budgeting department has been historically understaffed, which places an unreasonable burden on all staff members when there is any approved absenteeism. An effort was made to correct this with additional full-time staff but was unfortunately unsuccessful. Instead, part-time staff has been hired to help manage workload in the event of any approved absenteeism.

OFFICE OF TRUSTEE

FINDING 2024-003

BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER

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

Bank statements for the Trustee's Office were not accurately reconciled with the general ledger. The office attempted to reconcile its bank accounts; however, multiple accounts had unidentified differences at the time of our examination. Additionally, old reconciling items identified in prior years have continued to be carried forward instead of corrected. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly, and any differences should be identified and corrected promptly. This deficiency exists due to a lack of management oversight.

RECOMMENDATION

All bank accounts should be reconciled with the general ledger monthly, and errors should be identified and corrected promptly.

MANAGEMENT'S RESPONSE – TRUSTEE

We concur with this finding. We have taken steps to correct these issues and have implemented processes that have already been put into practice.

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.

HAWKINS 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
-------------------	------------------	---------------------------------------

OFFICE OF COUNTY MAYOR

2024-001	Deficiencies were noted in the purchases of used vehicles and equipment.	240
2024-002	A payroll tax deposit to the internal revenue service was not properly remitted resulting in the assessment of penalties totaling \$1,808.	241

OFFICE OF TRUSTEE

202-003	Bank statements were not accurately reconciled with the general ledger.	242
---------	---	-----



Hawkins County Government

Mark DeWitte
County Mayor

150 E. Washington Street
Rogersville, TN 37857

Phone: 423-272-7359
Fax: 423-272-1867
mark.dewitte@hawkinscountyttn.gov

Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN THE PURCHASE OF USED VEHICLES AND EQUIPMENT

Response and Corrective Action Plan Prepared by:
Eric Buchanan – Finance Director

Person Responsible for Implementing the Corrective Action:
Eric Buchanan – Finance Director

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

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

Planned Corrective Action:
Discussion was had with all relevant parties regarding guidance from prior management versus current management to ensure clarification for future expectations of purchasing of used vehicles and equipment.

Signature: _____



Hawkins County Government

Mark DeWitte
County Mayor

150 E. Washington Street
Rogersville, TN 37857

Phone: 423-272-7359
Fax: 423-272-1867
mark.dewitte@hawkinscountyttn.gov

Corrective Action Plan

FINDING: A PAYROLL TAX DEPOSIT TO THE IRS WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF PENALTIES TOTALING \$1,808

Response and Corrective Action Plan Prepared by:
Eric Buchanan – Finance Director

Person Responsible for Implementing the Corrective Action:
Eric Buchanan – Finance Director

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

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

Planned Corrective Action:
Additional staffing was hired to help address workload issues with any absences or leave from current staffing.

Signature: _____



Hawkins County Trustee

Room 203
110 East Main Street
Rogersville, Tennessee 37857

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

Corrective Action Plan

FINDING: BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by: James Shanks

Person Responsible for Implementing the Corrective Action: James Shanks

Anticipated Completion Date of Corrective Action:
June 30, 2025

Repeat Finding:
No

Planned Corrective Action:

In reference to the above finding, we have implemented processes to eliminate issues between the bank statements and the general ledger. These processes have already been implemented to insure the Trustee Office is in compliance.

Signature:

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

BEST PRACTICE

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

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

HAWKINS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

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

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