



ANNUAL FINANCIAL REPORT

Pickett County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
PICKETT 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

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

PICKETT COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
INTRODUCTORY SECTION		7
Pickett 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	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-27
Highway/Public Works Fund	C-6	28
Proprietary Fund:		
Statement of Net Position	D-1	29
Statement of Revenues, Expenses, and Changes in Net Position	D-2	30
Statement of Cash Flows	D-3	31
Fiduciary Funds:		
Statement of Net Position	E-1	32
Statement of Changes in Net Position	E-2	33
Index and Notes to the Financial Statements		34-81
REQUIRED SUPPLEMENTARY INFORMATION:		82
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	83
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	84
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Pickett County School Department	F-3	85

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Pickett County School Department	F-4	86
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Pickett County School Department	F-5	87
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Pickett County School Department	F-6	88
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan – Discretely Presented Pickett County School Department	F-7	89
Notes to the Required Supplementary Information		90
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		91
Nonmajor Governmental Funds:		92
Combining Balance Sheet	G-1	93-96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	97-100
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	101
Drug Control Fund	G-4	102
Other Special Revenue Fund	G-5	103
General Debt Service Fund	G-6	104
Fiduciary Funds:		105
Combining Statement of Net Position – Custodial Funds	H-1	106
Combining Statement of Changes in Net Position – Custodial Funds	H-2	107
Component Unit:		
Discretely Presented Pickett County School Department:		108
Statement of Activities	I-1	109
Balance Sheet – Governmental Funds	I-2	110-111
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	112
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	113
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	114
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-6	115
School Federal Projects Fund	I-7	116
Central Cafeteria Fund	I-8	117

	Exhibit	Page(s)
Miscellaneous Schedules:		118
Schedule of Changes in Long-term Bonds, Notes, and Other Loans	J-1	119
Schedule of Long-term Debt Requirements by Year	J-2	120
Schedule of Transfers	J-3	121
Schedule of Salaries and Official Bonds of Principal Officials –		
Primary Government and Discretely Presented Pickett		
County School Department	J-4	122
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	123-134
Schedule of Detailed Revenues – All Governmental Fund Types –		
Discretely Presented Pickett County School Department	J-6	135-137
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	138-148
Schedule of Detailed Expenditures – All Governmental Fund Types –		
Discretely Presented Pickett County School Department	J-8	149-157
SINGLE AUDIT SECTION		158
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>		159-160
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		161-163
Schedule of Expenditures of Federal Awards and State Grants		164-165
Summary Schedule of Prior-year Findings		166
Schedule of Findings and Questioned Costs		167-169
Management's Corrective Action Plan		170-171
Best Practice		172

Summary of Audit Findings

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

Scope

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

Results

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

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

Finding

The following are summaries of the audit finding:

OFFICE OF COUNTY EXECUTIVE

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.



INTRODUCTORY SECTION

PICKETT COUNTY OFFICIALS

June 30, 2024

Officials

Stephen Bilbrey, County Executive
Jimmy Cope, Road Superintendent
Diane Elder, Director of Schools
Jennifer Anderson, Trustee
Kim Logan, Assessor of Property
Robert Lee, County Clerk
Danny Huddleston, Circuit and General Sessions Courts Clerk
Leana Neal, Clerk and Master
Letha McCurdy, Register of Deeds
Dana Dowdy, Sheriff

Board of County Commissioners

Stephen Bilbrey, County Executive, Chairman	
Chris Abbott	Deborah Garrett
Larry Beaty	Tyler Garrett
Tony Beaty	Chris Masiongale
Andrew Conner	Sheila Moon
Francis Copeland	Frankie Mullins
Darrell Garrett	Jim Richardson

Board of Education

Jerry Mitchell, Chairman
Nathan Anderson
Travis Parrott
John Reagan

Audit Committee

Sheila Moon, Chairman
Chris Abbott
Francis Copeland
Darrell Garrett
Deborah Garrett

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Pickett County Executive and
Board of County Commissioners
Pickett County, Tennessee

To the County Executive 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pickett 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 the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pickett County, Tennessee, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 Internal School Fund of the Pickett County School Department (a discretely presented component unit), which represent 2.56 percent, 2.66 percent, and 4.12 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. 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 Pickett County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pickett 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., Pickett 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 Pickett 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 Pickett 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 Pickett County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of 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 Pickett County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Pickett 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, combining and individual fund financial statements of the Pickett 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 October 29, 2024, on our consideration of Pickett 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 Pickett 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 Pickett County's internal control over financial reporting and compliance.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

October 29, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pickett County School Department
ASSETS				
Cash	\$ 674	\$ 0	\$ 674	\$ 230,530
Equity in Pooled Cash and Investments	7,740,946	312,120	8,053,066	3,122,604
Inventories	0	0	0	24,900
Accounts Receivable	329,227	0	329,227	0
Allowance for Uncollectibles	(38,555)	0	(38,555)	0
Due from Other Governments	576,896	0	576,896	324,472
Property Taxes Receivable	3,018,868	67,944	3,086,812	765,364
Allowance for Uncollectible Property Taxes	(56,288)	(1,344)	(57,632)	(13,267)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	45,209
Net Pension Asset - Agent Plan	203,195	0	203,195	46,707
Net Pension Asset - Teacher Retirement Plan		0	0	11,409
Net Pension Asset - Teacher Legacy Pension Plan		0	0	1,106,613
Capital Assets:				
Assets Not Depreciated:				
Land	162,805	110,900	273,705	22,955
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,079,671	19,245	2,098,916	2,662,810
Infrastructure	9,548,660	0	9,548,660	0
Other Capital Assets	1,936,635	54,214	1,990,849	650,864
Total Assets	\$ 25,502,734	\$ 563,079	\$ 26,065,813	\$ 9,001,170
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	\$ 208,541	\$ 0	\$ 208,541	\$ 311,972
Pension Changes in Investment Earnings	84,142	0	84,142	214,245
Pension Changes in Assumptions	380,863	0	380,863	456,694
Pension Changes in Proportion	0	0	0	12,314
Pension Contributions after Measurement Date	226,309	0	226,309	254,279
OPEB Changes in Experience	0	0	0	12,214
OPEB Changes in Assumptions	0	0	0	97,643
OPEB Changes in Proportion	0	0	0	12,838
OPEB Contributions after Measurement Date	0	0	0	42,740
Total Deferred Outflows of Resources	\$ 899,855	\$ 0	\$ 899,855	\$ 1,414,939

(Continued)

Exhibit A

PICKETT COUNTY, TENNESSEE

Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pickett County School Department
LIABILITIES				
Accounts Payable	\$ 883,642	\$ 0	\$ 883,642	\$ 11,617
Accrued Payroll	0	0	0	1,145
Accrued Interest Payable	2,649	0	2,649	0
Payroll Deductions Payable	13,457	0	13,457	0
Noncurrent Liabilities:				
Due Within One Year - Debt	234,153	0	234,153	0
Due Within One Year - Other	3,499	14,002	17,501	36,257
Due in More Than One Year - Debt	494,430	0	494,430	0
Due in More Than One Year - Other	8,163	2,800,485	2,808,648	672,881
Total Liabilities	\$ 1,639,993	\$ 2,814,487	\$ 4,454,480	\$ 721,900
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 2,873,416	\$ 0	\$ 2,873,416	\$ 729,632
Pension Changes in Experience	227,894	0	227,894	110,397
Pension Changes in Proportion	0	0	0	8,609
OPEB Changes in Experience	0	0	0	70,449
OPEB Changes in Assumptions	0	0	0	58,808
OPEB Changes in Proportion	0	0	0	56,913
Total Deferred Inflows of Resources	\$ 3,101,310	\$ 0	\$ 3,101,310	\$ 1,034,808
NET POSITION				
Net Investment in Capital Assets	\$ 12,999,188	\$ 184,359	\$ 13,183,547	\$ 3,336,629
Restricted for:				
General Government	78,722	0	78,722	0
Finance	73,474	0	73,474	0
Administration of Justice	23,770	0	23,770	0
Public Safety	14,012	0	14,012	0
Public Health & Welfare	53,420	0	53,420	0
Social, Cultural, and Recreational Services	41,845	0	41,845	0
Highway/Public Works	551,330	0	551,330	0
Debt Service	297,317	0	297,317	0
Capital Outlay	20,327	0	20,327	0
Education	0	0	0	764,524
Pensions	203,195	0	203,195	1,209,938
Unrestricted	7,304,686	(2,435,767)	4,868,919	3,348,310
Total Net Position	\$ 21,661,286	\$ (2,251,408)	\$ 19,409,878	\$ 8,659,401

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

Exhibit B

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

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Component Unit		
		Program Revenues			Primary Government					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary Government:										
Governmental Activities:										
General Government	\$ 1,076,331	\$ 82,980	\$ 15,164	\$ 564,100	\$ (414,087)	\$ 0	\$ (414,087)	\$ 0		
Finance	431,174	245,761	0	0	(185,413)	0	(185,413)	0		
Administration of Justice	443,045	75,031	9,000	0	(359,014)	0	(359,014)	0		
Public Safety	1,511,889	67,010	358,770	0	(1,086,109)	0	(1,086,109)	0		
Public Health and Welfare	1,612,199	637,217	157,116	0	(817,866)	0	(817,866)	0		
Social, Cultural, and Recreational Services	362,420	2,135	0	0	(360,285)	0	(360,285)	0		
Agriculture and Natural Resources	138,071	0	19,696	0	(118,375)	0	(118,375)	0		
Highways/Public Works	3,543,515	7,239	1,794,010	1,645,784	(96,482)	0	(96,482)	0		
Education	500	0	0	0	(500)	0	(500)	0		
Interest on Long-term Debt	42,983	0	14,700	0	(28,283)	0	(28,283)	0		
Total Governmental Activities	\$ 9,162,127	\$ 1,117,373	\$ 2,368,456	\$ 2,209,884	\$ (3,466,414)	\$ 0	\$ (3,466,414)	\$ 0		
Business-type Activities:										
Solid Waste Disposal	\$ 141,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ (141,088)	\$ (141,088)	\$ 0		
Total Primary Government	\$ 9,303,215	\$ 1,117,373	\$ 2,368,456	\$ 2,209,884	\$ (3,466,414)	\$ (141,088)	\$ (3,607,502)	\$ 0		
Component Unit:										
Pickett County School Department	\$ 8,789,495	\$ 94,635	\$ 2,923,509	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,771,351)		
Total Component Unit	\$ 8,789,495	\$ 94,635	\$ 2,923,509	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,771,351)		

(Continued)

Exhibit B

PICKETT COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Pickett County School Department	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government					
					Governmental Activities	Business-type Activities	Total			
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 2,821,177	\$ 65,886	\$ 2,887,063	\$ 702,947		
Property Taxes Levied for Debt Service					72,579	0	72,579	0		
Local Option Sales Taxes					465,389	0	465,389	794,302		
Hotel/Motel Tax					92,683	0	92,683	0		
Litigation Taxes					7,941	0	7,941	0		
Wheel Tax					62,643	0	62,643	0		
Business Tax					3,318	0	3,318	49,138		
Wholesale Beer Tax					107,690	0	107,690	0		
Mineral Severance Tax					5,099	0	5,099	0		
Other Local Taxes					1,877	0	1,877	70		
Grants and Contributions Not Restricted to Specific Programs					839,568	0	839,568	5,176,703		
Unrestricted Investment Income					36,509	13,106	49,615	36,476		
Miscellaneous					18,421	0	18,421	24,678		
Total General Revenues					\$ 4,534,894	\$ 78,992	\$ 4,613,886	\$ 6,784,314		
Insurance Recovery					\$ 12,012	\$ 0	\$ 12,012	\$ 0		
Change in Net Position					\$ 1,080,492	\$ (62,096)	\$ 1,018,396	\$ 1,012,963		
Net Position, July 1, 2023					20,580,794	(2,189,312)	18,391,482	7,646,438		
Net Position, June 30, 2024					\$ 21,661,286	\$ (2,251,408)	\$ 19,409,878	\$ 8,659,401		

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

PICKETT COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds

June 30, 2024

	<u>Major Funds</u>		<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>	
	<u>General</u>	<u>Highway / Public Works</u>	<u>Other</u>	<u>Govern- mental Funds</u>		
			<u>Govern- mental Funds</u>			
ASSETS						
Cash	\$ 0	\$ 0	\$ 674	\$ 674		
Equity in Pooled Cash and Investments	4,657,701	1,103,500	1,954,745	7,715,946		
Accounts Receivable	184,358	0	144,869	329,227		
Allowance for Uncollectibles	(38,555)	0	0	(38,555)		
Due from Other Governments	258,109	318,787	0	576,896		
Due from Other Funds	17,991	0	25,000	42,991		
Property Taxes Receivable	2,680,566	0	338,302	3,018,868		
Allowance for Uncollectible Property Taxes	(49,901)	0	(6,387)	(56,288)		
Total Assets	\$ 7,710,269	\$ 1,422,287	\$ 2,457,203	\$ 11,589,759		
LIABILITIES						
Accounts Payable	\$ 12,775	\$ 870,364	\$ 503	\$ 883,642		
Payroll Deductions Payable	12,239	593	625	13,457		
Due to Other Funds	0	0	17,991	17,991		
Total Liabilities	\$ 25,014	\$ 870,957	\$ 19,119	\$ 915,090		
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 2,551,765	\$ 0	\$ 321,651	\$ 2,873,416		
Deferred Delinquent Property Taxes	75,395	0	9,808	85,203		
Other Deferred/Unavailable Revenue	130,778	159,393	127,176	417,347		
Total Deferred Inflows of Resources	\$ 2,757,938	\$ 159,393	\$ 458,635	\$ 3,375,966		

(Continued)

PICKETT COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	Total	
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 78,722	\$ 0	\$ 0	\$ 78,722	
Restricted for Finance	73,474	0	0	73,474	
Restricted for Administration of Justice	23,770	0	0	23,770	
Restricted for Public Safety	12,150	0	1,862	14,012	
Restricted for Other Operations	41,845	0	0	41,845	
Restricted for Highways/Public Works	0	391,937	0	391,937	
Restricted for Capital Outlay	20,327	0	0	20,327	
Restricted for Debt Service	0	0	297,797	297,797	
Restricted for Other Purposes	53,420	0	0	53,420	
Committed:					
Committed for Public Health and Welfare	40,117	0	543,238	583,355	
Committed for Capital Outlay	0	0	536,617	536,617	
Committed for Debt Service	0	0	599,935	599,935	
Committed for Capital Projects	72,003	0	0	72,003	
Assigned:					
Assigned for General Government	81,489	0	0	81,489	
Unassigned	4,430,000	0	0	4,430,000	
Total Fund Balances	\$ 4,927,317	\$ 391,937	\$ 1,979,449	\$ 7,298,703	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,710,269	\$ 1,422,287	\$ 2,457,203	\$ 11,589,759	

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

PICKETT 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)	\$ 7,298,703
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 162,805
Add: buildings and improvements net of accumulated depreciation	2,079,671
Add: infrastructure net of accumulated depreciation	9,548,660
Add: other capital assets net of accumulated depreciation	<u>1,936,635</u>
	13,727,771
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: notes payable	\$ (441,970)
Less: other loans payable	(286,613)
Less: compensated absences payable	(11,662)
Less: accrued interest on debt	<u>(2,649)</u>
	(742,894)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.	
Add: deferred outflows of resources related to pensions	\$ 899,855
Less: deferred inflows of resources related to pensions	<u>(227,894)</u>
	671,961
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.	203,195
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	<u>502,550</u>
Net position of governmental activities (Exhibit A)	<u>\$ 21,661,286</u>

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

PICKETT 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	Other Govern- mental Funds	Total Governmental Funds		
			Governmental Funds			
Revenues						
Local Taxes	\$ 3,337,741	\$ 0	\$ 391,258	\$ 3,728,999		
Licenses and Permits	18,983	0	0	18,983		
Fines, Forfeitures, and Penalties	18,382	0	5,065	23,447		
Charges for Current Services	528,833	0	160,203	689,036		
Other Local Revenues	67,470	877	16,328	84,675		
Fees Received From County Officials	318,397	0	0	318,397		
State of Tennessee	1,064,819	3,445,173	0	4,509,992		
Federal Government	143,507	0	72,487	215,994		
Other Governments and Citizens Groups	107,913	0	364,700	472,613		
Total Revenues	\$ 5,606,045	\$ 3,446,050	\$ 1,010,041	\$ 10,062,136		
Expenditures						
Current:						
General Government	\$ 671,443	\$ 0	\$ 0	\$ 671,443		
Finance	362,429	0	0	362,429		
Administration of Justice	370,354	0	0	370,354		
Public Safety	1,320,964	0	282,641	1,603,605		
Public Health and Welfare	893,413	0	418,948	1,312,361		
Social, Cultural, and Recreational Services	205,440	0	0	205,440		
Agriculture and Natural Resources	124,827	0	0	124,827		
Other Operations	1,020,350	0	271,218	1,291,568		
Highways	3,641	3,331,060	0	3,334,701		
Debt Service:						
Principal on Debt	0	229,864	350,000	579,864		
Interest on Debt	0	32,342	14,700	47,042		
Other Debt Service	0	0	2,611	2,611		
Total Expenditures	\$ 4,972,861	\$ 3,593,266	\$ 1,340,118	\$ 9,906,245		

(Continued)

PICKETT 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	Other Govern- mental Funds	Total Governmental Funds	
			General	Highway / Public Works	
Excess (Deficiency) of Revenues Over Expenditures	\$ 633,184	\$ (147,216)	\$ (330,077)	\$ 155,891	
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 12,012	\$ 0	\$ 12,012	
Transfers In	0	196,714	25,000	221,714	
Transfers Out	0	0	(221,714)	(221,714)	
Total Other Financing Sources (Uses)	\$ 0	\$ 208,726	\$ (196,714)	\$ 12,012	
Net Change in Fund Balances	\$ 633,184	\$ 61,510	\$ (526,791)	\$ 167,903	
Fund Balance, July 1, 2023	4,294,133	330,427	2,506,240	7,130,800	
Fund Balance, June 30, 2024	\$ 4,927,317	\$ 391,937	\$ 1,979,449	\$ 7,298,703	

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

PICKETT 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)	\$ 167,903
(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	\$ 605,478
Less: current-year depreciation expense	<u>(454,904)</u>
	150,574
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	
Add: assets donated and capitalized	\$ 564,100
Less: book value of assets disposed	<u>(76)</u>
	564,024
(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	\$ 502,550
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(548,179)</u>
	(45,629)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Add: principal payments on bonds	\$ 350,000
Add: principal payments on notes	54,790
Add: principal payments on other loans	175,074
Less: contributions from the school department for bonds	<u>(350,000)</u>
	229,864
(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	\$ 4,059
Change in compensated absences payable	844
Change in net pension asset	<u>(171,458)</u>
Change in deferred outflows related to pensions	50,779
Change in deferred inflows related to pensions	<u>129,532</u>
	13,756
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 1,080,492</u></u>

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

PICKETT 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)	Actual Revenues/ Expenditures (Budgetary Basis)			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Original	Final		
Revenues							
Local Taxes	\$ 3,337,741	\$ 0	\$ 0	\$ 3,337,741	\$ 3,113,769	\$ 3,277,620	\$ 60,121
Licenses and Permits	18,983	0	0	18,983	23,000	23,000	(4,017)
Fines, Forfeitures, and Penalties	18,382	0	0	18,382	32,640	32,640	(14,258)
Charges for Current Services	528,833	0	0	528,833	552,340	552,340	(23,507)
Other Local Revenues	67,470	0	0	67,470	54,596	78,205	(10,735)
Fees Received From County Officials	318,397	0	0	318,397	291,500	291,500	26,897
State of Tennessee	1,064,819	0	0	1,064,819	656,089	955,972	108,847
Federal Government	143,507	0	0	143,507	472,280	472,280	(328,773)
Other Governments and Citizens Groups	107,913	0	0	107,913	129,708	129,708	(21,795)
Total Revenues	\$ 5,606,045	\$ 0	\$ 0	\$ 5,606,045	\$ 5,325,922	\$ 5,813,265	\$ (207,220)
Expenditures							
General Government							
County Commission	\$ 60,509	\$ 0	\$ 0	\$ 60,509	\$ 50,298	\$ 64,555	\$ 4,046
Board of Equalization	120	0	0	120	400	400	280
Beer Board	240	0	0	240	980	980	740
County Mayor/Executive	190,785	(150)	110	190,745	195,674	195,674	4,929
County Attorney	11,667	0	0	11,667	10,000	11,667	0
Election Commission	137,506	0	0	137,506	135,319	148,370	10,864
Register of Deeds	87,147	0	0	87,147	89,134	89,134	1,987
County Buildings	183,469	0	0	183,469	198,050	198,550	15,081
Finance							
Property Assessor's Office	105,733	0	0	105,733	104,476	107,535	1,802
County Trustee's Office	115,085	0	0	115,085	124,539	124,539	9,454
County Clerk's Office	141,611	0	0	141,611	152,684	154,764	13,153
Administration of Justice							
Circuit Court	144,648	0	0	144,648	148,536	149,408	4,760
General Sessions Judge	87,224	0	0	87,224	90,537	91,323	4,099
Chancery Court	91,514	0	150	91,664	94,928	94,928	3,264
Juvenile Court	11,180	0	0	11,180	11,827	11,827	647

(Continued)

PICKETT COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances	Add: Encumbrances	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)					
					Original	Final						
Expenditures (Cont.)												
Administration of Justice (Cont.)												
Judicial Commissioners	\$ 6,000	\$ 0	\$ 0	\$ 6,000	\$ 6,000	\$ 6,000	\$ 0					
Probation Services	29,788	0	0	29,788	31,630	31,630	1,842					
Public Safety												
Sheriff's Department	745,599	(78,250)	700	668,049	780,561	855,636	187,587					
Jail	455,809	0	0	455,809	440,969	496,083	40,274					
Fire Prevention and Control	83,576	0	47,353	130,929	40,000	130,930	1					
Rescue Squad	1,000	0	0	1,000	1,000	1,000	0					
Other Emergency Management	15,000	0	0	15,000	15,000	15,000	0					
County Coroner/Medical Examiner	10,480	0	0	10,480	12,000	16,200	5,720					
Other Public Safety	9,500	0	0	9,500	10,500	10,500	1,000					
Public Health and Welfare												
Local Health Center	32,975	(8,496)	0	24,479	23,827	25,980	1,501					
Ambulance/Emergency Medical Services	807,006	(4)	28,175	835,177	1,132,955	1,189,955	354,778					
Regional Mental Health Center	2,274	0	0	2,274	2,274	2,274	0					
Appropriation to State	7,092	0	0	7,092	7,582	7,582	490					
Sanitation Management	44,066	0	600	44,666	44,200	46,006	1,340					
Other Public Health and Welfare	0	0	0	0	7,200	7,200	7,200					
Social, Cultural, and Recreational Services												
Adult Activities	71,670	0	0	71,670	80,499	80,499	8,829					
Senior Citizens Assistance	12,381	0	0	12,381	17,670	17,670	5,289					
Libraries	63,284	0	0	63,284	67,520	67,620	4,336					
Other Social, Cultural, and Recreational	58,105	0	4,401	62,506	49,832	64,162	1,656					
Agriculture and Natural Resources												
Agricultural Extension Service	67,259	0	0	67,259	67,645	67,945	686					
Soil Conservation	57,568	0	0	57,568	58,699	58,899	1,331					
Other Operations												
Tourism	95,130	0	0	95,130	55,050	97,030	1,900					
Industrial Development	168	0	0	168	500	500	332					
Other Economic and Community Development	74,915	0	0	74,915	431,000	480,916	406,001					

(Continued)

PICKETT COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances	Add: Encumbrances	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Veterans' Services	\$ 23,992	\$ 0	\$ 0	\$ 23,992	\$ 24,042	\$ 24,089	\$ 97
Other Charges	212,581	0	0	212,581	215,661	220,661	8,080
Contributions to Other Agencies	4,800	0	0	4,800	13,500	13,500	8,700
Employee Benefits	605,761	0	0	605,761	597,000	652,000	46,239
Miscellaneous	3,003	(200)	0	2,803	4,700	4,700	1,897
Highways							
Traffic Control	3,641	0	0	3,641	7,500	7,500	3,859
Total Expenditures	\$ 4,972,861	\$ (87,100)	\$ 81,489	\$ 4,967,250	\$ 5,653,898	\$ 6,143,321	\$ 1,176,071
Excess (Deficiency) of Revenues Over Expenditures	\$ 633,184	\$ 87,100	\$ (81,489)	\$ 638,795	\$ (327,976)	\$ (330,056)	\$ 968,851
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 271,218	\$ 271,218	\$ 271,218	\$ (271,218)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 271,218	\$ 271,218	\$ 271,218	\$ (271,218)
Net Change in Fund Balance	\$ 633,184	\$ 87,100	\$ (81,489)	\$ 638,795	\$ (56,758)	\$ (58,838)	\$ 697,633
Fund Balance, July 1, 2023	4,294,133	(87,100)	0	4,207,033	4,103,260	4,103,260	103,773
Fund Balance, June 30, 2024	\$ 4,927,317	\$ 0	\$ (81,489)	\$ 4,845,828	\$ 4,046,502	\$ 4,044,422	\$ 801,406

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

PICKETT COUNTY, TENNESSEE

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**
Highway/Public Works Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Other Local Revenues	\$ 877	\$ 1,000	\$ 1,000	\$ (123)
State of Tennessee	3,445,173	1,949,448	3,461,084	(15,911)
Total Revenues	\$ 3,446,050	\$ 1,950,448	\$ 3,462,084	\$ (16,034)
Expenditures				
Highways				
Administration	\$ 153,482	\$ 159,872	\$ 160,122	\$ 6,640
Highway and Bridge Maintenance	933,681	959,225	1,020,225	86,544
Operation and Maintenance of Equipment	277,045	303,000	318,000	40,955
Quarry Operations	2,400	2,400	2,400	0
Other Charges	62,538	63,750	67,278	4,740
Employee Benefits	147,904	150,000	155,405	7,501
Capital Outlay	1,754,010	120,000	1,755,000	990
Principal on Debt				
General Government	0	262,201	0	0
Highways and Streets	229,864	0	229,864	0
Interest on Debt				
Highways and Streets	32,342	0	32,517	175
Total Expenditures	\$ 3,593,266	\$ 2,020,448	\$ 3,740,811	\$ 147,545
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (147,216)	\$ (70,000)	\$ (278,727)	\$ 131,511
Other Financing Sources (Uses)				
Notes Issued	\$ 0	\$ 70,000	\$ 70,000	\$ (70,000)
Insurance Recovery	12,012	0	12,013	(1)
Transfers In	196,714	0	196,714	0
Total Other Financing Sources	\$ 208,726	\$ 70,000	\$ 278,727	\$ (70,001)
Net Change in Fund Balance	\$ 61,510	\$ 0	\$ 0	\$ 61,510
Fund Balance, July 1, 2023	330,427	330,325	330,325	102
Fund Balance, June 30, 2024	\$ 391,937	\$ 330,325	\$ 330,325	\$ 61,612

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

PICKETT COUNTY, TENNESSEE
Statement of Net Position
 Proprietary Fund
June 30, 2024

	Business-type Activities
	Major Enterprise
	Fund
	Solid Waste Disposal Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 312,120
Property Taxes Receivable	67,944
Allowance for Uncollectible Property Taxes	(1,344)
Total Current Assets	<u><u>\$ 378,720</u></u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 110,900
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	19,245
Machinery and Equipment	54,214
Total Noncurrent Assets	<u><u>\$ 184,359</u></u>
Total Assets	<u><u>\$ 563,079</u></u>
LIABILITIES	
Current Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	\$ 14,002
Total Current Liabilities	<u><u>\$ 14,002</u></u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 2,800,485
Total Noncurrent Liabilities	<u><u>\$ 2,800,485</u></u>
Total Liabilities	<u><u>\$ 2,814,487</u></u>
NET POSITION	
Unrestricted	\$ (2,435,767)
Net Investment in Capital Assets	<u><u>184,359</u></u>
Total Net Position	<u><u>\$ (2,251,408)</u></u>

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

PICKETT COUNTY, TENNESSEE
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Business-type Activities	Major Enterprise Fund
Solid	\$ 1,452
Waste	20,916
Disposal	118,720
Fund	\$ 141,088
	<hr/>
Operating Expenses	
Trustee's Commission	\$ 1,452
Depreciation	20,916
Landfill Closure/Postclosure Care Costs	118,720
Total Operating Expenses	<hr/> \$ 141,088
Operating Income (Loss)	<hr/> \$ (141,088)
	<hr/>
Nonoperating Revenues (Expenses)	
Local Taxes	\$ 65,886
Investment Income	13,106
Total Nonoperating Revenues (Expenses)	<hr/> \$ 78,992
	<hr/>
Change in Net Position	\$ (62,096)
Net Position, July 1, 2023	(2,189,312)
	<hr/>
Net Position, June 30, 2024	\$ (2,251,408)

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

PICKETT COUNTY, TENNESSEE
Statement of Cash Flows
 Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities
	Major Enterprise Fund
	Disposal Fund
Cash Flows from Operating Activities	
Payments to Vendors	\$ (28,353)
Other Payments	(1,452)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (29,805)</u></u>
Cash Flows from Noncapital Financing Activities	
Local Taxes	\$ 72,524
Net Cash Provided By (Used In) Noncapital Financing Activities	<u><u>\$ 72,524</u></u>
Cash Flows from Investing Activities	
Interest Earned	\$ 13,106
Net Cash Provided By (Used In) Investing Activities	<u><u>\$ 13,106</u></u>
Net Increase (Decrease) in Cash	\$ 55,825
Cash, July 1, 2023	<u><u>256,295</u></u>
Cash, June 30, 2024	<u><u>\$ 312,120</u></u>
Reconciliation of Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (141,088)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation Expense	20,916
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	<u><u>90,367</u></u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (29,805)</u></u>

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

PICKETT COUNTY, TENNESSEE
Statement of Net Position
 Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 227,629
Due from Other Governments	<u>58,608</u>
Total Assets	<u>\$ 286,237</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 58,608</u>
Total Liabilities	<u>\$ 58,608</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 227,629</u>
Total Net Position	<u>\$ 227,629</u>

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

PICKETT COUNTY, TENNESSEE**Statement of Changes in Net Position**

Fiduciary Funds

For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 328,915
Fines/Fees and Other Collections	<u>1,966,739</u>
Total Additions	<u><u>\$ 2,295,654</u></u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 328,915
Payments to State	<u>1,260,852</u>
Payments to County/City	<u>453,385</u>
Payments to Individuals and Others	<u>125,493</u>
Total Deductions	<u><u>\$ 2,168,645</u></u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 127,009
Net Position, July 1, 2023	<u>100,620</u>
Net Position, June 30, 2024	<u><u>\$ 227,629</u></u>

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

PICKETT COUNTY, TENNESSEE INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note	Page(s)
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	35
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. Inventories	40
4. Restricted Assets	40
5. Capital Assets	41
6. Deferred Outflows/Inflows of Resources	42
7. Compensated Absences	42
8. Long-term Debt and Long-term Obligations	43
9. Net Position and Fund Balance	43
E. Pension Plans	45
F. Other Postemployment Benefit (OPEB) Plan	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	45
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. Net Position Deficit	47
C. Expenditures Exceeded Appropriations	47
IV. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	47
B. Capital Assets	50
C. Interfund Receivables, Payables, and Transfers	54
D. Long-term Debt	54
E. Long-term Obligations	57
F. On-Behalf Payments - Discretely Presented Pickett County School Department	58
V. OTHER INFORMATION	
A. Risk Management	59
B. Accounting Change	59
C. Contingent Liabilities	60
D. Landfill Closure/Postclosure Care Costs	60
E. Joint Venture	60
F. Jointly Governed Organization	61
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	61
2. Deferred Compensation	75
H. Other Postemployment Benefits (OPEB)	76
I. Purchasing Laws	80
J. Subsequent Event	81

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pickett 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 Pickett County:

A. *Reporting Entity*

Pickett County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Pickett County (the primary government) and its component unit. The component unit discussed below is included in the county's reporting entity because of the significance of its operational or financial relationship with the county.

Discretely Presented Component Unit – The following entity meets the criteria for a discretely presented component unit of the county. It is reported in a separate column on the government-wide financial statements to emphasize that it is legally separate from the county.

The Pickett County School Department operates the public school system in the county, and the voters of Pickett 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 Pickett 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.

Related Organization – The Industrial Development Board of the County of Pickett, Tennessee, provides assistance in industrial recruitment in Pickett County, and the Pickett County Commission appoints all of the members. The board acted as a decision-making board and did not have any financial activity during the year.

B. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component unit. 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. Likewise, the primary government is reported

separately from certain legally separate component units for which the primary government is financially accountable. The Pickett 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.

Pickett County issues all debt for the discretely presented Pickett 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, the proprietary fund, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 proprietary fund and 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 Pickett 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Pickett County reports one proprietary fund, an enterprise fund.

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

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

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

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

Proprietary fund and 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.

Pickett 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.

Pickett County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for the county's solid waste landfill operations.

Additionally, Pickett County reports the following fund types:

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

Capital Projects Fund – The General Capital Projects Fund accounts for activity related to grants and other revenues used for capital expenditures.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Pickett County.

The discretely presented Pickett 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 the 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 – This special revenue fund is used to account for the cafeteria operations in each of the schools. Federal funds and lunch sales are the foundational revenues of this fund.

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 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund used to account for the operations of the landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is investment income.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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 Pickett County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund and the discretely presented General Purpose School Fund. Pickett 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 the 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. Pickett 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 amounts 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 outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivable's allowance for uncollectibles is based on

historical collection data. The allowance for uncollectible property taxes is equal to one 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.

Most payables are disaggregated on the face of the financial statements.

3. Inventories

Inventories of the discretely presented Pickett County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

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

5. Capital Assets

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

Primary Government

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 for buildings and improvements, \$12,500 for land improvements, and \$10,000 for all remaining assets and a useful life of greater than one year. 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 are depreciated using the straight-line method over the following estimated useful lives with salvage values of 25 percent for buildings and improvements, five percent for other capital assets, and 50 percent for infrastructure (roads).

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Infrastructure:	
Roads	50 - 75
Bridges	75
Other Capital Assets	5 - 20

Discretely Presented Pickett County School Department

Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the school department as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than five 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, and equipment of the school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 18

6. Deferred Outflows/Inflows of Resources

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

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 for current and delinquent property taxes, pension and OPEB changes in experience and proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in 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

The county does not permit employees to accumulate earned but unused vacation and sick leave benefits beyond the fiscal year end. Accrued leave reported on the county's government-wide financial statements is comprised of compensatory time.

Discretely Presented Pickett County School Department

The general policy of the school department does not allow for the accumulation of vacation days beyond year-end for professional personnel. The school department's policy does permit 12-month support personnel to accumulate earned but unused vacation benefits not to exceed 40 days; however, any accumulated vacation leave has no guaranteed payment upon termination. All support personnel vacation pay is accrued when incurred in the government-wide financial statements for the school

department. 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.

All professional personnel (teachers) of the school department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment provision, and therefore, is not required to be accrued or recorded. Support personnel are compensated for any sick days not used each year.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund 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.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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 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 Pickett County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Pickett 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 Pickett County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Pickett 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 Pickett County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Pickett 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 Pickett 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 capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

On June 30, 2024, Pickett County's General Fund had outstanding encumbrances totaling \$81,489.

B. *Net Position Deficit*

The Solid Waste Disposal Fund had a deficit of \$2,435,767 in unrestricted net position at June 30, 2024. This deficit resulted from the recognition of a liability of \$2,814,487 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure.

C. *Expenditures Exceeded Appropriations*

Expenditures exceeded appropriations approved by the county commission in the Support Services – Regular Instruction Program and the Support Services – Central and Other major appropriations categories (the legal level of control) of the General Purpose School Fund by \$3,477 and \$128, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Purpose School Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

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

Investments

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

The county had no pooled or nonpooled investments at June 30, 2024.

TCRS Stabilization Trust

Legal Provisions. The Pickett 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 Pickett 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.

At June 30, 2024, the Pickett 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	\$ 14,015
Developed Market International Equity	N/A	N/A	6,329
Emerging Market International Equity	N/A	N/A	1,808
U.S. Fixed Income	N/A	N/A	9,042
Real Estate	N/A	N/A	4,521
Short-term Securities	N/A	N/A	452
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>9,042</u>
Total			<u>\$ 45,209</u>

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. 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				
Land	\$ 162,805	\$ 0	\$ 0	\$ 162,805
Total Capital Assets Not Depreciated	\$ 162,805	\$ 0	\$ 0	\$ 162,805
Capital Assets Depreciated:				
Buildings and Improvements				
Buildings and Improvements	\$ 2,773,689	\$ 564,100	\$ 0	\$ 3,337,789
Infrastructure	13,783,535	3,270	0	13,786,805
Other Capital Assets	4,982,256	602,208	(138)	5,584,326
Total Capital Assets Depreciated	\$ 21,539,480	\$ 1,169,578	\$ (138)	\$ 22,708,920
Less Accumulated Depreciation For:				
Buildings and Improvements				
Buildings and Improvements	\$ 1,207,362	\$ 50,756	\$ 0	\$ 1,258,118
Infrastructure	4,100,716	137,429	0	4,238,145
Other Capital Assets	3,381,034	266,719	(62)	3,647,691
Total Accumulated Depreciation	\$ 8,689,112	\$ 454,904	\$ (62)	\$ 9,143,954
Total Capital Assets Depreciated, Net	\$ 12,850,368	\$ 714,674	\$ (76)	\$ 13,564,966
Governmental Activities				
Capital Assets, Net	\$ 13,013,173	\$ 714,674	\$ (76)	\$ 13,727,771

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

Governmental Activities:

General Government	\$ 24,440
Public Safety	83,015
Public Health and Welfare	123,996
Social, Cultural, and Recreational Services	9,733
Highways/Public Works	<u>213,720</u>
 Total Depreciation Expense -	
Governmental Activities	<u>\$ 454,904</u>

Net Investment in Capital Assets

Capital Assets	\$ 13,727,771
Less:	
Outstanding principal of capital debt and other related borrowings	<u>(728,583)</u>
Net Investment in Capital Assets	<u>\$ 12,999,188</u>

Business-type Activities:

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 110,900	\$ 0	\$ 110,900
Total Capital Assets Not Depreciated	<u>\$ 110,900</u>	<u>\$ 0</u>	<u>\$ 110,900</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 233,635	\$ 0	\$ 233,635
Landfill Facilities and Development	268,303	0	268,303
Machinery and Equipment	612,859	0	612,859
Total Capital Assets Depreciated	<u>\$ 1,114,797</u>	<u>\$ 0</u>	<u>\$ 1,114,797</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 207,270	\$ 7,120	\$ 214,390
Landfill Facilities and Development	268,303	0	268,303
Machinery and Equipment	544,849	13,796	558,645
Total Accumulated Depreciation	<u>\$ 1,020,422</u>	<u>\$ 20,916</u>	<u>\$ 1,041,338</u>
Total Capital Assets Depreciated, Net	<u>\$ 94,375</u>	<u>\$ (20,916)</u>	<u>\$ 73,459</u>
Business-type Activities Capital Assets, Net	<u>\$ 205,275</u>	<u>\$ (20,916)</u>	<u>\$ 184,359</u>

There were no decreases in capital assets to report during the year ended June 30, 2024.

Depreciation expense of \$20,916 was recorded by the Solid Waste Disposal Fund.

Discretely Presented Pickett County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 22,955	\$ 0	<u>22,955</u>
Total Capital Assets Not Depreciated	<u>\$ 22,955</u>	<u>\$ 0</u>	<u>22,955</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 7,108,662	\$ 0	<u>7,108,662</u>
Other Capital Assets	1,039,467	241,391	<u>1,280,858</u>
Total Capital Assets Depreciated	<u>\$ 8,148,129</u>	<u>\$ 241,391</u>	<u>\$ 8,389,520</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 4,290,715	\$ 155,137	<u>\$ 4,445,852</u>
Other Capital Assets	551,782	78,212	<u>629,994</u>
Total Accumulated Depreciation	<u>\$ 4,842,497</u>	<u>\$ 233,349</u>	<u>\$ 5,075,846</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,305,632</u>	<u>\$ 8,042</u>	<u>\$ 3,313,674</u>
Business-type Activities			
Capital Assets, Net	<u>\$ 3,328,587</u>	<u>\$ 8,042</u>	<u>\$ 3,336,629</u>

There were no decreases in capital assets to report during the year ended June 30, 2024.

Depreciation expense was charged to functions of the school department as follows:

Governmental Activities:

Instruction	\$ 4,776
Support Services	<u>228,573</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 233,349</u>

C. *Interfund Receivables, Payables, and Transfers*

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 17,991
Nonmajor governmental	"	25,000

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.

The receivable in the schedule above totaling \$25,000 was in transit from the Other Special Revenue Fund to the Solid Waste/Sanitation Fund at June 30, 2024.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In			Purpose
	Solid Waste/ Sanitation Fund	Highway/ Public Works Fund		
Other Special Revenue Fund	\$ 25,000	\$ 0		Operations
"	0	196,714		Capital outlay
Total	\$ 25,000	\$ 196,714		

D. *Long-term Debt*

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds - Pickett County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt were retired from the General Debt Service Fund during the year examined.

Direct Borrowing and Direct Placements - Pickett 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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were each issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2024, will be retired from the Highway/Public Works Fund.

Capital outlay notes 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
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	3.82 %	6-1-31	\$ 700,000	\$ 441,970
Other Loans	3.59 to 3.79	3-4-26	1,673,361	286,613

In December 2013, Pickett County entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee. Under this agreement, the authority loaned \$1,483,000 to Pickett County at an interest rate of 3.79 percent. The proceeds of this loan were used to refund previously issued capital outlay notes being repaid by the highway department and to purchase highway equipment.

The annual requirements to amortize the notes and other loans outstanding as of June 30, 2024, including interest payments, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 52,090	\$ 16,074	\$ 68,164
2026	58,940	13,868	72,808
2027	61,240	11,577	72,817
2028	63,620	9,196	72,816
2029	66,090	6,723	72,813
2030-2031	139,990	5,640	145,630
Total	\$ 441,970	\$ 63,078	\$ 505,048

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2025	\$ 182,063	\$ 7,629	\$ 189,692
2026	104,550	1,296	105,846
Total	\$ 286,613	\$ 8,925	\$ 295,538

There is \$897,732 available in the General Debt Service Fund to service long-term debt. Total debt per capita, including notes and other loans totaled \$146, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct	Other Loans - Direct	Other Placement
Balance, July 1, 2023	\$ 350,000	\$ 496,760	\$ 461,687	
Reductions	(350,000)	(54,790)	(175,074)	
Balance, June 30, 2024	\$ 0	\$ 441,970	\$ 286,613	
Balance Due Within One Year	\$ 0	\$ 52,090	\$ 182,063	

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 728,583
Less: Balance Due Within One Year - Debt	<u>(234,153)</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 494,430
--	------------

E. 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
Balance, July 1, 2023	\$ 12,506
Additions	2,483
Reductions	<u>(3,327)</u>
Balance, June 30, 2024	<u><u>\$ 11,662</u></u>
Balance Due Within One Year	<u><u>\$ 3,499</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 11,662
Less: Balance Due Within One Year - Other	<u>(3,499)</u>
Noncurrent Liabilities - Due in	
More Than One Year - Other - Exhibit A	<u><u>\$ 8,163</u></u>

Compensated absences will be paid from the employing funds, primarily the General Fund.

Solid Waste Disposal (Enterprise) Fund

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (Enterprise Fund) for the year ended June 30, 2024, was as follows:

Business-type Activities:

	Closure/ Postclosure Care Costs
Balance, July 1, 2023	\$ 2,724,121
Additions	118,719
Reductions	<u>(28,353)</u>
Balance, June 30, 2024	<u><u>\$ 2,814,487</u></u>
Balance Due Within One Year	<u><u>\$ 14,002</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 2,814,487
Less: Balance Due Within One Year - Other	<u>(14,002)</u>

Noncurrent Liabilities - Due in	
More Than One Year - Other - Exhibit A	<u>\$ 2,800,485</u>

Discretely Presented Pickett County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Postemployment Benefits	Other
Balance, July 1, 2023	\$ 10,291	\$ 674,875	
Additions	4,478	87,761	
Deductions	<u>(2,024)</u>	<u>(66,243)</u>	
Balance, June 30, 2024	<u>\$ 12,745</u>	<u>\$ 696,393</u>	
Balance Due Within One Year	<u>\$ 4,478</u>	<u>\$ 31,779</u>	

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 709,138
Less: Balance Due Within One Year - Other	<u>(36,257)</u>

Noncurrent Liabilities - Due in	
More Than One Year - Other - Exhibit A	<u>\$ 672,881</u>

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

F. *On-Behalf Payments - Discretely Presented Pickett County School Department*

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Pickett County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plans is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2024, were \$32,388. 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

The county is exposed to various risks related to general liability, property, and casualty losses. During 2024, 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.

Pickett 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.

Pickett County provides commercial health insurance for its employees.

Discretely Presented Pickett County School Department

The discretely presented Pickett County 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 annual premiums 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, *Tennessee Code Annotated (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. Attorneys for the county and the highway department estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements. Attorneys for the school department have not responded to requests to identify threatened or pending litigation; however, school officials were not aware of any such litigation.

D. *Landfill Closure/Postclosure Care Costs*

Pickett County has two active permits on file with the state Department of Environment and Conservation for sanitary landfills. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require Pickett County to place a final cover on the Highway 325 sanitary landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The Highway 325 landfill stopped accepting solid waste in October 2015 and is in the process of being closed at June 30, 2024.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,814,487 reported as landfill closure and postclosure care liability at June 30, 2024, represents the cumulative amount reported to date for the Highway 325 landfill and the landfill that closed in 1994. The Highway 325 landfill liability of \$2,741,843 is based on 100 percent of the estimated closure costs and 35 percent of the postclosure costs based upon the estimated capacity of the landfill that was used since the landfill is being closed before it reaches capacity. The postclosure liability for the landfill closed in 1994 is \$72,644. The \$2,814,487 reported as closure and postclosure care liability at June 30, 2024, represents amounts based on what it would cost to perform all closure/postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. *Joint Venture*

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and White counties, and participating municipalities within the district. 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. Pickett County did not make any appropriations to the DTF for the year ended June 30, 2024. Pickett

County does not have an equity interest in the DTF. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Thirteenth Judicial District Drug Task Force
1289 S. Walnut Avenue
Cookeville, TN 38501

F. *Jointly Governed Organization*

The Pickett County Emergency Communications District merged with the Overton County Emergency Communications District to form the Overton/Pickett County Emergency Communications District (OPCECD). The merger was adopted by both boards with an effective date of February 1, 2002. The board of the OPCECD includes 13 members; four are appointed by the Pickett County Commission, and the remaining nine are appointed by the Overton County Commission. Pickett County does not have any ongoing financial interest or responsibility for the entity. Complete financial statements for the emergency communication district can be obtained from its administrative office at the following address:

Administrative Office:

Overton/Pickett Emergency Communications District
255 Industrial Drive
Livingston, TN 38570

G. *Retirement Commitments*

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Pickett County and non-certified employees of the discretely presented Pickett 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 81.31 percent, the non-certified employees of the discretely presented school department comprise 18.69 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	73
Inactive Employees Entitled to But Not Yet Receiving Benefits	185
Active Employees	<u>115</u>
 Total	 <u>373</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Pickett County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for Pickett County was \$279,925 based on a rate of 6.78 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Pickett 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)

Pickett County's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88	%
Developed Market		31
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 Pickett 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)			Net Pension Liability (Asset) (a)-(b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset)	
	(a)	(b)	(a)-(b)	
Balance, July 1, 2022	\$ 12,240,307	\$ 12,711,272	\$ (470,965)	
Changes for the Year:				
Service Cost	\$ 370,544	\$ 0	\$ 370,544	
Interest	834,078	0	834,078	
Differences Between Expected and Actual Experience	320,596	0	320,596	
Contributions-Employer	0	264,122	(264,122)	
Contributions-Employees	0	199,159	(199,159)	
Net Investment Income	0	852,531	(852,531)	
Benefit Payments, Including Refunds of Employee Contributions	(508,268)	(508,268)	0	
Administrative Expense	0	(11,657)	11,657	
Net Changes	<u>\$ 1,016,950</u>	<u>\$ 795,887</u>	<u>\$ 221,063</u>	
Balance, June 30, 2023	<u>\$ 13,257,257</u>	<u>\$ 13,507,159</u>	<u>\$ (249,902)</u>	

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

	Plan			Net Pension Liability (Asset) (a)-(b)
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Liability (Asset)	
	(a)	(b)	(a)-(b)	
Primary Government	81.31%	\$ 10,779,476	\$ 10,982,671	\$ (203,195)
School Department	18.69%	<u>2,477,781</u>	<u>2,524,488</u>	<u>(46,707)</u>
Total		<u>\$ 13,257,257</u>	<u>\$ 13,507,159</u>	<u>\$ (249,902)</u>

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

Pickett County	1% Decrease	Current Discount	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 1,560,040	\$ (249,902)	\$ (1,736,055)

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, Pickett County recognized pension expense (negative pension expense) of \$287,232.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Pickett 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	\$ 256,477	\$ 280,278
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	103,483	0
Changes in Assumptions	468,408	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	279,925	N/A
 Total	 \$ 1,108,293	 \$ 280,278

(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	\$ 899,855	\$ 227,894
School Department	208,438	52,384
 Total	 \$ 1,108,293	 \$ 280,278

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	\$ 63,364
2026	127,602
2027	292,290
2028	64,833
2029	0
Thereafter	0

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

Discretely Presented Pickett County School Department - Non-certified Employees

General Information About the Pension Plans

Plan Description. As noted above under the primary government, employees of Pickett County and non-certified employees of the discretely presented Pickett 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 81.31 percent and the non-certified employees of the discretely presented school department comprise 18.69 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Pickett 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 \$14,013, which is 2.76 percent of covered payroll. In addition, employer contributions of \$6,008, which is 1.24 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2024, the school department reported a liability (asset) of (\$11,409) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions

to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the school department's proportion was .026906 percent. The proportion as of June 30, 2022, was .023886 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$14,314.

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	\$ 384	\$ 6,659
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	2,901	0
Changes in Assumptions	8,584	0
Changes in Proportion of Net Pension Liability (Asset)	1,411	3,167
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	<u>14,013</u>	<u>N/A</u>
Total	<u>\$ 27,293</u>	<u>\$ 9,826</u>

The school department's employer contributions of \$14,013, 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	\$ (179)
2026	(601)
2027	3,874
2028	80
2029	97
Thereafter	183

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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 52,482	\$ (11,409)	\$ (57,406)

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

General Information About the Pension Plan

Plan Description. Teachers of the Pickett 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 Pickett County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$186,650, 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 (\$1,106,613) 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 .093862 percent. The proportion measured at June 30, 2022, was .093907 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$279,951.

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	\$ 263,652	\$ 51,354
Changes in Assumptions	360,565	0
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	192,003	0
Changes in Proportion of Net Pension Liability (Asset)	10,903	5,442
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	186,650	N/A
Total	\$ 1,013,773	\$ 56,796

The school department's employer contributions of \$186,650 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	\$ 261,692
2026	(147,972)
2027	655,101
2028	1,504
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	6.07	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		<u>100 %</u>

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 2,410,280	\$ (1,106,613)	\$ (4,031,676)

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

Pickett County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). The Pickett County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of the plan participants. The Section 401(k), 457 and 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k), 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's

salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$29,756 and teachers contributed \$4,291 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

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

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.65 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf

of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for 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 total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 percent.

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

Plan Description. Employees of the Pickett 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 Pickett 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. Pickett County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees Currently Receiving Benefit Payments	5
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>53</u>
 Total	 <u>58</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 \$42,740 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability			Total OPEB Liability	
	Pickett County	State of	TN		
	School Department	58.63%			
Balance July 1, 2022	\$ 674,875	\$ 434,685	\$ 1,109,560		
Changes for the Year:					
Service Cost	\$ 26,923	\$ 18,998	\$ 45,921		
Interest		\$ 23,468	\$ 16,559	\$ 40,027	
Difference between					
Expected and Actuarial					
Experience		(12,553)	(8,857)	(21,410)	
Changes in Proportionate Share		\$ (24,393)	\$ 24,393	0	
Changes in Assumption and Other Inputs		\$ 37,370	\$ 26,368	\$ 63,738	
Benefit Payments		\$ (29,297)	\$ (20,672)	\$ (49,969)	
Net Changes	\$ 21,518	\$ 56,789	\$ 78,307		
Balance June 30, 2023	\$ 696,393	\$ 491,474	\$ 1,187,867		

The Pickett 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 Pickett 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

\$37,208 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Pickett County School Department's proportionate share of the collective OPEB liability was 58.63 percent and the State of Tennessee's share was 41.37 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 \$68,987, including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 12,214	\$ 70,449
Changes of Assumptions	97,643	58,808
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors		
As Benefits Came Due	12,838	56,913
Benefits Paid After the Measurement Date of June 30, 2023	42,740	0
 Total	 \$ 165,435	 \$ 186,170

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

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

Year Ending June 30	School Department
2025	\$ (18,608)
2026	(18,310)
2027	(15,288)
2028	(5,257)
2029	(5,872)
Thereafter	(140)

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>		Current	
	1% Decrease	Discount Rate	1% Increase
	2.65%	3.65%	4.65%
Proportionate Share of the Collective Total OPEB Liability	\$ 735,753	\$ 696,393	\$ 657,778

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

<u>Healthcare Cost Trend Rate</u>		Current	
	1% Decrease	Rates	1% Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 639,166	\$ 696,393	\$ 761,506

I. Purchasing Laws

Office of County Executive

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, provide for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Superintendent

Purchasing procedures for the highway department were governed by Chapter 104, Private Acts of 1957, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provide for all purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board

of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

J. Subsequent Event

On August 5, 2024, Pickett County issued capital outlay notes totaling \$80,000 for the purchase of equipment for the highway department.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

PICKETT 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	\$ 215,048	\$ 259,681	\$ 250,172	\$ 266,770	\$ 305,396	\$ 347,108	\$ 314,044	\$ 304,858	\$ 355,237	\$ 370,544
Interest	508,300	533,635	569,347	610,349	640,282	672,627	733,007	734,536	805,448	834,078
Differences Between Actual and Expected Experience	(154,215)	(30,552)	(7,844)	(139,927)	(159,768)	333,213	(555,909)	(22,265)	(266,985)	320,596
Changes in Assumptions	0	0	0	217,823	0	0	0	1,171,017	0	0
Benefit Payments, Including Refunds of Employee Contributions	(257,637)	(294,283)	(259,896)	(303,271)	(297,035)	(465,915)	(508,195)	(413,542)	(461,445)	(508,268)
Net Change in Total Pension Liability	\$ 311,496	\$ 468,481	\$ 551,779	\$ 651,744	\$ 488,875	\$ 887,033	\$ (17,053)	\$ 1,774,604	\$ 432,255	\$ 1,016,950
Total Pension Liability, Beginning	6,691,093	7,002,589	7,471,070	8,022,849	8,674,593	9,163,468	10,050,501	10,033,448	11,808,052	12,240,307
Total Pension Liability, Ending (a)	<u>\$ 7,002,589</u>	<u>\$ 7,471,070</u>	<u>\$ 8,022,849</u>	<u>\$ 8,674,593</u>	<u>\$ 9,163,468</u>	<u>\$ 10,050,501</u>	<u>\$ 10,033,448</u>	<u>\$ 11,808,052</u>	<u>\$ 12,240,307</u>	<u>\$ 13,257,257</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 217,624	\$ 16,478	\$ 16,802	\$ 18,641	\$ 30,198	\$ 172,929	\$ 171,067	\$ 170,288	\$ 174,811	\$ 264,122
Contributions - Employee	141,683	135,068	140,113	152,798	171,579	182,227	175,445	174,665	179,190	199,159
Net Investment Income	1,149,167	247,115	215,959	932,800	750,341	720,474	508,415	2,743,122	(507,980)	852,531
Benefit Payments, Including Refunds of Employee Contributions	(257,637)	(294,283)	(259,896)	(303,271)	(297,035)	(465,915)	(508,195)	(413,542)	(461,445)	(508,268)
Administrative Expense	(3,999)	(5,147)	(7,558)	(9,974)	(11,550)	(10,269)	(10,050)	(9,697)	(10,815)	(11,657)
Net Change in Plan Fiduciary Net Position	\$ 1,246,838	\$ 99,231	\$ 105,420	\$ 790,994	\$ 643,533	\$ 599,446	\$ 336,682	\$ 2,664,836	\$ (626,239)	\$ 795,887
Plan Fiduciary Net Position, Beginning	<u>\$ 6,850,531</u>	<u>\$ 8,097,369</u>	<u>\$ 8,196,600</u>	<u>\$ 8,302,020</u>	<u>\$ 9,093,014</u>	<u>\$ 9,736,547</u>	<u>\$ 10,335,993</u>	<u>\$ 10,672,675</u>	<u>\$ 13,337,511</u>	<u>\$ 12,711,272</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 8,097,369</u>	<u>\$ 8,196,600</u>	<u>\$ 8,302,020</u>	<u>\$ 9,093,014</u>	<u>\$ 9,736,547</u>	<u>\$ 10,335,993</u>	<u>\$ 10,672,675</u>	<u>\$ 13,337,511</u>	<u>\$ 12,711,272</u>	<u>\$ 13,507,159</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (1,094,780)</u>	<u>\$ (725,530)</u>	<u>\$ (279,171)</u>	<u>\$ (418,421)</u>	<u>\$ (573,079)</u>	<u>\$ (285,492)</u>	<u>\$ (639,227)</u>	<u>\$ (1,529,459)</u>	<u>\$ (470,965)</u>	<u>\$ (249,902)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.63%	109.71%	103.48%	104.82%	106.25%	102.84%	106.37%	112.95%	103.85%	101.89%
Covered Payroll	\$ 2,833,642	\$ 2,701,347	\$ 2,754,384	\$ 3,055,943	\$ 3,431,569	\$ 3,458,563	\$ 3,421,325	\$ 3,405,753	\$ 3,496,217	\$ 3,895,604
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(38.64)%	(26.86)%	(10.41)%	(13.69)%	(16.70)%	(8.25)%	(18.68)%	(44.91)%	(13.47)%	(6.41)%

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 F-2

PICKETT 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	\$ 16,478	\$ 16,802	\$ 18,641	\$ 30,198	\$ 141,110	\$ 170,383	\$ 169,607	\$ 174,112	\$ 264,122	\$ 279,925
Less: Contributions in Relation to the Actuarially Determined Contribution	(16,478)	(16,802)	(18,641)	(30,198)	(172,929)	(171,067)	(170,288)	(174,811)	(264,122)	(279,925)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (31,819)	\$ (684)	\$ (681)	\$ (699)	\$ 0	\$ 0
Covered Payroll	\$ 2,701,347	\$ 2,754,384	\$ 3,055,943	\$ 3,431,569	\$ 3,458,563	\$ 3,421,325	\$ 3,405,753	\$ 3,496,217	\$ 3,895,604	\$ 4,130,117
Contributions as a Percentage of Covered Payroll	0.61%	0.61%	0.61%	0.88%	5.00%	5.00%	5.00%	5.00%	6.78%	6.78%

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.

PICKETT COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Retirement Plan of TCRS**

Discretely Presented Pickett County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,243	\$ 2,559	\$ 7,171	\$ 8,755	\$ 4,494	\$ 6,065	\$ 7,069	\$ 8,199	\$ 15,360	\$ 14,013
Less: Contributions in Relation to the Contractually Required Contribution	(1,243)	(2,559)	(7,171)	(8,755)	(4,494)	(6,065)	(7,069)	(8,199)	(15,360)	(14,013)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 31,076	\$ 63,970	\$ 179,263	\$ 218,863	\$ 231,635	\$ 298,763	\$ 344,685	\$ 406,493	\$ 536,479	\$ 507,137
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.05%	2.02%	2.86%	2.76%

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

2024: Pension - 2.95%, SRT - 1.05%

Exhibit F-4

PICKETT COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Legacy Pension Plan of TCRS

Discretely Presented Pickett County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 279,190	\$ 290,364	\$ 284,999	\$ 283,606	\$ 324,999	\$ 324,954	\$ 320,644	\$ 318,314	\$ 264,687	\$ 186,650
Less: Contributions in Relation to the Contractually Required Contribution	<u>(279,190)</u>	<u>(290,364)</u>	<u>(284,999)</u>	<u>(283,606)</u>	<u>(324,999)</u>	<u>(324,954)</u>	<u>(320,644)</u>	<u>(318,314)</u>	<u>(264,687)</u>	<u>(186,650)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>									
Covered Payroll	\$ 3,088,382	\$ 3,211,996	\$ 3,152,636	\$ 3,123,405	\$ 3,107,068	\$ 3,056,953	\$ 3,094,345	\$ 3,090,421	\$ 3,045,885	\$ 2,740,829
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.36%	10.30%	8.69%	6.81%

Exhibit F-5

PICKETT COUNTY, TENNESSEE

Schedule of Proportionate Share of the Net Pension Asset

in the Teacher Retirement Plan of TCRS

Discretely Presented Pickett 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)	0.014648%	0.014539%	0.027313%	0.025045%	0.021890%	0.023675%	0.024247%	0.023886%	0.026906%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (602)	\$ (1,514)	\$ (7,208)	\$ (11,359)	\$ (12,357)	\$ (13,462)	\$ (26,265)	\$ (7,236)	\$ (11,409)
Covered Payroll	\$ 31,076	\$ 63,970	\$ 179,263	\$ 218,863	\$ 231,635	\$ 298,763	\$ 344,685	\$ 406,493	\$ 536,479
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)%	(7.62)%	(1.78)%	(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.

PICKETT COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Pickett 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)	0.080277%	0.082500%	0.088980%	0.089185%	0.089198%	0.092661%	0.091848%	0.095124%	0.093907%	0.093862%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,045	\$ (33,795)	\$ 556,074	\$ (29,180)	\$ (313,879)	\$ (952,724)	\$ (700,411)	\$ (4,102,937)	\$ (1,151,682)	\$ (1,106,613)
Covered Payroll	\$ 3,150,863	\$ 3,088,382	\$ 3,211,996	\$ 3,152,636	\$ 3,123,405	\$ 3,107,068	\$ 3,056,953	\$ 3,094,345	\$ 3,090,421	\$ 3,045,885
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)%	(132.59)%	(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%

PICKETT COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**

Discretely Presented Pickett County School Department

For the Fiscal Year Ended June 30

Total OPEB Liability	2017	2018	2019	2020	2021	2022	2023
Service Cost	\$ 50,036	\$ 45,940	\$ 41,451	\$ 37,521	\$ 49,068	\$ 61,718	\$ 45,921
Interest	35,318	41,955	37,662	35,548	23,578	25,612	40,027
Differences Between Actual and Expected Experience	0	(178,895)	41,835	(65,817)	(21,050)	7,810	(21,410)
Changes in Assumptions or Other Inputs	(45,257)	26,362	(80,808)	94,320	105,247	(87,846)	63,738
Benefit Payments	(63,221)	(70,811)	(67,752)	(59,869)	(57,948)	(43,239)	(49,969)
Net Change in Total OPEB Liability	\$ (23,124)	\$ (135,449)	\$ (27,612)	\$ 41,703	\$ 98,895	\$ (35,945)	\$ 78,307
Total OPEB Liability, Beginning	1,191,092	1,167,968	1,032,519	1,004,907	1,046,610	1,145,505	1,109,560
Total OPEB Liability, Ending	\$ 1,167,968	\$ 1,032,519	\$ 1,004,907	\$ 1,046,610	\$ 1,145,505	\$ 1,109,560	\$ 1,187,867
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 435,988	\$ 378,700	\$ 376,142	\$ 367,151	\$ 423,019	\$ 434,685	\$ 491,474
Employer Proportionate Share of the Total OPEB Liability	731,980	653,819	628,765	679,459	722,486	674,875	696,393
Covered Employee Payroll	\$ 3,955,136	\$ 3,763,039	\$ 3,950,293	\$ 3,940,582	\$ 3,993,766	\$ 4,304,864	\$ 4,038,754
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.53%	27.44%	25.44%	26.56%	28.68%	25.77%	29.41%

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

Note 2: Changes in assumptions.

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

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

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

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

PICKETT 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 transactions involving the American Rescue Plan Act Grant.

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 FUND

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

CAPITAL PROJECT FUND

The General Capital Projects Fund is used to account for activities related to grants and other revenues used to fund general capital expenditures of the county.

Exhibit G-1

PICKETT COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	General Debt Service
ASSETS						
Cash	\$ 174	\$ 0	\$ 0	\$ 500	\$ 674	\$ 0
Equity in Pooled Cash and Investments	501,156	1,862	552,734	0	1,055,752	897,631
Accounts Receivable	144,857	0	0	12	144,869	0
Due from Other Funds	25,000	0	0	0	25,000	0
Property Taxes Receivable	270,358	0	0	0	270,358	67,944
Allowance for Uncollectible Property Taxes	(5,043)	0	0	0	(5,043)	(1,344)
Total Assets	\$ 936,502	\$ 1,862	\$ 552,734	\$ 512	\$ 1,491,610	\$ 964,231
LIABILITIES						
Accounts Payable	\$ 503	\$ 0	\$ 0	\$ 0	\$ 503	\$ 0
Payroll Deductions Payable	625	0	0	0	625	0
Due to Other Funds	0	0	17,479	512	17,991	0
Total Liabilities	\$ 1,128	\$ 0	\$ 17,479	\$ 512	\$ 19,119	\$ 0
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 257,321	\$ 0	\$ 0	\$ 0	\$ 257,321	\$ 64,330
Deferred Delinquent Property Taxes	7,639	0	0	0	7,639	2,169
Other Deferred/Unavailable Revenue	127,176	0	0	0	127,176	0
Total Deferred Inflows of Resources	\$ 392,136	\$ 0	\$ 0	\$ 0	\$ 392,136	\$ 66,499

(Continued)

Exhibit G-1

PICKETT COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 1,862	\$ 0	\$ 0	\$ 1,862	\$ 0
Restricted for Debt Service	0	0	0	0	0	297,797
Committed:						
Committed for Public Health and Welfare	543,238	0	0	0	543,238	0
Committed for Capital Outlay	0	0	535,255	0	535,255	0
Committed for Debt Service	0	0	0	0	0	599,935
Total Fund Balances	\$ 543,238	\$ 1,862	\$ 535,255	\$ 0	\$ 1,080,355	\$ 897,732
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 936,502	\$ 1,862	\$ 552,734	\$ 512	\$ 1,491,610	\$ 964,231

(Continued)

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

	Capital Projects Fund		
	General	Nonmajor	Total
	Capital	Governmental	Funds
ASSETS			
Cash	\$ 0	\$ 674	
Equity in Pooled Cash and Investments	1,362	1,954,745	
Accounts Receivable	0	144,869	
Due from Other Funds	0	25,000	
Property Taxes Receivable	0	338,302	
Allowance for Uncollectible Property Taxes	0	(6,387)	
Total Assets	\$ 1,362	\$ 2,457,203	
LIABILITIES			
Accounts Payable	\$ 0	\$ 503	
Payroll Deductions Payable	0	625	
Due to Other Funds	0	17,991	
Total Liabilities	\$ 0	\$ 19,119	
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 0	\$ 321,651	
Deferred Delinquent Property Taxes	0	9,808	
Other Deferred/Unavailable Revenue	0	127,176	
Total Deferred Inflows of Resources	\$ 0	\$ 458,635	

(Continued)

PICKETT COUNTY, TENNESSEE**Combining Balance Sheet**

Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>		Total
	General Capital Projects	Nonmajor Governmental Funds	
FUND BALANCES			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 1,862	
Restricted for Debt Service	0	297,797	
Committed:			
Committed for Public Health and Welfare	0	543,238	
Committed for Capital Outlay	1,362	536,617	
Committed for Debt Service	0	599,935	
Total Fund Balances	<u>\$ 1,362</u>	<u>\$ 1,979,449</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,362</u>	<u>\$ 2,457,203</u>	

Exhibit G-2

PICKETT 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 Fund
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Total	General Debt Service
Revenues					
Local Taxes	\$ 254,752	\$ 0	\$ 0	\$ 254,752	\$ 136,506
Fines, Forfeitures, and Penalties	0	5,065	0	5,065	0
Charges for Current Services	160,203	0	0	160,203	0
Other Local Revenues	10,864	0	4,701	15,565	0
Federal Government	0	0	72,487	72,487	0
Other Governments and Citizens Groups	0	0	0	0	364,700
Total Revenues	\$ 425,819	\$ 5,065	\$ 77,188	\$ 508,072	\$ 501,206
Expenditures					
Current:					
Public Safety	\$ 0	\$ 282,641	\$ 0	\$ 282,641	\$ 0
Public Health and Welfare	418,948	0	0	418,948	0
Other Operations	0	0	129,769	129,769	0
Debt Service:					
Principal on Debt	0	0	0	0	350,000
Interest on Debt	0	0	0	0	14,700
Other Debt Service	0	0	0	0	2,611
Total Expenditures	\$ 418,948	\$ 282,641	\$ 129,769	\$ 831,358	\$ 367,311
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,871	\$ (277,576)	\$ (52,581)	\$ (323,286)	\$ 133,895

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Total	General Debt Service
Other Financing Sources (Uses)					
Transfers In	\$ 25,000	\$ 0	\$ 0	\$ 25,000	\$ 0
Transfers Out	0	0	(221,714)	(221,714)	0
Total Other Financing Sources (Uses)	<u>\$ 25,000</u>	<u>\$ 0</u>	<u>\$ (221,714)</u>	<u>\$ (196,714)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 31,871	\$ (277,576)	\$ (274,295)	\$ (520,000)	\$ 133,895
Fund Balance, July 1, 2023	511,367	279,438	809,550	1,600,355	763,837
Fund Balance, June 30, 2024	<u>\$ 543,238</u>	<u>\$ 1,862</u>	<u>\$ 535,255</u>	<u>\$ 1,080,355</u>	<u>\$ 897,732</u>

(Continued)

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

	Capital Projects Fund	Total	
	General Capital Projects	Nonmajor Governmental Funds	
Revenues			
Local Taxes	\$ 0	\$ 391,258	
Fines, Forfeitures, and Penalties	0	5,065	
Charges for Current Services	0	160,203	
Other Local Revenues	763	16,328	
Federal Government	0	72,487	
Other Governments and Citizens Groups	0	364,700	
Total Revenues	<u>\$ 763</u>	<u>\$ 1,010,041</u>	
Expenditures			
Current:			
Public Safety	\$ 0	\$ 282,641	
Public Health and Welfare	0	418,948	
Other Operations	141,449	271,218	
Debt Service:			
Principal on Debt	0	350,000	
Interest on Debt	0	14,700	
Other Debt Service	0	2,611	
Total Expenditures	<u>\$ 141,449</u>	<u>\$ 1,340,118</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (140,686)</u>	<u>\$ (330,077)</u>	

(Continued)

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

	Capital Projects Fund	Total
	General Capital Projects	Nonmajor Governmental Funds
Other Financing Sources (Uses)		
Transfers In	\$ 0	\$ 25,000
Transfers Out	0	(221,714)
Total Other Financing Sources (Uses)	<hr/> \$ 0	<hr/> \$ (196,714)
Net Change in Fund Balances	\$ (140,686)	\$ (526,791)
Fund Balance, July 1, 2023	<hr/> 142,048	<hr/> 2,506,240
Fund Balance, June 30, 2024	<hr/> <hr/> \$ 1,362	<hr/> <hr/> \$ 1,979,449

PICKETT COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 254,752	\$ 244,862	\$ 244,862	\$ 9,890
Charges for Current Services	160,203	181,200	181,200	(20,997)
Other Local Revenues	10,864	11,000	11,000	(136)
Total Revenues	<u>\$ 425,819</u>	<u>\$ 437,062</u>	<u>\$ 437,062</u>	<u>(\$11,243)</u>
Expenditures				
Public Health and Welfare				
Transfer Stations	\$ 418,948	\$ 491,355	\$ 491,355	\$ 72,407
Total Expenditures	<u>\$ 418,948</u>	<u>\$ 491,355</u>	<u>\$ 491,355</u>	<u>\$ 72,407</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 6,871	\$ (54,293)	\$ (54,293)	\$ 61,164
Other Financing Sources (Uses)				
Transfers In	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
Total Other Financing Sources	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 0</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 31,871	\$ (29,293)	\$ (29,293)	\$ 61,164
	<u>511,367</u>	<u>520,870</u>	<u>520,870</u>	<u>(\$9,503)</u>
Fund Balance, June 30, 2024	<u>\$ 543,238</u>	<u>\$ 491,577</u>	<u>\$ 491,577</u>	<u>\$ 51,661</u>

PICKETT 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	\$ 5,065	\$ 5,500	\$ 5,500	\$ (435)
Other Local Revenues	0	100,000	100,000	(100,000)
Total Revenues	\$ 5,065	\$ 105,500	\$ 105,500	\$ (100,435)
Expenditures				
Public Safety				
Drug Enforcement	\$ 282,641	\$ 165,000	\$ 341,000	\$ 58,359
Total Expenditures	\$ 282,641	\$ 165,000	\$ 341,000	\$ 58,359
Excess (Deficiency) of Revenues Over Expenditures	\$ (277,576)	\$ (59,500)	\$ (235,500)	\$ (42,076)
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 279,438	\$ 279,388	\$ 279,388	\$ 50
Fund Balance, June 30, 2024	\$ 1,862	\$ 219,888	\$ 43,888	\$ (42,026)

PICKETT 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Other Local Revenues	\$ 4,701	\$ 0	\$ 4,701	\$ 1,000	\$ 1,000	\$ 3,701
Federal Government	72,487	0	72,487	72,000	72,000	487
Total Revenues	\$ 77,188	\$ 0	\$ 77,188	\$ 73,000	\$ 73,000	\$ 4,188
Expenditures						
Other Operations						
American Rescue Plan Act Grant #6	\$ 129,769	\$ (129,769)	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 129,769	\$ (129,769)	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (52,581)	\$ 129,769	\$ 77,188	\$ 73,000	\$ 73,000	\$ 4,188
Other Financing Sources (Uses)						
Transfers Out	\$ (221,714)	\$ 0	\$ (221,714)	\$ 0	\$ (222,700)	\$ 986
Total Other Financing Sources	\$ (221,714)	\$ 0	\$ (221,714)	\$ 0	\$ (222,700)	\$ 986
Net Change in Fund Balance	\$ (274,295)	\$ 129,769	\$ (144,526)	\$ 73,000	\$ (149,700)	\$ 5,174
Fund Balance, July 1, 2023	809,550	(129,769)	679,781	734,969	734,969	(55,188)
Fund Balance, June 30, 2024	\$ 535,255	\$ 0	\$ 535,255	\$ 807,969	\$ 585,269	\$ (50,014)

Exhibit G-6

PICKETT 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	\$ 136,506	\$ 126,985	\$ 127,485	\$ 9,021
Other Governments and Citizens Groups	364,700	0	364,700	0
Total Revenues	\$ 501,206	\$ 126,985	\$ 492,185	\$ 9,021
Expenditures				
Principal on Debt				
Education	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Interest on Debt				
Education	14,700	0	14,700	0
Other Debt Service				
General Government	2,111	2,900	2,900	789
Education	500	0	500	0
Total Expenditures	\$ 367,311	\$ 2,900	\$ 368,100	\$ 789
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 133,895	\$ 124,085	\$ 124,085	\$ 9,810
Net Change in Fund Balance	\$ 133,895	\$ 124,085	\$ 124,085	\$ 9,810
Fund Balance, July 1, 2023	763,837	782,120	782,120	(18,283)
Fund Balance, June 30, 2024	\$ 897,732	\$ 906,205	\$ 906,205	\$ (8,473)

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, other governments, and/or other funds. 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.

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, other county funds, litigants, heirs, and others.

Exhibit H-1

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

		Custodial Funds		
		Constitu -		
		Cities -	tional	
		Sales	Officers -	
		Tax	Custodial	Total
ASSETS				
Cash		\$ 0	\$ 227,629	\$ 227,629
Due from Other Governments		\$ 58,608	\$ 0	\$ 58,608
Total Assets		\$ 58,608	\$ 227,629	\$ 286,237
LIABILITIES				
Due to Other Taxing Units		\$ 58,608	\$ 0	\$ 58,608
Total Liabilities		\$ 58,608	\$ 0	\$ 58,608
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments		\$ 0	\$ 227,629	\$ 227,629
Total Net Position		\$ 0	\$ 227,629	\$ 227,629

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

Custodial Funds					
	Constitu -				
Cities -	tional				
Sales	Officers -				
Tax	Custodial				Total
Additions					
Sales Tax Collections for Other Governments	\$ 328,915	\$ 0	\$ 328,915		
Fines/Fees and Other Collections	0	1,966,739	1,966,739		
Total Additions	\$ 328,915	\$ 1,966,739	\$ 2,295,654		
Deductions					
Payment of Sales Tax Collections for Other Governments	\$ 328,915	\$ 0	\$ 328,915		
Payments to State	0	1,260,852	1,260,852		
Payments to County/City	0	453,385	453,385		
Payments to Individuals and Others	0	125,493	125,493		
Total Deductions	\$ 328,915	\$ 1,839,730	\$ 2,168,645		
Change in Net Position	\$ 0	\$ 127,009	\$ 127,009		
Net Position July 1, 2023	0	100,620	100,620		
Net Position June 30, 2024	\$ 0	\$ 227,629	\$ 227,629		

PICKETT COUNTY SCHOOL DEPARTMENT

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

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

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

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

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.

Exhibit I-1

PICKETT COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Expenses	Operating Grants	and Contributions	
			Total Governmental Activities	
Governmental Activities:				
Instruction	\$ 4,872,397	\$ 0	\$ 1,290,349	\$ (3,582,048)
Support Services	2,807,918	0	1,136,544	(1,671,374)
Operation of Non-instructional Services	1,109,180	94,635	496,616	(517,929)
Total Governmental Activities	\$ 8,789,495	\$ 94,635	\$ 2,923,509	\$ (5,771,351)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 702,947
Local Option Sales Taxes				794,302
Business Tax				49,138
Other Local Taxes				70
Grants and Contributions Not Restricted to Specific Programs				5,176,703
Unrestricted Investment Income				36,476
Miscellaneous				24,678
Total General Revenues				\$ 6,784,314
Change in Net Position				\$ 1,012,963
Net Position, July 1, 2023				7,646,438
Net Position, June 30, 2024				\$ 8,659,401

Exhibit I-2

PICKETT COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Pickett County School Department

June 30, 2024

	Major Funds				Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 230,530	\$ 230,530	
Equity in Pooled Cash and Investments	2,533,931	110,837	477,836	0	3,122,604	
Inventories	0	0	24,900	0	24,900	
Due from Other Governments	276,635	17,096	30,741	0	324,472	
Property Taxes Receivable	765,364	0	0	0	765,364	
Allowance for Uncollectible Property Taxes	(13,267)	0	0	0	(13,267)	
Restricted Assets	45,209	0	0	0	45,209	
Total Assets	\$ 3,607,872	\$ 127,933	\$ 533,477	\$ 230,530	\$ 4,499,812	
LIABILITIES						
Accounts Payable	\$ 8,629	\$ 2,933	\$ 55	\$ 0	\$ 11,617	
Accrued Payroll	1,145	0	0	0	1,145	
Total Liabilities	\$ 9,774	\$ 2,933	\$ 55	\$ 0	\$ 12,762	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 729,632	\$ 0	\$ 0	\$ 0	\$ 729,632	
Deferred Delinquent Property Taxes	20,637	0	0	0	20,637	
Other Deferred/Unavailable Revenue	79,118	0	0	0	79,118	
Total Deferred Inflows of Resources	\$ 829,387	\$ 0	\$ 0	\$ 0	\$ 829,387	

(Continued)

PICKETT COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Pickett County School Department (Cont.)

	Major Funds				Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School			
FUND BALANCES							
Nonspendable:							
Inventory	\$ 0	\$ 0	\$ 24,900	\$ 0	\$ 0	\$ 24,900	
Restricted:							
Restricted for Education	572	0	508,522	230,530	739,624		
Restricted for Hybrid Retirement Stabilization Funds	45,209	0	0	0	45,209		
Committed:							
Committed for Education	0	125,000	0	0	125,000		
Unassigned	2,722,930	0	0	0	2,722,930		
Total Fund Balances	\$ 2,768,711	\$ 125,000	\$ 533,422	\$ 230,530	\$ 3,657,663		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,607,872	\$ 127,933	\$ 533,477	\$ 230,530	\$ 4,499,812		

PICKETT COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

Discretely Presented Pickett 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)		\$ 3,657,663
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 22,955	
Add: buildings and improvements net of accumulated depreciation	2,662,810	
Add: other capital assets net of accumulated depreciation	<u>650,864</u>	3,336,629
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (12,745)	
Less: net OPEB liability	<u>(696,393)</u>	(709,138)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,249,504	
Less: deferred inflows of resources related to pensions	(119,006)	
Add: deferred outflows of resources related to OPEB	165,435	
Less: deferred inflows of resources related to OPEB	<u>(186,170)</u>	1,109,723
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 46,707	
Add: net pension asset - teacher retirement plan	11,409	
Add: net pension asset - teacher legacy pension plan	<u>1,106,613</u>	1,164,729
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>99,755</u>
Net position of governmental activities (Exhibit A)		<u>\$ 8,659,401</u>

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

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2024

	Major Funds					Nonmajor Fund
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total Governmental Funds	
Revenues						
Local Taxes	\$ 1,554,649	\$ 0	\$ 0	\$ 0	\$ 1,554,649	
Licenses and Permits	261	0	0	0	261	
Charges for Current Services	0	0	94,635	0	94,635	
Other Local Revenues	59,361	0	1,793	403,525	464,679	
State of Tennessee	5,387,640	0	3,359	0	5,390,999	
Federal Government	599,842	1,322,527	377,875	0	2,300,244	
Other Governments and Citizens Groups	44,256	0	0	0	44,256	
Total Revenues	<u>\$ 7,646,009</u>	<u>\$ 1,322,527</u>	<u>\$ 477,662</u>	<u>\$ 403,525</u>	<u>\$ 9,849,723</u>	
Expenditures						
Current:						
Instruction	\$ 4,020,233	\$ 846,455	\$ 0	\$ 0	\$ 4,866,688	
Support Services	2,267,194	429,158	0	0	2,696,352	
Operation of Non-Instructional Services	129,060	0	632,797	347,323	1,109,180	
Capital Outlay	0	46,914	0	0	46,914	
Debt Service:						
Principal on Debt	350,000	0	0	0	350,000	
Interest on Debt	14,700	0	0	0	14,700	
Total Expenditures	<u>\$ 6,781,187</u>	<u>\$ 1,322,527</u>	<u>\$ 632,797</u>	<u>\$ 347,323</u>	<u>\$ 9,083,834</u>	
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 864,822	\$ 0	\$ (155,135)	\$ 56,202	\$ 765,889	
Net Change in Fund Balances	\$ 864,822	\$ 0	\$ (155,135)	\$ 56,202	\$ 765,889	
Fund Balance, July 1, 2023	1,903,889	125,000	688,557	174,328	2,891,774	
Fund Balance, June 30, 2024	<u>\$ 2,768,711</u>	<u>\$ 125,000</u>	<u>\$ 533,422</u>	<u>\$ 230,530</u>	<u>\$ 3,657,663</u>	

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

Discretely Presented Pickett 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)	\$ 765,889
(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	\$ 241,391
Less: current-year depreciation expense	<u>(233,349)</u> 8,042
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 99,755
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(107,584)</u> (7,829)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds.	
Add: principal contributions on bonds to the primary government	350,000
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	\$ (2,454)
Change in net pension asset - agent plan	(49,606)
Change in net pension asset - teacher retirement plan	4,174
Change in net pension asset - teacher legacy pension plan	(45,069)
Change in deferred outflows related to pensions	(206,217)
Change in deferred inflows related to pensions	185,072
Change in OPEB liability	(21,518)
Change in deferred outflows related to OPEB	15,872
Change in deferred inflows related to OPEB	<u>16,607</u> <u>(103,139)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,012,963</u>

PICKETT COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Discretely Presented Pickett County School Department

General Purpose School Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,554,649	\$ 1,427,696	\$ 1,427,696	\$ 126,953
Licenses and Permits	261	200	200	61
Charges for Current Services	0	1,000	1,000	(1,000)
Other Local Revenues	59,361	45,000	45,000	14,361
State of Tennessee	5,387,640	6,194,132	7,821,246	(2,433,606)
Federal Government	599,842	60,000	60,000	539,842
Other Governments and Citizens Groups	44,256	0	44,256	0
Total Revenues	\$ 7,646,009	\$ 7,728,028	\$ 9,399,398	\$ (1,753,389)
Expenditures				
Instruction				
Regular Instruction Program	\$ 2,785,544	\$ 3,192,000	\$ 3,259,486	\$ 473,942
Special Education Program	361,150	413,375	414,574	53,424
Career and Technical Education Program	873,539	301,250	1,351,145	477,606
Support Services				
Attendance	49,806	52,375	52,375	2,569
Health Services	115,891	158,235	158,235	42,344
Other Student Support	101,656	132,890	181,699	80,043
Regular Instruction Program	205,477	202,000	202,000	(3,477)
Special Education Program	103,012	116,420	117,114	14,102
Career and Technical Education Program	4,600	0	30,000	25,400
Technology	59,396	40,000	84,256	24,860
Other Programs	32,388	0	32,388	0
Board of Education	103,769	131,350	131,350	27,581
Director of Schools	128,785	130,575	130,575	1,790
Office of the Principal	245,275	268,745	268,745	23,470
Fiscal Services	119,216	145,200	145,200	25,984
Operation of Plant	435,646	567,130	569,877	134,231
Maintenance of Plant	159,911	236,100	236,100	76,189
Transportation	363,438	369,800	649,449	286,011
Central and Other	38,928	38,800	38,800	(128)
Operation of Non-Instructional Services				
Food Service	750	0	900	150
Community Services	30,987	56,625	56,625	25,638
Early Childhood Education	97,323	101,625	101,625	4,302
Capital Outlay				
Regular Capital Outlay	0	0	113,347	113,347
Principal on Debt				
Education	350,000	350,000	350,000	0
Interest on Debt				
Education	14,700	14,700	14,700	0
Total Expenditures	\$ 6,781,187	\$ 7,019,195	\$ 8,690,565	\$ 1,909,378
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 864,822	\$ 708,833	\$ 708,833	\$ 155,989
Net Change in Fund Balance	\$ 864,822	\$ 708,833	\$ 708,833	\$ 155,989
Fund Balance, July 1, 2023	1,903,889	1,071,120	1,071,120	832,769
Fund Balance, June 30, 2024	\$ 2,768,711	\$ 1,779,953	\$ 1,779,953	\$ 988,758

PICKETT COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Discretely Presented Pickett County School Department
School Federal Projects Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 1,322,527	\$ 1,316,088	\$ 1,496,083	\$ (173,556)
Total Revenues	\$ 1,322,527	\$ 1,316,088	\$ 1,496,083	\$ (173,556)
Expenditures				
Instruction				
Regular Instruction Program	\$ 656,025	\$ 615,780	\$ 690,382	\$ 34,357
Special Education Program	180,740	201,848	249,570	68,830
Career and Technical Education Program	9,690	9,541	9,691	1
Support Services				
Health Services	8,900	6,753	8,900	0
Other Student Support	58,004	31,552	65,645	7,641
Regular Instruction Program	99,682	90,023	119,108	19,426
Special Education Program	56,769	75,193	100,071	43,302
Career and Technical Education Program	640	750	640	0
Fiscal Services	25,274	25,272	25,274	0
Operation of Plant	19,197	11,905	19,197	0
Maintenance of Plant	16,984	18,000	16,984	0
Transportation	143,708	144,872	143,708	0
Capital Outlay				
Regular Capital Outlay	46,914	84,601	46,914	0
Total Expenditures	\$ 1,322,527	\$ 1,316,090	\$ 1,496,084	\$ 173,557
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 0	\$ (2)	\$ (1)	\$ 1
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 125,000	\$ 125,000	\$ 125,000	\$ 0
Fund Balance, June 30, 2024	\$ 125,000	\$ 124,998	\$ 124,999	\$ 1

PICKETT COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Discretely Presented Pickett County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 94,635	\$ 94,000	\$ 94,000	\$ 635
Other Local Revenues	1,793	1,000	1,000	793
State of Tennessee	3,359	5,000	5,000	(1,641)
Federal Government	377,875	396,000	415,890	(38,015)
Total Revenues	<u>\$ 477,662</u>	<u>\$ 496,000</u>	<u>\$ 515,890</u>	<u>(\$38,228)</u>
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 632,797	\$ 785,000	\$ 804,890	\$ 172,093
Total Expenditures	<u>\$ 632,797</u>	<u>\$ 785,000</u>	<u>\$ 804,890</u>	<u>\$ 172,093</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (155,135)	\$ (289,000)	\$ (289,000)	\$ 133,865
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 688,557	\$ 580,019	\$ 580,019	\$ 108,538
Fund Balance, June 30, 2024	<u>\$ 533,422</u>	<u>\$ 291,019</u>	<u>\$ 291,019</u>	<u>\$ 242,403</u>

MISCELLANEOUS SCHEDULES

PICKETT COUNTY, TENNESSEE**Schedule of Changes in Long-term Bonds, Notes, and Other Loans
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						
						7-1-23	6-30-24							
BONDS PAYABLE														
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund														
School Refunding Bond, Series 2009	\$ 4,100,000	3 to 4.2 %	3-31-09	6-1-24	\$ 350,000	\$ 350,000	\$ 0							
Total Bonds Payable					\$ 350,000	\$ 350,000	\$ 0							
NOTES PAYABLE														
Payable through Highway/Public Works Fund														
Highway Road Projects and Equipment	700,000	3.82	5-21-19	6-1-31	\$ 496,760	\$ 54,790	\$ 441,970							
Total Notes Payable					\$ 496,760	\$ 54,790	\$ 441,970							
OTHER LOANS PAYABLE														
Public Building Authority Loan Agreements														
Payable through Highway/Public Works Fund														
Highway Refunding and Equipment	(1) 1,483,000	3.79	12-18-13	12-15-25	\$ 367,100	\$ 142,500	\$ 224,600							
Grader	190,361	3.59	4-7-20	3-4-26	94,587	32,574	62,013							
Total Other Loans Payable					\$ 461,687	\$ 175,074	\$ 286,613							

(1) A portion of this loan (\$1,276,307) was used to refund the outstanding principal balances of capital outlay notes being retired by the Highway/Public Works Fund.

Exhibit J-2

PICKETT COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 52,090	\$ 16,074	\$ 68,164
2026	58,940	13,868	72,808
2027	61,240	11,577	72,817
2028	63,620	9,196	72,816
2029	66,090	6,723	72,813
2030	68,660	4,154	72,814
2031	71,330	1,486	72,816
Total	\$ 441,970	\$ 63,078	\$ 505,048

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 182,063	\$ 7,629	\$ 189,692
2026	104,550	1,296	105,846
Total	\$ 286,613	\$ 8,925	\$ 295,538

PICKETT COUNTY, TENNESSEE**Schedule of Transfers****For the Year Ended June 30, 2024**

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Other Special Revenue	Solid Waste/Sanitation	Operations	\$ 25,000
Other Special Revenue	Highway/Public Works	Capital outlay	<u>196,714</u>
Total Transfers Primary Government			<u><u>\$ 221,714</u></u>

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

Primary Government and Discretely Presented Pickett County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Executive		Section 8-24-102, <i>TCA</i>	\$ 100,000	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 93,805</u></u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	100,000	RLI Insurance Company
Base salary	\$ 89,338			
Travel allowance per private act	<u>1,800</u>			
Total compensation	<u><u>\$ 91,138</u></u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 98,350			
Salary equity	<u>1,800</u>			
Total compensation	<u><u>\$ 100,150</u></u>			
Trustee		Section 8-24-102, <i>TCA</i>	410,469	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 81,216</u></u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 81,216</u></u>			
County Clerk		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 81,216</u></u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 81,216</u></u>			
Clerk and Master		Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	75,000	RLI Insurance Company
Base salary	\$ 81,216			
Special commissioner fees	<u>2,100</u>			
Total compensation	<u><u>\$ 83,316</u></u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u><u>\$ 81,216</u></u>			
Sheriff		Section 8-24-102, <i>TCA</i>	100,000	RLI Insurance Company
Base salary	\$ 89,338			
Law enforcement training supplement	<u>800</u>			
Total compensation	<u><u>\$ 90,138</u></u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			500,000	Tennessee Risk Management Trust

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

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 2,384,451	\$ 241,574	\$ 0	\$ 0	\$ 0	\$ 68,531
Trustee's Collections - Prior Year	84,608	8,720	0	0	0	3,591
Circuit Clerk/Clerk and Master Collections - Prior Years	26,429	2,718	0	0	0	1,083
Interest and Penalty	15,671	1,609	0	0	0	621
Payments in-Lieu-of Taxes - Other	62,016	131	0	0	0	37
County Local Option Taxes						
Local Option Sales Tax	468,145	0	0	0	0	0
Hotel/Motel Tax	92,683	0	0	0	0	0
Wheel Tax	0	0	0	0	0	62,643
Litigation Tax - General	6,719	0	0	0	0	0
Litigation Tax - Special Purpose	1,222	0	0	0	0	0
Business Tax	3,318	0	0	0	0	0
Mineral Severance Tax	5,099	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	79,639	0	0	0	0	0
Wholesale Beer Tax	107,690	0	0	0	0	0
Other Statutory Local Taxes	51	0	0	0	0	0
Total Local Taxes	\$ 3,337,741	\$ 254,752	\$ 0	\$ 0	\$ 0	\$ 136,506
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 261	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	17,372	0	0	0	0	0
Permits						
Beer Permits	1,350	0	0	0	0	0
Total Licenses and Permits	\$ 18,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 2,566	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	625	0	0	0	0	0
Drug Control Fines	0	0	4,953	0	0	0
Drug Court Fees	332	0	0	0	0	0
Veterans Treatment Court Fees	190	0	0	0	0	0
Jail Fees	276	0	0	0	0	0
DUI Treatment Fines	95	0	0	0	0	0
Data Entry Fee - Circuit Court	200	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	95	0	0	0	0	0
General Sessions Court						
Fines	8,847	0	0	0	0	0
Officers Costs	2,860	0	0	0	0	0
Game and Fish Fines	45	0	0	0	0	0
Drug Control Fines	48	0	112	0	0	0
Drug Court Fees	66	0	0	0	0	0
Veterans Treatment Court Fees	48	0	0	0	0	0
Jail Fees	643	0	0	0	0	0
Data Entry Fee - General Sessions Court	942	0	0	0	0	0
Chancery Court						
Officers Costs	38	0	0	0	0	0
Data Entry Fee - Chancery Court	466	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 18,382	\$ 0	\$ 5,065	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 158,278	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	1,925	0	0	0	0
Patient Charges	499,111	0	0	0	0	0
Fees						
Copy Fees	152	0	0	0	0	0
Library Fees	2,135	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Additional Fees - Titling and Registration	7,395	0	0	0	0	0
Data Processing Fee - Register	2,668	0	0	0	0	0
Probation Fees	11,820	0	0	0	0	0
Data Processing Fee - Sheriff	300	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	750	0	0	0	0	0
Data Processing Fee - County Clerk	3,942	0	0	0	0	0
Vehicle Registration Reinstatement Fees	510	0	0	0	0	0
Total Charges for Current Services	\$ 528,833	\$ 160,203	\$ 0	\$ 0	\$ 0	0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 31,049	\$ 0	\$ 0	\$ 4,698	\$ 0	0
Lease/Rentals/PPP	17,896	0	0	0	0	0
Sale of Recycled Materials	0	10,849	0	0	0	0
Rebates	15,835	0	0	0	0	0
Miscellaneous Refunds	1,690	15	0	3	877	0
Nonrecurring Items						
Contributions and Gifts	1,000	0	0	0	0	0
Total Other Local Revenues	\$ 67,470	\$ 10,864	\$ 0	\$ 4,701	\$ 877	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 102,065	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	9,576	0	0	0	0	0
General Sessions Court Clerk	13,804	0	0	0	0	0
Clerk and Master	16,384	0	0	0	0	0
Register	37,409	0	0	0	0	0
Sheriff	1,576	0	0	0	0	0
Trustee	137,583	0	0	0	0	0
Total Fees Received From County Officials	\$ 318,397	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety Grants						
Law Enforcement Training Programs	8,000	0	0	0	0	0
School Resource Officer Grants	150,000	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	90,780	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	1,645,784	0
Litter Program	44,200	0	0	0	0	0
Other State Revenues						
Flood Control	294,586	0	0	0	0	0
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	890	0	0	0	0	0
Alcoholic Beverage Tax	22,590	0	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Opioid Settlement Funds - TN Abatement Council	\$ 29,044	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	224,561	0	0	0	0	0
State Revenue Sharing - Telecommunications	12,946	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	7,803	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,788,836	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	7,239	0
Petroleum Special Tax	0	0	0	0	3,314	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	105,702	0	0	0	0	0
Other State Revenues	31,055	0	0	0	0	0
Total State of Tennessee	\$ 1,064,819	\$ 0	\$ 0	\$ 0	\$ 3,445,173	\$ 0
Federal Government						
Federal Through State						
Other Federal through State	\$ 129,123	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Direct Federal Revenue						
Police Service (Lake Area)	14,384	0	0	0	0	0
American Rescue Plan Act Grant #6	0	0	0	72,487	0	0
Total Federal Government	\$ 143,507	\$ 0	\$ 0	\$ 72,487	\$ 0	\$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 26,079	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,700
Contracted Services	50,000	0	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Other Governments and Citizens Groups (Cont.)						
Citizens Groups						
Donations	\$ 3,841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other						
Opioid Settlement Funds - Past Remediation	27,993	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 107,913</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 364,700</u>
Total	<u>\$ 5,606,045</u>	<u>\$ 425,819</u>	<u>\$ 5,065</u>	<u>\$ 77,188</u>	<u>\$ 3,446,050</u>	<u>\$ 501,206</u>

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Local Taxes			
County Property Taxes			
Current Property Tax	\$ 0	\$ 2,694,556	
Trustee's Collections - Prior Year	0	96,919	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	30,230	
Interest and Penalty	0	17,901	
Payments in-Lieu-of Taxes - Other	0	62,184	
County Local Option Taxes			
Local Option Sales Tax	0	468,145	
Hotel/Motel Tax	0	92,683	
Wheel Tax	0	62,643	
Litigation Tax - General	0	6,719	
Litigation Tax - Special Purpose	0	1,222	
Business Tax	0	3,318	
Mineral Severance Tax	0	5,099	
Statutory Local Taxes			
Bank Excise Tax	0	79,639	
Wholesale Beer Tax	0	107,690	
Other Statutory Local Taxes	0	51	
Total Local Taxes	<u>\$ 0</u>	<u>\$ 3,728,999</u>	
Licenses and Permits			
Licenses			
Marriage Licenses	\$ 0	\$ 261	
Cable TV Franchise	0	17,372	
Permits			
Beer Permits	0	1,350	
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 18,983</u>	

(Continued)

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

		<u>Capital Projects Fund</u>	
		General Capital Projects	Total
Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	\$ 0	\$ 2,566	
Officers Costs	0	625	
Drug Control Fines	0	4,953	
Drug Court Fees	0	332	
Veterans Treatment Court Fees	0	190	
Jail Fees	0	276	
DUI Treatment Fines	0	95	
Data Entry Fee - Circuit Court	0	200	
Criminal Court			
DUI Treatment Fines	0	95	
General Sessions Court			
Fines	0	8,847	
Officers Costs	0	2,860	
Game and Fish Fines	0	45	
Drug Control Fines	0	160	
Drug Court Fees	0	66	
Veterans Treatment Court Fees	0	48	
Jail Fees	0	643	
Data Entry Fee - General Sessions Court	0	942	
Chancery Court			
Officers Costs	0	38	
Data Entry Fee - Chancery Court	0	466	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 23,447	

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Charges for Current Services			
General Service Charges			
Tipping Fees	\$ 0	\$ 158,278	
Surcharge - Waste Tire Disposal	0	1,925	
Patient Charges	0	499,111	
Fees			
Copy Fees	0	152	
Library Fees	0	2,135	
Greenbelt Late Application Fee	0	50	
Additional Fees - Titling and Registration	0	7,395	
Data Processing Fee - Register	0	2,668	
Probation Fees	0	11,820	
Data Processing Fee - Sheriff	0	300	
Sexual Offender Registration Fee - Sheriff	0	750	
Data Processing Fee - County Clerk	0	3,942	
Vehicle Registration Reinstatement Fees	0	510	
Total Charges for Current Services	\$ 0	\$ 689,036	
Other Local Revenues			
Recurring Items			
Investment Income	\$ 762	\$ 36,509	
Lease/Rentals/PPP	0	17,896	
Sale of Recycled Materials	0	10,849	
Rebates	0	15,835	
Miscellaneous Refunds	1	2,586	
Nonrecurring Items			
Contributions and Gifts	0	1,000	
Total Other Local Revenues	\$ 763	\$ 84,675	

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$ 0	\$ 102,065	
Circuit Court Clerk	0	9,576	
General Sessions Court Clerk	0	13,804	
Clerk and Master	0	16,384	
Register	0	37,409	
Sheriff	0	1,576	
Trustee	0	137,583	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 318,397</u>	
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$ 0	\$ 9,000	
Public Safety Grants			
Law Enforcement Training Programs	0	8,000	
School Resource Officer Grants	0	150,000	
Health and Welfare Grants			
Other Health and Welfare Grants	0	90,780	
Public Works Grants			
State Aid Program	0	1,645,784	
Litter Program	0	44,200	
Other State Revenues			
Flood Control	0	294,586	
Beer Tax	0	18,498	
Vehicle Certificate of Title Fees	0	890	
Alcoholic Beverage Tax	0	22,590	

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
State of Tennessee (Cont.)			
Other State Revenues (Cont.)			
Opioid Settlement Funds - TN Abatement Council	\$ 0	\$ 29,044	
State Revenue Sharing - T.V.A.	0	224,561	
State Revenue Sharing - Telecommunications	0	12,946	
State Shared Sports Gaming Privilege Tax	0	7,803	
Gasoline and Motor Fuel Tax	0	1,788,836	
Hybrid/Electric Vehicle Registration Fee	0	7,239	
Petroleum Special Tax	0	3,314	
Registrar's Salary Supplement	0	15,164	
Other State Grants	0	105,702	
Other State Revenues	0	31,055	
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 4,509,992</u>	
Federal Government			
Federal Through State			
Other Federal through State	\$ 0	\$ 129,123	
Direct Federal Revenue			
Police Service (Lake Area)	0	14,384	
American Rescue Plan Act Grant #6	0	72,487	
Total Federal Government	<u>\$ 0</u>	<u>\$ 215,994</u>	
Other Governments and Citizens Groups			
Other Governments			
Contributions	\$ 0	\$ 390,779	
Contracted Services	0	50,000	

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Other Governments and Citizens Groups (Cont.)			
Citizens Groups			
Donations	\$ 0	\$ 3,841	
Other			
Opioid Settlement Funds - Past Remediation	0	27,993	
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 472,613</u>	
Total	<u><u>\$ 763</u></u>	<u><u>\$ 10,062,136</u></u>	

PICKETT COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2024

Special Revenue Funds						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 669,805	\$ 0	\$ 0	\$ 0	\$ 669,805	
Trustee's Collections - Prior Year	24,108	0	0	0	24,108	
Circuit Clerk/Clerk and Master Collections - Prior Years	7,517	0	0	0	7,517	
Interest and Penalty	4,451	0	0	0	4,451	
Payments in-Lieu-of Taxes - Other	363	0	0	0	363	
County Local Option Taxes						
Local Option Sales Tax	435,922	0	0	0	435,922	
Local Amusement Tax	70	0	0	0	70	
Business Tax	49,138	0	0	0	49,138	
Other County Local Option Taxes	363,275	0	0	0	363,275	
Total Local Taxes	<u>\$ 1,554,649</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,554,649</u>	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 261	\$ 0	\$ 0	\$ 0	\$ 261	
Total Licenses and Permits	<u>\$ 261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 261</u>	
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$ 0	\$ 0	\$ 39,237	\$ 0	\$ 39,237	
Lunch Payments - Adults	0	0	14,711	0	14,711	
Income from Breakfast	0	0	30,785	0	30,785	
A la Carte Sales	0	0	9,902	0	9,902	
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 94,635</u>	<u>\$ 0</u>	<u>\$ 94,635</u>	

(Continued)

PICKETT COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Pickett County School Department (Cont.)

Special Revenue Funds						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Other Local Revenues						
Recurring Items						
Investment Income	\$ 34,832	\$ 0	\$ 1,644	\$ 0	\$ 36,476	
Miscellaneous Refunds	24,529	0	149	0	24,678	
Other Local Revenues						
Other Local Revenues	0	0	0	403,525	403,525	
Total Other Local Revenues	<u>\$ 59,361</u>	<u>\$ 0</u>	<u>\$ 1,793</u>	<u>\$ 403,525</u>	<u>\$ 464,679</u>	
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 32,388	\$ 0	\$ 0	\$ 0	\$ 32,388	
State Education Funds						
Tennessee Investment in Student Achievement	4,877,988	0	0	0	4,877,988	
TISA - On-behalf Payments	7,621	0	0	0	7,621	
Early Childhood Education	99,076	0	0	0	99,076	
School Food Service	0	0	3,359	0	3,359	
Other State Education Funds	153,308	0	0	0	153,308	
Career Ladder Program	24,036	0	0	0	24,036	
Other Vocational	185,761	0	0	0	185,761	
Other State Revenues						
Other State Revenues	7,462	0	0	0	7,462	
Total State of Tennessee	<u>\$ 5,387,640</u>	<u>\$ 0</u>	<u>\$ 3,359</u>	<u>\$ 0</u>	<u>\$ 5,390,999</u>	
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 237,453	\$ 0	\$ 237,453	\$ 0	

(Continued)

PICKETT COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Pickett County School Department (Cont.)

Special Revenue Funds						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Federal Government (Cont.)						
Federal Through State (Cont.)						
USDA - Commodities	\$ 0	\$ 0	\$ 32,084	\$ 0	\$ 32,084	
Breakfast	0	0	86,817	0	86,817	
USDA - Other	0	0	21,521	0	21,521	
Vocational Education - Basic Grants to States	0	14,998	0	0	14,998	
Title I Grants to Local Education Agencies	0	238,495	0	0	238,495	
Special Education - Grants to States	0	162,640	0	0	162,640	
Special Education Preschool Grants	0	5,367	0	0	5,367	
Rural Education	0	15,296	0	0	15,296	
Eisenhower Professional Development State Grants	0	7,562	0	0	7,562	
COVID-19 Grant D	0	102,411	0	0	102,411	
American Rescue Plan Act Grant #1	531,402	775,758	0	0	1,307,160	
Other Federal through State	16,306	0	0	0	16,306	
Direct Federal Revenue						
Public Law 874 - Maintenance and Operation	52,134	0	0	0	52,134	
Total Federal Government	\$ 599,842	\$ 1,322,527	\$ 377,875	\$ 0	\$ 2,300,244	
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 44,256	\$ 0	\$ 0	\$ 0	\$ 44,256	
Total Other Governments and Citizens Groups	\$ 44,256	\$ 0	\$ 0	\$ 0	\$ 44,256	
Total	\$ 7,646,009	\$ 1,322,527	\$ 477,662	\$ 403,525	\$ 9,849,723	

PICKETT 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	\$ 50,600
Audit Services	7,307
Dues and Memberships	1,844
Legal Notices, Recording, and Court Costs	758
Total County Commission	\$ 60,509

Board of Equalization

Board and Committee Members Fees	\$ 120
Total Board of Equalization	120

Beer Board

Board and Committee Members Fees	\$ 240
Total Beer Board	240

County Mayor/Executive

County Official/Administrative Officer	\$ 93,805
Accountants/Bookkeepers	38,000
Secretary(ies)	28,455
In-service Training	585
Communication	3,376
Data Processing Services	20,364
Dues and Memberships	1,100
Legal Notices, Recording, and Court Costs	179
Postal Charges	5
Printing, Stationery, and Forms	495
Travel	549
Other Contracted Services	192
Office Supplies	3,171
Other Supplies and Materials	509
Total County Mayor/Executive	190,785

County Attorney

Legal Services	\$ 11,667
Total County Attorney	11,667

Election Commission

County Official/Administrative Officer	\$ 73,094
Secretary(ies)	7,332
Election Commission	13,825
Election Workers	7,646
Communication	1,993
Data Processing Services	16,008
Legal Notices, Recording, and Court Costs	1,040
Postal Charges	532
Printing, Stationery, and Forms	3,505
Office Supplies	12,531
Total Election Commission	137,506

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	81,216
Communication		1,241
Dues and Memberships		618
Maintenance Agreements		252
Postal Charges		66
Other Contracted Services		2,529
Office Supplies		<u>1,225</u>
Total Register of Deeds	\$	87,147

County Buildings

Custodial Personnel	\$	62,506
Communication		9,285
Maintenance and Repair Services - Buildings		45,229
Custodial Supplies		3,957
Electricity		54,505
Water and Sewer		7,784
Other Supplies and Materials		<u>203</u>
Total County Buildings		183,469

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	81,216
Deputy(ies)		11,462
Communication		623
Legal Notices, Recording, and Court Costs		180
Postal Charges		198
Travel		2,811
Other Contracted Services		9,058
Office Supplies		<u>185</u>
Total Property Assessor's Office		105,733

County Trustee's Office

County Official/Administrative Officer	\$	81,216
Deputy(ies)		11,430
Communication		2,028
Data Processing Services		13,721
Dues and Memberships		618
Legal Notices, Recording, and Court Costs		351
Postal Charges		660
Other Contracted Services		4,077
Office Supplies		<u>984</u>
Total County Trustee's Office		115,085

County Clerk's Office

County Official/Administrative Officer	\$	81,216
Deputy(ies)		45,731
Other Salaries and Wages		1,837

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Communication	\$	1,260
Dues and Memberships		618
Postal Charges		1,914
Other Contracted Services		8,052
Office Supplies		983
Total County Clerk's Office	\$	141,611

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	81,216
Deputy(ies)		33,475
Jury and Witness Expense		2,250
Communication		1,349
Data Processing Services		16,178
Dues and Memberships		803
Legal Notices, Recording, and Court Costs		382
Licenses		2,023
Postal Charges		499
Travel		52
Other Contracted Services		2,672
Office Supplies		3,724
Other Supplies and Materials		25
Total Circuit Court		144,648

General Sessions Judge

Judge(s)	\$	82,523
Communication		2,250
Dues and Memberships		455
Travel		1,420
Office Supplies		576
Total General Sessions Judge		87,224

Chancery Court

County Official/Administrative Officer	\$	81,216
Communication		1,844
Data Processing Services		6,812
Dues and Memberships		618
Postal Charges		132
Office Supplies		892
Total Chancery Court		91,514

Juvenile Court

Youth Service Officer(s)	\$	11,180
Total Juvenile Court		11,180

Judicial Commissioners

Other Per Diem and Fees	\$	6,000
Total Judicial Commissioners		6,000

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services

Probation Officer(s)	\$ 28,060
Communication	917
Office Supplies	811
Total Probation Services	\$ 29,788

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 89,338
Deputy(ies)	361,566
Salary Supplements	8,000
School Resource Officer	78,166
Overtime Pay	10,389
In-service Training	14,624
Data Processing Services	10,014
Dues and Memberships	1,000
Maintenance and Repair Services - Equipment	2,529
Maintenance and Repair Services - Vehicles	23,431
Postal Charges	132
Towing Services	1,000
Travel	2,633
Gasoline	65,337
Office Supplies	3,444
Tires and Tubes	7,501
Uniforms	7,489
Motor Vehicles	59,006
Total Sheriff's Department	745,599

Jail

Deputy(ies)	\$ 224,077
Communication	16,260
Contracts with Government Agencies	187,747
Maintenance and Repair Services - Buildings	10,282
Medical and Dental Services	14,421
Custodial Supplies	1,365
Food Supplies	1,657
Total Jail	455,809

Fire Prevention and Control

Contributions	\$ 40,000
Other Equipment	43,576
Total Fire Prevention and Control	83,576

Rescue Squad

Contributions	\$ 1,000
Total Rescue Squad	1,000

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Contributions	\$ 15,000	
Total Other Emergency Management		\$ 15,000

County Coroner/Medical Examiner

Medical and Dental Services	\$ 10,480	
Total County Coroner/Medical Examiner		10,480

Other Public Safety

Supervisor/Director	\$ 9,500	
Total Other Public Safety		9,500

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 10,518	
Communication	3,765	
Dues and Memberships	200	
Medical and Dental Services	175	
Custodial Supplies	52	
Electricity	6,914	
Water and Sewer	516	
Other Supplies and Materials	199	
Other Charges	8,496	
Building Improvements	2,140	
Total Local Health Center		32,975

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 50,000	
Accountants/Bookkeepers	29,615	
Medical Personnel	580,094	
In-service Training	1,773	
Communication	5,766	
Dues and Memberships	910	
Licenses	1,998	
Maintenance and Repair Services - Buildings	3,187	
Maintenance and Repair Services - Equipment	5,923	
Maintenance and Repair Services - Vehicles	10,889	
Other Contracted Services	45,419	
Custodial Supplies	755	
Drugs and Medical Supplies	22,783	
Electricity	11,192	
Gasoline	25,853	
Office Supplies	1,169	
Tires and Tubes	2,112	
Uniforms	4,580	
Water and Sewer	921	
Refunds	2,067	
Total Ambulance/Emergency Medical Services		807,006

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Contributions	\$ 2,274	
Total Regional Mental Health Center		\$ 2,274

Appropriation to State

Contributions	\$ 7,092	
Total Appropriation to State		7,092

Sanitation Management

Other Salaries and Wages	\$ 30,292	
Other Contracted Services	<u>13,774</u>	
Total Sanitation Management		44,066

Social, Cultural, and Recreational Services

Adult Activities

Other Salaries and Wages	\$ 28,142	
Maintenance and Repair Services - Equipment	268	
Maintenance and Repair Services - Vehicles	702	
Food Supplies	42,206	
Gasoline	<u>352</u>	
Total Adult Activities		71,670

Senior Citizens Assistance

Contributions	\$ 10,168	
Transportation - Other than Students	<u>2,213</u>	
Total Senior Citizens Assistance		12,381

Libraries

County Official/Administrative Officer	\$ 31,895	
Assistant(s)	23,979	
Communication	2,497	
Maintenance and Repair Services - Buildings	1,120	
Other Contracted Services	672	
Custodial Supplies	843	
Office Supplies	2,152	
Other Supplies and Materials	<u>126</u>	
Total Libraries		63,284

Other Social, Cultural, and Recreational

Supervisor/Director	\$ 28,836	
Other Salaries and Wages	9,462	
Communication	2,205	
Maintenance and Repair Services - Vehicles	1,762	
Travel	127	
Office Supplies	320	
Other Supplies and Materials	<u>15,393</u>	
Total Other Social, Cultural, and Recreational		58,105

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$ 2,210
Other Contracted Services	63,895
Data Processing Equipment	1,154
Total Agricultural Extension Service	\$ 67,259

Soil Conservation

Secretary(ies)	\$ 19,913
Other Salaries and Wages	35,531
Communication	1,429
Office Supplies	695
Total Soil Conservation	\$ 57,568

Other Operations

Tourism

Contributions	\$ 25,050
Remittance of Revenue Collected	70,080
Total Tourism	95,130

Industrial Development

Other Charges	\$ 168
Total Industrial Development	168

Other Economic and Community Development

Remittance of Revenue Collected	\$ 35,143
Other Supplies and Materials	39,772
Total Other Economic and Community Development	74,915

Veterans' Services

Other Salaries and Wages	\$ 21,242
Communication	1,190
Travel	547
Office Supplies	1,013
Total Veterans' Services	23,992

Other Charges

Travel	\$ 477
Building and Contents Insurance	47,542
Liability Insurance	61,260
Premiums on Corporate Surety Bonds	3,117
Trustee's Commission	71,126
Vehicle and Equipment Insurance	28,059
Liability Claims	1,000
Total Other Charges	212,581

Contributions to Other Agencies

Contributions	\$ 4,800
Total Contributions to Other Agencies	4,800

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Longevity Pay	\$ 17,702
Social Security	226,054
Pensions	160,574
Medical Insurance	92,463
Unemployment Compensation	11,289
Other Fringe Benefits	6,375
Workers' Compensation Insurance	91,304
Total Employee Benefits	\$ 605,761

Miscellaneous

Advertising	\$ 922
Other Supplies and Materials	2,081
Total Miscellaneous	3,003

Highways

Traffic Control

Road Signs	\$ 3,641
Total Traffic Control	3,641

Total General Fund

\$ 4,972,861

Solid Waste/Sanitation Fund

Public Health and Welfare

Transfer Stations

Supervisor/Director	\$ 40,000
Longevity Pay	2,174
Other Salaries and Wages	96,178
Social Security	10,238
Pensions	8,370
Medical Insurance	12,425
Unemployment Compensation	1,088
Advertising	378
Communication	2,675
Contracts with Government Agencies	3,500
Data Processing Services	8,029
Licenses	755
Maintenance and Repair Services - Buildings	14,364
Maintenance and Repair Services - Equipment	7,582
Maintenance and Repair Services - Vehicles	2,253
Postal Charges	82
Other Contracted Services	170,176
Custodial Supplies	43
Electricity	4,204
Gasoline	7,616
Office Supplies	790
Tires and Tubes	4,817
Uniforms	6,119

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Water and Sewer	\$ 770
Wire	439
Other Supplies and Materials	31
Trustee's Commission	6,852
Motor Vehicles	7,000
Total Transfer Stations	<u>\$ 418,948</u>

Total Solid Waste/Sanitation Fund

\$ 418,948

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 5,000
Other Supplies and Materials	1,816
Motor Vehicles	275,825
Total Drug Enforcement	<u>\$ 282,641</u>

Total Drug Control Fund

282,641

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #6

Other Capital Outlay	\$ 129,769
Total American Rescue Plan Act Grant #6	<u>\$ 129,769</u>

Total Other Special Revenue Fund

129,769

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 89,338
Accountants/Bookkeepers	38,020
Advertising	216
Data Processing Services	13,461
Dues and Memberships	2,263
Postal Charges	468
Printing, Stationery, and Forms	674
Travel	1,800
Drugs and Medical Supplies	145
Office Supplies	1,662
Other Charges	5,435
Total Administration	<u>\$ 153,482</u>

Highway and Bridge Maintenance

Laborers	\$ 695,769
Other Contracted Services	10,950
Asphalt	87,851

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$ 115,855
Pipe	17,619
Road Signs	354
Other Charges	5,283
Total Highway and Bridge Maintenance	\$ 933,681

Operation and Maintenance of Equipment

Mechanic(s)	\$ 39,320
Maintenance and Repair Services - Vehicles	45,542
Diesel Fuel	75,727
Equipment and Machinery Parts	44,286
Gasoline	27,584
Lubricants	6,090
Propane Gas	1,264
Tires and Tubes	23,801
Other Supplies and Materials	5,804
Other Charges	7,627
Total Operation and Maintenance of Equipment	\$ 277,045

Quarry Operations

Lease/SBITA Payments	\$ 2,400
Total Quarry Operations	2,400

Other Charges

Communication	\$ 4,743
Contributions	1,500
Utilities	4,792
Trustee's Commission	17,975
Vehicle and Equipment Insurance	33,528
Total Other Charges	62,538

Employee Benefits

Social Security	\$ 65,979
Pensions	43,774
Unemployment Compensation	6,246
Workers' Compensation Insurance	31,905
Total Employee Benefits	147,904

Capital Outlay

Motor Vehicles	\$ 181,080
State Aid Projects	1,572,930
Total Capital Outlay	1,754,010

Principal on Debt

Highways and Streets

Principal on Notes	\$ 54,790
Principal on Other Loans	175,074
Total Highways and Streets	229,864

(Continued)

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Notes	\$ 18,024
Interest on Other Loans	<u>14,318</u>
Total Highways and Streets	<u>\$ 32,342</u>

Total Highway/Public Works Fund

\$ 3,593,266

General Debt Service Fund

Principal on Debt

Education

Principal on Bonds \$ 350,000

Total Education

\$ 350,000

Interest on Debt

Education

Interest on Bonds \$ 14,700

Total Education

14,700

Other Debt Service

General Government

Trustee's Commission \$ 2,111

Total General Government

2,111

Education

Other Debt Service \$ 500

Total Education

500

Total General Debt Service Fund

367,311

General Capital Projects Fund

Other Operations

COVID-19 Grant A

Other Capital Outlay \$ 141,449

Total COVID-19 Grant A

\$ 141,449

Total General Capital Projects Fund

141,449

Total Governmental Funds - Primary Government

\$ 9,906,245

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

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2024**General Purpose School Fund**

Instruction

Regular Instruction Program

Teachers	\$ 2,109,746
Career Ladder Program	14,500
Educational Assistants	7,257
Other Salaries and Wages	3,643
Certified Substitute Teachers	10,274
Non-certified Substitute Teachers	37,740
Social Security	124,712
Pensions	139,722
Medical Insurance	158,727
Employer Medicare	29,239
Retirement - Hybrid Stabilization	9,531
Other Contracted Services	26,888
Instructional Supplies and Materials	17,533
Textbooks - Bound	77,180
Other Supplies and Materials	2,722
TISA - On-behalf Payments	7,621
Regular Instruction Equipment	8,509
Total Regular Instruction Program	\$ 2,785,544

Special Education Program

Teachers	\$ 276,121
Career Ladder Program	2,000
Homebound Teachers	7,304
Educational Assistants	12,505
Social Security	16,528
Pensions	19,123
Medical Insurance	21,330
Employer Medicare	3,865
Retirement - Hybrid Stabilization	1,175
Instructional Supplies and Materials	1,199
Total Special Education Program	361,150

Career and Technical Education Program

Teachers	\$ 104,080
Career Ladder Program	1,000
Social Security	6,345
Pensions	6,501
Medical Insurance	5,364
Employer Medicare	1,484
Retirement - Hybrid Stabilization	988
Instructional Supplies and Materials	4,212
Software	35,051
Other Supplies and Materials	101,863
Other Charges	5,348
Vocational Instruction Equipment	601,303
Total Career and Technical Education Program	873,539

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	39,321
Social Security		2,270
Pensions		2,678
Medical Insurance		1,892
Employer Medicare		531
Travel		<u>3,114</u>
Total Attendance	\$	49,806

Health Services

Supervisor/Director	\$	44,880
Medical Personnel		22,829
Other Salaries and Wages		16,415
Social Security		4,444
Pensions		5,717
Medical Insurance		15,415
Employer Medicare		1,039
Communication		607
Travel		1,072
Other Contracted Services		1,183
Other Supplies and Materials		<u>2,290</u>
Total Health Services		115,891

Other Student Support

Career Ladder Program	\$	1,000
Guidance Personnel		86,177
Social Security		5,220
Pensions		5,937
Medical Insurance		2,101
Employer Medicare		<u>1,221</u>
Total Other Student Support		101,656

Regular Instruction Program

Supervisor/Director	\$	70,525
Career Ladder Program		2,000
Librarians		65,822
Instructional Computer Personnel		39,321
Social Security		10,845
Pensions		12,099
Medical Insurance		1,891
Employer Medicare		2,536
Travel		257
Other Supplies and Materials		<u>181</u>
Total Regular Instruction Program		205,477

Special Education Program

Supervisor/Director	\$	50,790
---------------------	----	--------

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$ 31,875
Social Security	4,323
Pensions	5,630
Medical Insurance	8,689
Employer Medicare	1,011
Other Supplies and Materials	694
Total Special Education Program	\$ 103,012

Career and Technical Education Program

In Service/Staff Development	\$ 4,600
Total Career and Technical Education Program	4,600

Technology

Internet Connectivity	\$ 52,836
Software	5,265
Other Equipment	1,295
Total Technology	59,396

Other Programs

On-behalf Payments to OPEB	\$ 32,388
Total Other Programs	32,388

Board of Education

Secretary to Board	\$ 3,000
Board and Committee Members Fees	13,200
Social Security	996
Pensions	203
Life Insurance	3,793
Employer Medicare	233
Audit Services	5,400
Dues and Memberships	4,808
Legal Services	1,969
Trustee's Commission	34,877
Workers' Compensation Insurance	27,828
Other Charges	7,462
Total Board of Education	103,769

Director of Schools

County Official/Administrative Officer	\$ 98,350
Social Security	5,462
Pensions	6,698
Medical Insurance	8,358
Employer Medicare	1,277
Communication	3,449
Dues and Memberships	1,400
Travel	3,532

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$ 250
Other Charges	9
Total Director of Schools	\$ 128,785

Office of the Principal

Principals	\$ 129,577
Secretary(ies)	72,397
Social Security	12,118
Pensions	12,700
Medical Insurance	13,488
Employer Medicare	2,834
Retirement - Hybrid Stabilization	1,573
Communication	588
Total Office of the Principal	245,275

Fiscal Services

Accountants/Bookkeepers	\$ 99,528
Social Security	5,873
Pensions	6,740
Medical Insurance	3,783
Employer Medicare	1,373
Office Supplies	1,919
Total Fiscal Services	119,216

Operation of Plant

Custodial Personnel	\$ 85,239
Social Security	5,038
Pensions	5,688
Medical Insurance	12,765
Employer Medicare	1,178
Other Contracted Services	11,246
Electricity	143,029
Natural Gas	57,846
Water and Sewer	11,827
Other Supplies and Materials	24,891
Building and Contents Insurance	76,895
Other Charges	4
Total Operation of Plant	435,646

Maintenance of Plant

Maintenance Personnel	\$ 42,400
Social Security	2,629
Pensions	2,875
Employer Medicare	615
Maintenance and Repair Services - Buildings	72,470
Maintenance and Repair Services - Equipment	35,731
Other Supplies and Materials	3,191
Total Maintenance of Plant	159,911

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Mechanic(s)	\$ 51,840
Bus Drivers	136,702
Social Security	10,801
Pensions	12,374
Medical Insurance	24,572
Employer Medicare	2,526
Communication	589
Diesel Fuel	32,711
Garage Supplies	3,434
Gasoline	5,652
Lubricants	1,938
Tires and Tubes	5,460
Vehicle Parts	27,776
Other Charges	2,605
Transportation Equipment	<u>44,458</u>
Total Transportation	\$ 363,438

Central and Other

Data Processing Services	\$ 37,719
Data Processing Supplies	<u>1,209</u>
Total Central and Other	38,928

Operation of Non-Instructional Services**Food Service**

Food Supplies	\$ 750
Total Food Service	750

Community Services

Supervisor/Director	\$ 25,245
Social Security	1,431
Pensions	1,719
Medical Insurance	1,362
Employer Medicare	335
Other Charges	<u>895</u>
Total Community Services	30,987

Early Childhood Education

Supervisor/Director	\$ 6,975
Teachers	63,750
Educational Assistants	14,059
Social Security	5,214
Pensions	5,770
Employer Medicare	1,219
Instructional Supplies and Materials	<u>336</u>
Total Early Childhood Education	97,323

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$ 350,000
Total Education	\$ 350,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$ 14,700
Total Education	<u>14,700</u>

Total General Purpose School Fund

\$ 6,781,187

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 145,247
Clerical Personnel	4,000
Educational Assistants	8,801
Other Salaries and Wages	220,200
Social Security	21,319
Pensions	22,523
Medical Insurance	25,276
Employer Medicare	4,986
Instructional Supplies and Materials	71,575
Textbooks - Bound	13,985
Software	10,000
Other Supplies and Materials	13,005
Regular Instruction Equipment	<u>95,108</u>
Total Regular Instruction Program	\$ 656,025

Special Education Program

Educational Assistants	\$ 123,041
Social Security	7,114
Pensions	7,603
Medical Insurance	15,031
Employer Medicare	1,684
Instructional Supplies and Materials	17,403
Other Supplies and Materials	6,532
Special Education Equipment	<u>2,332</u>
Total Special Education Program	180,740

Career and Technical Education Program

Instructional Supplies and Materials	\$ 7,213
Vocational Instruction Equipment	<u>2,477</u>
Total Career and Technical Education Program	9,690

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services

Health Services

Other Supplies and Materials	\$ 8,001
Other Equipment	899
Total Health Services	\$ 8,900

Other Student Support

Other Salaries and Wages	\$ 180
Social Security	11
Pensions	14
Employer Medicare	3
Travel	2,960
Other Contracted Services	11,061
Other Supplies and Materials	40,121
In Service/Staff Development	1,500
Other Charges	2,154
Total Other Student Support	58,004

Regular Instruction Program

Supervisor/Director	\$ 1,413
Other Salaries and Wages	3,000
Social Security	186
Pensions	204
Employer Medicare	44
Communication	4,600
Other Contracted Services	72,800
In Service/Staff Development	10,071
Other Charges	1,000
Other Equipment	6,364
Total Regular Instruction Program	99,682

Special Education Program

Contracts with Private Agencies	\$ 5,113
Evaluation and Testing	2,528
Postal Charges	720
Other Contracted Services	7,663
Other Supplies and Materials	2,304
In Service/Staff Development	5,825
Other Charges	13,189
Other Equipment	19,427
Total Special Education Program	56,769

Career and Technical Education Program

In Service/Staff Development	\$ 640
Total Career and Technical Education Program	640

Fiscal Services

Accountants/Bookkeepers	\$ 22,080
-------------------------	-----------

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Social Security	\$ 1,369
Pensions	1,505
Employer Medicare	320
Total Fiscal Services	\$ 25,274

Operation of Plant

Custodial Personnel	\$ 2,400
Social Security	149
Pensions	163
Employer Medicare	35
Janitorial Services	11,150
Other Contracted Services	2,400
Other Supplies and Materials	2,900
Total Operation of Plant	19,197

Maintenance of Plant

Other Charges	\$ 16,984
Total Maintenance of Plant	16,984

Transportation

Transportation Equipment	\$ 143,708
Total Transportation	143,708

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 46,914
Total Regular Capital Outlay	46,914

Total School Federal Projects Fund

\$ 1,322,527

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 6,500
Cafeteria Personnel	137,293
Social Security	8,834
Pensions	5,775
Medical Insurance	12,690
Employer Medicare	2,066
Communication	1,705
Maintenance and Repair Services - Equipment	6,480
Travel	633
Other Contracted Services	16,315
Food Preparation Supplies	22,860
Food Supplies	221,673
Office Supplies	1,261

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

USDA - Commodities	\$ 32,084
Other Supplies and Materials	799
Other Charges	587
Food Service Equipment	<u>155,242</u>
Total Food Service	<u>\$ 632,797</u>

Total Central Cafeteria Fund

\$ 632,797

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 347,323
Total Community Services	<u>\$ 347,323</u>
Total Internal School Fund	<u>347,323</u>

Total Governmental Funds - Pickett County School Department

\$ 9,083,834

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***

Pickett County Executive and
Board of County Commissioners
Pickett County, Tennessee

To the County Executive 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pickett County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pickett County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Pickett County School Department (a discretely presented component unit) as described in our report on Pickett 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 Pickett County's internal control over financial reporting (internal control) as a basis for determining the 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 Pickett County's internal control. Accordingly, we do not express an opinion on the effectiveness of Pickett 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: 2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pickett 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 no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Pickett County's Response to Finding

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

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 Pickett 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

October 29, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

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

Pickett County Executive and
Board of County Commissioners
Pickett County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pickett 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 Pickett County's major federal programs for the year ended June 30, 2024. Pickett 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, Pickett County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pickett 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 Pickett 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 Pickett 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 Pickett 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 Pickett 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 Pickett 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 Pickett 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 Pickett 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pickett County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pickett County's basic financial statements. We issued our report thereon dated October 29, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

October 29, 2024

JEM/gc

PICKETT COUNTY, TENNESSEE, AND THE PICKETT COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
National School Lunch Program	10.555	N/A	\$ 257,343 (6)
School Breakfast Program	10.553	N/A	86,817
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	653
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	32,084 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	978 (6)
Total U.S. Department of Agriculture			<u>\$ 377,875</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 60,721
Total U.S. Department of the Interior			<u>\$ 60,721</u>
U.S. Department of the Treasury:			
Passed-through State Department of Education:			
COVID 19- Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	\$ 16,306
Direct Program:			
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	72,487
Total U.S. Department of the Treasury			<u>\$ 88,793</u>
U.S. Environmental Protection Agency:			
Passed-through Appalachian Regional Commission:			
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104	66.436	(4)	\$ 41,998
Total U.S. Environmental Protection Agency			<u>\$ 41,998</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 238,495
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	162,640
Special Education - Preschool Grants	84.173	N/A	5,367
Career and Technical Education - Basic Grants to States	84.048	N/A	14,998
Rural Education	84.358	N/A	15,296
Supporting Effective Instruction State Grants	84.367	N/A	7,562
Comprehensive Literacy Development	84.371	N/A	102,411
COVID 19- Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,307,160
Direct Program:			
Impact Aid	84.041	N/A	52,134
Total U.S. Department of Education			<u>\$ 1,906,063</u>
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Aging Cluster: (5)			
Nutrition Services Incentive Program	93.053	(4)	\$ 7,875
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	55,115
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	13,500
Total U.S. Department of Health and Human Services			<u>\$ 76,490</u>
Total Expenditures of Federal Grants			<u>\$ 2,551,940</u>

(Continued)

PICKETT COUNTY, TENNESSEE, AND THE PICKETT COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

State Grants	Contract Number	Expenditures
State Supplement Juvenile Court Improvement Funds - State Department of Children's Services	(4)	\$ 9,000
Volunteer Firefighter Equipment and Training (VFEAT) - State Department of Commerce and Insurance	(4)	90,780
Early Childhood Education - State Department of Education	N/A	99,076
COVID 19- Innovative School Models Grant - State Department of Education	N/A	185,761
Learning Camp Transportation - State Department of Education	N/A	10,381
Summer Learning Camps Grant - State Department of Education	N/A	40,928
Violent Crime Intervention Fund (VCIF) - State Department of Finance and Administration	(4)	39,711
School Resource Officer Grant - State Department of Safety and Homeland Security	(4)	150,000
Litter Program - State Department of Transportation	(4)	44,200
Supporting Access in Rural Counties (SPARC) - State Higher Education Commission	(4)	102,000
Governor's Highway Safety Office Grant (GHSO) - State Highway Safety Office	(4)	3,997
Election Commission Grant - Tennessee Secretary of State	(4)	12,308
Senior Center Grant - Upper Cumberland Development District	N/A	29,989
State Funded Nutrition Meal Delivery Services - Upper Cumberland Development District	N/A	10,635
 Total State Grants		 \$ 828,767

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

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

(4) Information not available.

(5) Child Nutrition Cluster total \$377,222; Special Education Cluster total \$168,007; Aging Cluster total \$76,490.

(6) Total for ALN 10.555 is \$290,405.

PICKETT 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 Pickett 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 EXECUTIVE

2023	174	2023-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	174	2023-002	Deficiencies were noted in the administration of cash receipts at the county's senior citizen's center.	N/A	Corrected
2023	175	2023-003	Appropriations exceeded estimated available funding in the Other Special Revenue Fund.	N/A	Corrected

Prior-year Federal Awards Findings

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

PICKETT 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 Pickett 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: 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

A finding and recommendation, as a result of our audit, is presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the 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 EXECUTIVE

FINDING 2024-001

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION

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

The Solid Waste Disposal Fund had a deficit of \$2,435,767 in unrestricted net position on June 30, 2024. This deficit resulted from the recognition of a liability totaling \$2,814,487 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency resulted from management's failure to correct the finding noted in prior-year audit reports.

RECOMMENDATION

Management should develop and implement a plan that would fund the deficit in unrestricted net position.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I concur with this finding. Pickett County is the smallest county in the state and has a limited tax base. Therefore, we do not have the funds to complete this objective at this time.

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.

PICKETT 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 EXECUTIVE

2024-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	171
----------	---	-----

Pickett County Executive

STEPHEN BILBREY

1 Courthouse Square, Suite 200
Byrdstown, Tennessee 38549
(931)864-3798 Fax (931) 864-6615
Email: pickettcogov@twlakes.net

Corrective Action Plan

FINDING:

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT
IN UNRESTRICTED NET POSITION

Response and Corrective Action Plan Prepared by:

Tabitha Lee, Administrative Assistant

Person Responsible for Implementing the Corrective Action:

Stephen Bilbrey, Pickett County Executive

Anticipated Completion Date of Corrective Action:

Unknown at this time

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Pickett County is the smallest county in the state and has a limited tax base. Therefore, we do not have the funds to complete this objective at this time.

Planned Corrective Action:

The finding is a repeat finding that will occur until the landfill is officially closed.

Signature:



Stephen Bilbrey

Pickett County Executive

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 Pickett County.

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

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