



ANNUAL FINANCIAL REPORT

Pickett County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
PICKETT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2025

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

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Summary of Audit Findings

Annual Financial Report
Pickett County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of Pickett County as of and for the year ended June 30, 2025.

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 is a summary 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, 2025

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
Larry Beaty
Tony Beaty
Andrew Conner
Francis Copeland
Darrell Garrett

Deborah Garrett
Tyler Garrett
Chris Masiongale
Sheila Moon
Frankie Mullins
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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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 2.39 percent, 2.66 percent, and 4.61 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.

Changes in Accounting Principle

As described in Note V.B., Pickett County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$6,466) for the primary government and (\$42,593) for the discretely presented Pickett County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 24, 2025, 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 24, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

PICKETT COUNTY, TENNESSEE**Statement of Net Position****June 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pickett County School Department
ASSETS				
Cash	\$ 674	\$ 0	\$ 674	\$ 247,862
Equity in Pooled Cash and Investments	6,879,529	354,753	7,234,282	3,879,125
Inventories	0	0	0	29,424
Accounts Receivable	332,950	0	332,950	1,501
Allowance for Uncollectibles	(83,139)	0	(83,139)	0
Due from Other Governments	732,158	0	732,158	413,318
Property Taxes Receivable	3,109,619	69,618	3,179,237	789,008
Allowance for Uncollectible Property Taxes	(57,941)	(1,297)	(59,238)	(37,826)
Restricted Assets - Amounts Accumulated for Pension Be	0	0	0	57,985
Net Pension Asset - Agent Plan	430,804	0	430,804	102,040
Net Pension Asset - Teacher Retirement Plan		0	0	18,199
Net Pension Asset - Teacher Legacy Pension Plan		0	0	1,523,182
Capital Assets:				
Assets Not Depreciated:				
Land	162,805	110,900	273,705	22,955
Construction in Progress	525,939	0	525,939	69,726
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,023,447	12,125	2,035,572	2,507,673
Infrastructure	9,691,103	0	9,691,103	0
Other Capital Assets	2,195,380	40,418	2,235,798	748,018
Total Assets	\$ 25,943,328	\$ 586,517	\$ 26,529,845	\$ 10,372,190
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	\$ 283,675	\$ 0	\$ 283,675	\$ 474,886
Pension Changes in Assumptions	189,355	0	189,355	52,082
Pension Changes in Proportion	0	0	0	80,040
Pension Contributions after Measurement Date	242,577	0	242,577	235,769
OPEB Changes in Experience	0	0	0	60,789
OPEB Changes in Proportion	0	0	0	20,154
OPEB Changes in Assumptions	0	0	0	83,200
OPEB Contributions after Measurement Date	0	0	0	48,558
Total Deferred Outflows of Resources	\$ 715,607	\$ 0	\$ 715,607	\$ 1,055,478

(Continued)

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	\$ 93,428	\$ 7,033	\$ 100,461	\$ 0
Accrued Interest Payable	2,311	0	2,311	0
Payroll Deductions Payable	13,453	0	13,453	0
Noncurrent Liabilities:				
Due Within One Year - Debt	167,360	0	167,360	0
Due Within One Year - Other	8,598	15,732	24,330	156,470
Due in More Than One Year - Debt	393,940	0	393,940	0
Due in More Than One Year - Other	8,420	2,821,192	2,829,612	745,803
Total Liabilities	\$ 687,510	\$ 2,843,957	\$ 3,531,467	\$ 902,273
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 2,900,432	\$ 0	\$ 2,900,432	\$ 725,547
Pension Changes in Experience	89,943	0	89,943	26,895
Pension Changes in Investment Earnings	125,717	0	125,717	329,501
Pension Changes in Proportion	0	0	0	2,801
OPEB Changes in Experience	0	0	0	51,016
OPEB Changes in Proportion	0	0	0	44,429
OPEB Changes in Assumptions	0	0	0	42,852
Total Deferred Inflows of Resources	\$ 3,116,092	\$ 0	\$ 3,116,092	\$ 1,223,041
NET POSITION				
Net Investment in Capital Assets	\$ 14,037,374	\$ 163,443	\$ 14,200,817	\$ 3,348,372
Restricted for:				
General Government	52,785	0	52,785	0
Finance	82,338	0	82,338	0
Administration of Justice	25,463	0	25,463	0
Public Safety	11,416	0	11,416	0
Public Health & Welfare	106,099	0	106,099	0
Social, Cultural, and Recreational Services	91,229	0	91,229	0
Highway/Public Works	461,816	0	461,816	0
Debt Service	361,998	0	361,998	0
Capital Outlay	29,510	0	29,510	0
Education	0	0	0	801,560
Pensions	430,804	0	430,804	1,701,406
Unrestricted	7,164,501	(2,420,883)	4,743,618	3,451,016
Total Net Position	\$ 22,855,333	\$ (2,257,440)	\$ 20,597,893	\$ 9,302,354

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

PICKETT COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit	
	Program Revenues				Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary Government:									
Governmental Activities:									
General Government	\$ 1,119,167	\$ 79,426	\$ 15,449	\$ 0	\$ (1,024,292)	\$ 0	\$ (1,024,292)	\$ 0	
Finance	455,925	259,456	0	0	(196,469)	0	(196,469)	0	
Administration of Justice	457,601	62,728	9,000	0	(385,873)	0	(385,873)	0	
Public Safety	1,624,587	65,233	460,057	(7,340)	(1,106,637)	0	(1,106,637)	0	
Public Health and Welfare	1,777,906	610,590	187,482	342,700	(637,134)	0	(637,134)	0	
Social, Cultural, and Recreational Services	358,436	1,875	8,000	14,000	(334,561)	0	(334,561)	0	
Agriculture and Natural Resources	151,435	0	21,000	0	(130,435)	0	(130,435)	0	
Highways/Public Works	2,107,297	21,817	1,841,772	659,640	415,932	0	415,932	0	
Interest on Long-term Debt	26,798	0	0	0	(26,798)	0	(26,798)	0	
Total Governmental Activities	<u>\$ 8,079,152</u>	<u>\$ 1,101,125</u>	<u>\$ 2,542,760</u>	<u>\$ 1,009,000</u>	<u>\$ (3,426,267)</u>	<u>\$ 0</u>	<u>\$ (3,426,267)</u>	<u>\$ 0</u>	
Business-type Activities:									
Solid Waste Disposal	\$ 85,508	\$ 0	\$ 0	\$ 0	\$ (85,508)	\$ (85,508)	\$ (85,508)	\$ 0	
Total Primary Government	<u>\$ 8,164,660</u>	<u>\$ 1,101,125</u>	<u>\$ 2,542,760</u>	<u>\$ 1,009,000</u>	<u>\$ (3,426,267)</u>	<u>\$ (85,508)</u>	<u>\$ (3,511,775)</u>	<u>\$ 0</u>	
Component Unit:									
Pickett County School Department	\$ 7,995,973	\$ 20,113	\$ 1,596,318	\$ 355,148	\$ 0	\$ 0	\$ 0	\$ (6,024,394)	
Total Component Unit	<u>\$ 7,995,973</u>	<u>\$ 20,113</u>	<u>\$ 1,596,318</u>	<u>\$ 355,148</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,024,394)</u>	

(Continued)

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					\$ 2,957,804	\$ 66,981	\$ 3,024,785	\$ 737,835	
Property Taxes Levied for Debt Service					66,287	0	66,287	0	
Local Option Sales Taxes					461,102	0	461,102	818,667	
Hotel/Motel Tax					113,182	0	113,182	0	
Litigation Taxes					6,711	0	6,711	0	
Wheel Tax					62,643	0	62,643	0	
Business Tax					4,732	0	4,732	57,533	
Wholesale Beer Tax					97,992	0	97,992	0	
Mineral Severance Tax					3,435	0	3,435	0	
Other Local Taxes					1,647	0	1,647	35	
Grants and Contributions Not Restricted to Specific Programs					689,432	0	689,432	5,043,567	
Unrestricted Investment Income					36,854	12,495	49,349	41,757	
Miscellaneous					119,959	0	119,959	10,546	
Total General Revenues					\$ 4,621,780	\$ 79,476	\$ 4,701,256	\$ 6,709,940	
Insurance Recovery					\$ 5,000	\$ 0	\$ 5,000	\$ 0	
Change in Net Position					\$ 1,200,513	\$ (6,032)	\$ 1,194,481	\$ 685,546	
Net Position, July 1, 2024					21,661,286	(2,251,408)	19,409,878	8,659,401	
Restatements - See Note I.D.10.					(6,466)	0	(6,466)	(42,593)	
Net Position, June 30, 2025					\$ 22,855,333	\$ (2,257,440)	\$ 20,597,893	\$ 9,302,354	

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

PICKETT COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds		
ASSETS						
Cash	\$ 0	\$ 174	\$ 0	\$ 500	\$ 674	
Equity in Pooled Cash and Investments	4,561,180	592,156	146,162	1,580,031	6,879,529	
Accounts Receivable	188,759	144,129	50	12	332,950	
Allowance for Uncollectibles	(83,139)	0	0	0	(83,139)	
Due from Other Governments	406,544	0	325,614	0	732,158	
Due from Other Funds	17,991	0	0	0	17,991	
Property Taxes Receivable	2,761,528	278,473	0	69,618	3,109,619	
Allowance for Uncollectible Property Taxes	(51,456)	(5,189)	0	(1,296)	(57,941)	
Total Assets	\$ 7,801,407	\$ 1,009,743	\$ 471,826	\$ 1,648,865	\$ 10,931,841	
LIABILITIES						
Accounts Payable	\$ 82,011	\$ 2,079	\$ 9,338	\$ 0	\$ 93,428	
Payroll Deductions Payable	11,971	810	672	0	13,453	
Due to Other Funds	0	0	0	17,991	17,991	
Total Liabilities	\$ 93,982	\$ 2,889	\$ 10,010	\$ 17,991	\$ 124,872	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 2,579,332	\$ 256,075	\$ 0	\$ 65,025	\$ 2,900,432	
Deferred Delinquent Property Taxes	125,885	16,720	0	3,174	145,779	
Other Deferred/Unavailable Revenue	76,223	126,505	162,806	0	365,534	
Total Deferred Inflows of Resources	\$ 2,781,440	\$ 399,300	\$ 162,806	\$ 68,199	\$ 3,411,745	

(Continued)

PICKETT COUNTY, TENNESSEE**Balance Sheet - Governmental Funds (Cont.)**

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds		
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 52,785	\$ 0	\$ 0	\$ 0	\$ 52,785	
Restricted for Finance	82,338	0	0	0	82,338	
Restricted for Administration of Justice	25,463	0	0	0	25,463	
Restricted for Public Safety	10,356	0	0	1,060	11,416	
Restricted for Other Operations	91,229	0	0	0	91,229	
Restricted for Highways/Public Works	0	0	299,010	0	299,010	
Restricted for Capital Outlay	29,510	0	0	0	29,510	
Restricted for Debt Service	0	0	0	361,135	361,135	
Restricted for Other Purposes	106,099	0	0	0	106,099	
Committed:						
Committed for Public Health and Welfare	41,623	607,426	0	0	649,049	
Committed for Capital Outlay	0	0	0	538,402	538,402	
Committed for Debt Service	0	0	0	662,078	662,078	
Committed for Capital Projects	72,003	0	0	0	72,003	
Assigned:						
Assigned for General Government	88,168	0	0	0	88,168	
Assigned for Public Health and Welfare	0	128	0	0	128	
Unassigned	4,326,411	0	0	0	4,326,411	
Total Fund Balances	\$ 4,925,985	\$ 607,554	\$ 299,010	\$ 1,562,675	\$ 7,395,224	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,801,407	\$ 1,009,743	\$ 471,826	\$ 1,648,865	\$ 10,931,841	

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, 2025

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)	\$ 7,395,224
(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: construction in progress	525,939
Add: buildings and improvements net of accumulated depreciation	2,023,447
Add: infrastructure net of accumulated depreciation	9,691,103
Add: other capital assets net of accumulated depreciation	<u>2,195,380</u>
	14,598,674
(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	\$ (456,750)
Less: other loans payable	(104,550)
Less: compensated absences payable	(17,018)
Less: accrued interest on debt	<u>(2,311)</u>
	(580,629)
(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	\$ 715,607
Less: deferred inflows of resources related to pensions	<u>(215,660)</u>
	499,947
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.	430,804
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	<u>511,313</u>
Net position of governmental activities (Exhibit A)	<u>\$ 22,855,333</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, 2025

	Major Funds			Nonmajor Funds		Total Governmental Funds			
	<i>Formerly Nonmajor</i>		Other Govern- mental Funds						
	General	Solid Waste / Sanitation							
Revenues									
Local Taxes	\$ 3,393,235	\$ 259,783	0	\$ 127,925	\$ 3,780,943				
Licenses and Permits	20,970	0	0	0	20,970				
Fines, Forfeitures, and Penalties	17,316	0	0	566	17,882				
Charges for Current Services	500,722	186,917	0	0	687,639				
Other Local Revenues	135,601	39,039	32,260	9,759	216,659				
Fees Received From County Officials	316,130	0	0	0	316,130				
State of Tennessee	1,145,206	0	2,444,816	0	3,590,022				
Federal Government	584,373	0	0	0	584,373				
Other Governments and Citizens Groups	73,204	0	0	0	73,204				
Total Revenues	\$ 6,186,757	\$ 485,739	\$ 2,477,076	\$ 138,250	\$ 9,287,822				
Expenditures									
Current:									
General Government	\$ 738,514	\$ 0	0	\$ 0	\$ 738,514				
Finance	386,428	0	0	0	386,428				
Administration of Justice	384,452	0	0	0	384,452				
Public Safety	1,411,647	0	0	7,974	1,419,621				
Public Health and Welfare	974,126	421,423	0	0	1,395,549				
Social, Cultural, and Recreational Services	205,983	0	0	0	205,983				
Agriculture and Natural Resources	138,444	0	0	0	138,444				
Other Operations	1,944,945	0	0	1,368	1,946,313				
Highways	3,550	0	2,380,584	0	2,384,134				

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	<i>Formerly Nonmajor</i>	<i>Solid Waste / Sanitation</i>	<i>Highway / Public Works</i>	<i>Other Govern- mental Funds</i>		
	General					
Expenditures (Cont.)						
Debt Service:						
Principal on Debt	\$ 0	\$ 0	\$ 247,283	\$ 0	\$ 0	\$ 247,283
Interest on Debt	0	0	27,136	0	0	27,136
Other Debt Service	0	0	0	2,444	2,444	2,444
Total Expenditures	\$ 6,188,089	\$ 421,423	\$ 2,655,003	\$ 11,786	\$ 9,276,301	
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,332)	\$ 64,316	\$ (177,927)	\$ 126,464	\$ 11,521	
Other Financing Sources (Uses)						
Notes Issued	\$ 0	\$ 0	\$ 80,000	\$ 0	\$ 0	\$ 80,000
Insurance Recovery	0	0	5,000	0	0	5,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 85,000	\$ 0	\$ 0	\$ 85,000
Net Change in Fund Balances	\$ (1,332)	\$ 64,316	\$ (92,927)	\$ 126,464	\$ 96,521	
Change to or Within the Reporting Entity	0	543,238	0	(543,238)	0	
Fund Balance, July 1, 2024	4,927,317	0	391,937	1,979,449	7,298,703	
Fund Balance, June 30, 2025	\$ 4,925,985	\$ 607,554	\$ 299,010	\$ 1,562,675	\$ 7,395,224	

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, 2025**

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)	\$	96,521
(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	\$	1,438,112
Less: current-year depreciation expense		<u>(539,026)</u>
		899,086
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of assets disposed		(28,183)
(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, 2025	\$	511,313
Less: deferred delinquent property taxes and other deferred June 30, 2024		<u>(502,550)</u>
		8,763
(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 notes	\$	65,220
Add: principal payments on other loans		182,063
Less: note proceeds		<u>(80,000)</u>
		167,283
(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	\$	338
Change in compensated absences payable		1,110
Change in net pension asset		227,609
Change in deferred outflows related to pensions		(184,248)
Change in deferred inflows related to pensions		<u>12,234</u>
		57,043
Change in net position of governmental activities (Exhibit B)	\$	<u>1,200,513</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, 2025**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 3,393,235	\$ 0	\$ 0	\$ 3,393,235	\$ 3,264,072	\$ 3,375,166	\$ 18,069
Licenses and Permits	20,970	0	0	20,970	23,200	27,072	(6,102)
Fines, Forfeitures, and Penalties	17,316	0	0	17,316	27,025	28,312	(10,996)
Charges for Current Services	500,722	0	0	500,722	552,140	555,642	(54,920)
Other Local Revenues	135,601	0	0	135,601	49,096	68,494	67,107
Fees Received From County Officials	316,130	0	0	316,130	284,500	284,500	31,630
State of Tennessee	1,145,206	0	0	1,145,206	811,789	1,294,288	(149,082)
Federal Government	584,373	0	0	584,373	476,280	476,280	108,093
Other Governments and Citizens Groups	73,204	0	0	73,204	76,000	76,000	(2,796)
Total Revenues	\$ 6,186,757	\$ 0	\$ 0	\$ 6,186,757	\$ 5,564,102	\$ 6,185,754	\$ 1,003
Expenditures							
General Government							
County Commission	\$ 62,676	\$ 0	\$ 0	\$ 62,676	\$ 52,898	\$ 66,824	\$ 4,148
Board of Equalization	200	0	0	200	400	400	200
Beer Board	120	0	0	120	980	980	860
County Mayor/Executive	202,688	(110)	0	202,578	204,335	204,335	1,757
County Attorney	13,500	0	0	13,500	12,000	13,500	0
Election Commission	150,079	0	0	150,079	160,982	165,213	15,134
Register of Deeds	91,471	0	0	91,471	93,815	93,815	2,344

(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.)							
General Government (Cont.)							
County Buildings	\$ 217,780	\$ 0	\$ 0	\$ 217,780	\$ 206,450	\$ 232,394	\$ 14,614
Finance							
Property Assessor's Office	110,710	0	0	110,710	111,124	111,124	414
County Trustee's Office	122,843	0	0	122,843	132,710	132,710	9,867
County Clerk's Office	152,875	0	0	152,875	159,915	159,915	7,040
Administration of Justice							
Circuit Court	148,146	0	0	148,146	155,163	158,205	10,059
General Sessions Judge	89,118	0	0	89,118	94,706	94,706	5,588
Chancery Court	98,592	(150)	0	98,442	100,022	100,022	1,580
Juvenile Court	11,708	0	0	11,708	11,827	12,327	619
Judicial Commissioners	6,000	0	0	6,000	6,000	6,000	0
Probation Services	30,888	0	0	30,888	32,970	32,970	2,082
Public Safety							
Sheriff's Department	694,377	(700)	87,391	781,068	765,252	884,432	103,364
Special Patrols	161,963	0	0	161,963	150,000	167,137	5,174
Jail	435,174	0	0	435,174	450,800	457,554	22,380
Fire Prevention and Control	87,353	(47,353)	0	40,000	40,000	40,000	0
Rescue Squad	0	0	0	0	1,000	1,000	1,000
Other Emergency Management	17,500	0	0	17,500	17,500	17,500	0

(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.)							
Public Safety (Cont.)							
County Coroner/Medical Examiner	\$ 5,780	\$ 0	\$ 0	\$ 5,780	\$ 12,000	\$ 12,000	\$ 6,220
Other Public Safety	9,500	0	0	9,500	10,500	10,500	1,000
Public Health and Welfare							
Local Health Center	29,006	0	0	29,006	28,250	33,250	4,244
Ambulance/Emergency Medical Services	876,747	(28,175)	0	848,572	911,565	931,565	82,993
Regional Mental Health Center	1,706	0	0	1,706	2,274	2,274	568
Appropriation to State	7,092	0	0	7,092	7,582	7,582	490
Sanitation Management	42,905	(600)	0	42,305	44,200	44,200	1,895
Other Public Health and Welfare	16,670	0	0	16,670	7,200	40,540	23,870
Social, Cultural, and Recreational Services							
Adult Activities	69,238	0	390	69,628	81,547	81,547	11,919
Senior Citizens Assistance	14,326	0	0	14,326	17,670	18,208	3,882
Libraries	70,019	0	0	70,019	69,612	71,694	1,675
Other Social, Cultural, and Recreational	52,400	(4,401)	0	47,999	51,372	59,315	11,316
Agriculture and Natural Resources							
Agricultural Extension Service	79,401	0	0	79,401	79,401	79,401	0
Soil Conservation	59,043	0	0	59,043	60,834	60,834	1,791
Other Operations							
Tourism	88,848	0	0	88,848	75,050	90,050	1,202

(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 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Industrial Development	\$ 112	\$ 0	\$ 0	\$ 112	\$ 500	\$ 500	\$ 388
Other Economic and Community Development	970,233	0	387	970,620	431,000	1,025,166	54,546
Veterans' Services	24,680	0	0	24,680	24,828	24,953	273
Other Charges	239,228	0	0	239,228	239,481	242,395	3,167
Contributions to Other Agencies	8,330	0	0	8,330	11,000	11,000	2,670
Employee Benefits	609,571	0	0	609,571	649,500	649,500	39,929
Miscellaneous	3,943	0	0	3,943	4,700	4,700	757
Highways							
Traffic Control	3,550	0	0	3,550	7,500	7,500	3,950
Total Expenditures	\$ 6,188,089	\$ (81,489)	\$ 88,168	\$ 6,194,768	\$ 5,788,415	\$ 6,661,737	\$ 466,969
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,332)	\$ 81,489	\$ (88,168)	\$ (8,011)	\$ (224,313)	\$ (475,983)	\$ 467,972
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 385,000	\$ (385,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 385,000	\$ (385,000)
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ (1,332)	\$ 81,489	\$ (88,168)	\$ (8,011)	\$ (74,313)	\$ (90,983)	\$ 82,972
	4,927,317	(81,489)	0	4,845,828	4,384,629	4,384,629	461,199
Fund Balance, June 30, 2025	\$ 4,925,985	\$ 0	\$ (88,168)	\$ 4,837,817	\$ 4,310,316	\$ 4,293,646	\$ 544,171

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**

Solid Waste/Sanitation Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 259,783	\$ 0	\$ 259,783	\$ 252,911	\$ 252,911	\$ 6,872
Charges for Current Services	186,917	0	186,917	181,200	181,200	5,717
Other Local Revenues	39,039	0	39,039	11,000	11,000	28,039
Total Revenues	\$ 485,739	\$ 0	\$ 485,739	\$ 445,111	\$ 445,111	\$ 40,628
Expenditures						
Public Health and Welfare						
Transfer Stations	\$ 421,423	\$ 128	\$ 421,551	\$ 488,254	\$ 488,254	\$ 66,703
Total Expenditures	\$ 421,423	\$ 128	\$ 421,551	\$ 488,254	\$ 488,254	\$ 66,703
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,316	\$ (128)	\$ 64,188	\$ (43,143)	\$ (43,143)	\$ 107,331
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ (25,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ (25,000)
Net Change in Fund Balance	\$ 64,316	\$ (128)	\$ 64,188	\$ (18,143)	\$ (18,143)	\$ 82,331
Changes to or Within the Financial Reporting Entity	543,238	0	543,238	0	0	543,238
Fund Balance, July 1, 2024	0	0	0	522,232	522,232	(522,232)
Fund Balance, June 30, 2025	\$ 607,554	\$ (128)	\$ 607,426	\$ 504,089	\$ 504,089	\$ 103,337

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, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Other Local Revenues	\$ 32,260	\$ 1,000	\$ 32,256	\$ 4
State of Tennessee	2,444,816	1,915,258	2,537,310	(92,494)
Total Revenues	\$ 2,477,076	\$ 1,916,258	\$ 2,569,566	\$ (92,490)
Expenditures				
Highways				
Administration	\$ 159,931	\$ 163,400	\$ 165,200	\$ 5,269
Highway and Bridge Maintenance	1,012,543	962,725	1,077,982	65,439
Operation and Maintenance of Equipment	249,865	300,500	312,500	62,635
Quarry Operations	2,400	2,400	2,400	0
Other Charges	67,119	69,725	72,750	5,631
Employee Benefits	163,202	155,000	167,850	4,648
Capital Outlay	725,524	165,000	746,464	20,940
Principal on Debt				
General Government	0	262,508	1	1
Highways and Streets	247,283	0	247,283	0
Interest on Debt				
Highways and Streets	27,136	0	27,136	0
Total Expenditures	\$ 2,655,003	\$ 2,081,258	\$ 2,819,566	\$ 164,563
Excess (Deficiency) of Revenues Over Expenditures	\$ (177,927)	\$ (165,000)	\$ (250,000)	\$ 72,073
Other Financing Sources (Uses)				
Notes Issued	\$ 80,000	\$ 0	\$ 80,000	\$ 0
Insurance Recovery	5,000	0	5,000	0
Transfers In	0	165,000	165,000	(165,000)
Total Other Financing Sources	\$ 85,000	\$ 165,000	\$ 250,000	\$ (165,000)
Net Change in Fund Balance	\$ (92,927)	\$ 0	\$ 0	\$ (92,927)
Fund Balance, July 1, 2024	391,937	393,177	393,177	(1,240)
Fund Balance, June 30, 2025	\$ 299,010	\$ 393,177	\$ 393,177	\$ (94,167)

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

PICKETT COUNTY, TENNESSEE
Statement of Net Position - Proprietary Fund
June 30, 2025

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
	<hr/>
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 354,753
Property Taxes Receivable	69,618
Allowance for Uncollectible Property Taxes	(1,297)
Total Current Assets	<hr/> \$ 423,074
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 110,900
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	12,125
Machinery and Equipment	40,418
Total Noncurrent Assets	<hr/> \$ 163,443
Total Assets	<hr/> \$ 586,517
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 7,033
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	15,732
Total Current Liabilities	<hr/> \$ 22,765
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 2,821,192
Total Noncurrent Liabilities	<hr/> \$ 2,821,192
Total Liabilities	<hr/> \$ 2,843,957
	<hr/>
NET POSITION	
Unrestricted	\$ (2,420,883)
Net Investment in Capital Assets	<hr/> 163,443
Total Net Position	<hr/> \$ (2,257,440)

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 Fund
For the Year Ended June 30, 2025

	Business-type Activities
	Major Enterprise Fund
Solid	\$ 1,315
Waste	20,916
Disposal	63,277
Fund	<hr/>
Operating Expenses	
Trustee's Commission	\$ 1,315
Depreciation	20,916
Landfill Closure/Postclosure Care Costs	63,277
Total Operating Expenses	<hr/> \$ 85,508
Operating Income (Loss)	<hr/> \$ (85,508)
Nonoperating Revenues (Expenses)	
Local Taxes	\$ 66,981
Investment Income	12,495
Total Nonoperating Revenues (Expenses)	<hr/> \$ 79,476
Change in Net Position	\$ (6,032)
Net Position, July 1, 2024	<hr/> (2,251,408)
Net Position, June 30, 2025	<hr/> \$ (2,257,440)

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

PICKETT COUNTY, TENNESSEE
Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2025

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund

Cash Flows from Operating Activities	
Payments to Vendors	\$ (33,807)
Other Payments	(1,315)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (35,122)</u></u>

Cash Flows from Noncapital Financing Activities	
Local Taxes	\$ 65,260
Net Cash Provided By (Used In) Noncapital Financing Activities	<u><u>\$ 65,260</u></u>

Cash Flows from Investing Activities	
Interest Earned	\$ 12,495
Net Cash Provided By (Used In) Investing Activities	<u><u>\$ 12,495</u></u>

Net Increase (Decrease) in Cash	\$ 42,633
Cash, July 1, 2024	312,120

Cash, June 30, 2025	<u><u>\$ 354,753</u></u>

Reconciliation of Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (85,508)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation	20,916
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	7,033
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	<u><u>22,437</u></u>

Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (35,122)</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, 2025

	Custodial Funds
ASSETS	
Cash	\$ 397,185
Due from Other Governments	<u>56,481</u>
Total Assets	<u>\$ 453,666</u>
LIABILITIES	
Due to Other Taxing Units	\$ 56,481
Total Liabilities	<u>\$ 56,481</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 397,185</u>
Total Net Position	<u>\$ 397,185</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, 2025

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 357,565
Fines/Fees and Other Collections	2,157,024
Total Additions	<u><u>\$ 2,514,589</u></u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 357,565
Payments to State	1,307,315
Payments to Cities, Individuals, and Others	680,153
Total Deductions	<u><u>\$ 2,345,033</u></u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 169,556
Net Position, July 1, 2024	<u><u>\$ 227,629</u></u>
Net Position, June 30, 2025	<u><u>\$ 397,185</u></u>

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

PICKETT COUNTY, TENNESSEE

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PICKETT COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025.

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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Pickett County's solid waste. Local taxes and general service charges are the foundational revenues of this 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 (FY24) 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 on the [Tennessee Comptroller of the Treasury's website](#).

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 property taxes and investment income. Operating expenses for the internal service fund include administrative expenses and closure/postclosure costs.

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).

Assets	Years
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:

Assets	Years
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, proportionate share; and employer contributions made after the measurement date.

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, pension changes in investment earnings, 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 benefits beyond the fiscal year end; however, a liability for compensatory time is reported on the government-wide financial statements. The county's policy permits employees to accumulate earned but unused sick pay benefits. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since Pickett County does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued.

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.

It is the school department's policy to permit professional personnel to accumulate earned but unused sick pay benefits. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. While the school department does not have a policy to pay any amounts when employees separate from service with the government, employees are often allowed to use their sick days prior to retirement. We have calculated the portion of sick leave "more likely than not" expected to be used and have accrued that amount in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies. 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.

The government-wide Statement of Net Position reports \$1,653,458 of restricted net position, of which \$91,229 is restricted by enabling legislation.

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.

10. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, Pickett County must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Pickett County School Department to record an additional liability for compensated absences related to accumulated sick leave. A restatement of (\$6,466) has been presented to reflect the beginning balance of the primary government and (\$42,593) for the discretely presented Pickett County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide - Governmental Activities	
	Discretely Presented	
	Primary Government	Pickett County School Department
Net Position, as previously reported	\$ 21,661,286	\$ 8,659,401
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability		(42,593)
Net Change in Beginning Net Position	\$ (6,466)	\$ (42,593)
Net Position, June 30, 2024, Restated	<u>\$ 21,654,820</u>	<u>\$ 8,616,808</u>

11. Changes To or Within the Financial Reporting Entity

Changes in Major Fund Classification (Column A)

Fund classifications are evaluated annually in accordance with the criteria established in GASB Statement No. 34. During fiscal year 2025, the following fund experienced a change in major fund status:

The Solid Waste/Sanitation Fund met the criteria for major fund classification and is presented as a major governmental fund. The prior-year amount, previously included within the Nonmajor Governmental Funds column, has been restated to reflect this fund as major.

These presentation changes are reported retrospectively in accordance with GASB Statement No. 100 and do not affect the previously reported total governmental fund balances or changes in fund balances.

	7-1-24	Change To or Within the Financial Reporting Entity (A)	7-1-24
	As Previously Reported	As Restated	
Primary Government			
Governmental Funds			
Major Fund:			
Solid Waste/Sanitation	\$ 0	\$ 543,238	\$ 543,238
Nonmajor Funds	1,979,449	(543,238)	1,436,211
Total Governmental Funds	<u>\$ 1,979,449</u>	<u>\$ 0</u>	<u>\$ 1,979,449</u>

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, 2025, Pickett County's General and Solid Waste/Sanitation funds had outstanding encumbrances totaling \$88,168 and \$128, respectively.

B. Net Position Deficit

The Solid Waste Disposal Fund had a deficit of \$2,420,883 in unrestricted net position on June 30, 2025. This deficit resulted from the recognition of a liability of \$2,836,924 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure.

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 on June 30, 2025.

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.

On June 30, 2025, 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	\$ 17,975
Developed Market International Equity	N/A	N/A	8,118
Emerging Market International Equity	N/A	N/A	2,319
U.S. Fixed Income	N/A	N/A	11,597
Real Estate	N/A	N/A	5,799
Short-term Securities	N/A	N/A	580
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>11,597</u>
Total			<u>\$ 57,985</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 on the [Tennessee Department of Treasury website](#).

B. *Capital Assets*

Capital assets activity for the year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 162,805	0	0	\$ 162,805
Construction in Progress	0	525,939	0	525,939
Total Capital Assets Not Depreciated	\$ 162,805	\$ 525,939	0	\$ 688,744
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,337,789	0	0	\$ 3,337,789
Infrastructure	13,786,805	272,565	(746)	14,058,624
Other Capital Assets	5,584,326	639,608	(239,906)	5,984,028
Total Capital Assets Depreciated	\$ 22,708,920	\$ 912,173	\$ (240,652)	\$ 23,380,441
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,258,118	56,224	0	\$ 1,314,342
Infrastructure	4,238,145	129,696	(320)	4,367,521
Other Capital Assets	3,647,691	353,106	(212,149)	3,788,648
Total Accumulated Depreciation	\$ 9,143,954	\$ 539,026	\$ (212,469)	\$ 9,470,511
Total Capital Assets Depreciated, Net	\$ 13,564,966	\$ 373,147	\$ (28,183)	\$ 13,909,930
Governmental Activities Capital Assets, Net	\$ 13,727,771	\$ 899,086	\$ (28,183)	\$ 14,598,674

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

Governmental Activities:

General Government	\$ 30,158
Public Safety	96,001
Public Health and Welfare	183,532
Social, Cultural, and Recreational Services	9,733
Highways/Public Works	219,602
Total Depreciation Expense - Governmental Activities	\$ 539,026

Net Investment in Capital Assets

Capital Assets	\$	14,598,674
Less:		
Outstanding principal of capital debt and other related borrowings		<u>(561,300)</u>
Net Investment in Capital Assets	\$	<u><u>14,037,374</u></u>

Business-type Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets Not Depreciated:			
Land	\$ 110,900	\$ 0	\$ 110,900
Total Capital Assets Not Depreciated	\$ 110,900	\$ 0	\$ 110,900
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	\$ 1,114,797	\$ 0	\$ 1,114,797
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 214,390	\$ 7,120	\$ 221,510
Landfill Facilities and Development	268,303	0	268,303
Machinery and Equipment	558,645	13,796	572,441
Total Accumulated Depreciation	\$ 1,041,338	\$ 20,916	\$ 1,062,254
Total Capital Assets Depreciated, Net	\$ 73,459	\$ (20,916)	\$ 52,543
Business-type Activities Capital Assets, Net	\$ 184,359	\$ (20,916)	\$ 163,443

There were no decreases in capital assets to report during the year ended June 30, 2025.

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

Discretely Presented Pickett County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets Not Depreciated:			
Land	\$ 22,955	\$ 0	\$ 22,955
Construction in Progress	0	69,726	69,726
Total Capital Assets Not Depreciated	\$ 22,955	\$ 69,726	\$ 92,681
Capital Assets Depreciated:			
Buildings and Improvements	\$ 7,108,662	\$ 0	\$ 7,108,662
Other Capital Assets	1,280,858	198,214	1,479,072
Total Capital Assets Depreciated	\$ 8,389,520	\$ 198,214	\$ 8,587,734
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 4,445,852	\$ 155,137	\$ 4,600,989
Other Capital Assets	629,994	101,060	731,054
Total Accumulated Depreciation	\$ 5,075,846	\$ 256,197	\$ 5,332,043
Total Capital Assets Depreciated, Net	\$ 3,313,674	\$ (57,983)	\$ 3,255,691
Governmental Activities Capital Assets, Net	\$ 3,336,629	\$ 11,743	\$ 3,348,372

There were no decreases in capital assets to report during the year ended June 30, 2025.

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

Governmental Activities:

Instruction	\$ 8,767
Support Services	<u>247,430</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 256,197</u>

C. Construction Commitments

On June 30, 2025, the county had uncompleted construction for engineering fees for the construction of a health department addition. Funding for these future expenditures is expected to be received from state grants.

On June 30, 2025, the discretely presented Pickett County School Department had uncompleted construction of approximately \$41,620 for the construction of a greenhouse. Funding for these future expenditures is expected to be paid from state grants.

D. *Interfund Receivables and Payables*

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from Other Funds:

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

This balance 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.

E. *Long-term Debt*

Primary Government

General Obligation Notes and Other Loans

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, 2025, will be retired from the Highway/Public Works Fund.

Capital outlay notes and other loans outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	3.82 to 5.18 %	6-1-32	\$ 780,000	\$ 456,750
Other Loans	3.59 to 3.79	3-4-26	1,673,361	104,550

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, 2025, including interest payments, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2026	\$ 62,810	\$ 17,690	\$ 80,500
2027	70,440	14,935	85,375
2028	73,320	12,064	85,384
2029	76,290	9,073	85,363
2030	79,360	5,961	85,321
2031-2032	94,530	3,356	97,886
Total	\$ 456,750	\$ 63,079	\$ 519,829

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2026	\$ 104,550	\$ 1,296	\$ 105,846
Total	\$ 104,550	\$ 1,296	\$ 105,846

There is \$1,023,213 available in the General Debt Service Fund to service long-term debt. Total debt per capita, including notes and other loans totaled \$112 based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2025, was as follows:

Governmental Activities:	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2024	\$ 441,970	\$ 286,613
Additions	80,000	0
Reductions	(65,220)	(182,063)
 Balance, June 30, 2025	 <u>\$ 456,750</u>	 <u>\$ 104,550</u>
 Balance Due Within One Year	 <u>\$ 62,810</u>	 <u>\$ 104,550</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 561,300
Less: Balance Due Within One Year - Debt	<u>(167,360)</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 393,940
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F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences *
Balance, July 1, 2024	\$ 18,128
Reductions	<u>(1,110)</u>
Balance, June 30, 2025	<u><u>\$ 17,018</u></u>
Balance Due Within One Year	<u><u>\$ 8,598</u></u>

*Restated beginning balance – See Note I.D.10. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 17,018
Less: Balance Due Within One Year - Other	<u>(8,598)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 8,420</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, 2025, was as follows:

Business-type Activities:

	Closure/ Postclosure Care Costs
Balance, July 1, 2024	\$ 2,814,487
Additions	38,169
Reductions	<u>(15,732)</u>
Balance, June 30, 2025	<u><u>\$ 2,836,924</u></u>
Balance Due Within One Year	<u><u>\$ 15,732</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 2,836,924
Less: Balance Due Within One Year - Other	<u>(15,732)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ <u>2,821,192</u>
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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, 2025, was as follows:

Governmental Activities:	Compensated Absences *	Other Postemployment Benefits
Balance, July 1, 2024	\$ 55,338	\$ 696,393
Additions	57,376	137,875
Deductions	0	(44,709)
Balance, June 30, 2025	<u>\$ 112,714</u>	<u>\$ 789,559</u>
Balance Due Within One Year	<u>\$ 107,912</u>	<u>\$ 48,558</u>

*Restated beginning balance – See Note I.D.10. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 902,273
Less: Balance Due Within One Year - Other	<u>(156,470)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ <u>745,803</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

G. 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, 2025, were \$32,253. 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 2021, 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 Changes*

GASB Statement No. 101, *Compensated Absences*, became effective for the fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, became effective for the fiscal year ending June 30, 2025. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

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.

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 on June 30, 2025.

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 \$2,863,924 reported as landfill closure and postclosure care liability on June 30, 2025, 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 \$2,762,537 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 \$74,387. The \$2,863,924 reported as closure and postclosure care liability on June 30, 2025, represents amounts based on what it would cost to perform all closure/postclosure care in 2025. 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, 2025. 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 80.85 percent, the non-certified employees of the discretely presented school department comprise 19.15 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 on the [Tennessee Department of Treasury website](#).

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, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	75
Inactive Employees Entitled to But Not Yet Receiving Benefits	192
Active Employees	115
Total	382

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, 2025, the employer contribution for Pickett County was \$300,294 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, 2024, 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, 2024, 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, 2024, 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)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2023	\$ 13,257,257	\$ 13,507,159	\$ (249,902)
Changes for the year:			
Service Cost	\$ 405,075	\$ 0	\$ 405,075
Interest	904,506	0	904,506
Differences Between Expected and Actual Experience	198,135	0	198,135
Contributions-Employer	0	279,969	(279,969)
Contributions-Employees	0	208,656	(208,656)
Net Investment Income	0	1,316,175	(1,316,175)
Benefit Payments, Including Refunds of Employee Contributions	(524,492)	(524,492)	0
Administrative Expense	0	(14,142)	14,142
Net Changes	\$ 983,224	\$ 1,266,166	\$ (282,942)
Balance, June 30, 2024	\$ 14,240,481	\$ 14,773,325	\$ (532,844)

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

	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net	Liability
Primary Government	80.85%	\$ 11,513,429	\$ 11,944,233
School Department	19.15%	2,727,052	2,829,092
Total		\$ 14,240,481	\$ 14,773,325
			\$ (532,844)

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%	Current	1%
	Decrease	Discount Rate	Increase
Net Pension Liability (Asset)	5.75%	6.75%	7.75%

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, 2025, Pickett County recognized pension expense (negative pension expense) of \$226,787.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 350,866	\$ 111,247
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	155,494
Changes in Assumptions	234,205	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	<u>300,294</u>	N/A
 Total	 <u>\$ 885,365</u>	 <u>\$ 266,741</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2024,” 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	\$ 715,607	\$ 215,660
School Department	<u>169,758</u>	51,081
 Total	 <u>\$ 885,365</u>	 <u>\$ 266,741</u>

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

Year Ending June 30	Amount
2026	\$ 86,003
2027	250,691
2028	23,234
2029	(41,599)
2030	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 80.85 percent and the non-certified employees of the discretely presented school department comprise 19.15 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 on the [Tennessee Department of Treasury website](#).

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, 2025, to the Teacher Retirement Plan were \$24,069, which is three percent of covered payroll. In addition, employer contributions of \$7,782, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$18,199) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.025538 percent. The proportion as of June 30, 2023, was 0.026906 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$15,087.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,503	\$ 5,591
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,070
Changes in Assumptions	7,232	0
Changes in Proportion of Net Pension Liability (Asset)	2,002	2,801
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>24,069</u>	<u>N/A</u>
Total	<u>\$ 34,806</u>	<u>\$ 11,462</u>

The school department's employer contributions of \$24,069, 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, 2026. 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
2026	\$ (1,898)
2027	2,349
2028	(1,252)
2029	(1,235)
2030	258
Thereafter	1,054

Actuarial Assumptions. The total pension liability in the June 30, 2024, 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, 2024, 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 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)	\$ 47,996	\$ (18,199)	\$ (67,462)

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 on the [Tennessee Department of Treasury website](#).

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, 2025, to the Teacher Legacy Pension Plan were \$153,983, which is 6.36 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, 2025, the school department reported a liability (asset) of (\$1,523,182) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.088410 percent. The proportion measured on June 30, 2023, was 0.093862 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$365,547.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 406,192	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	296,654
Changes in Proportion of Net Pension Liability (Asset)	78,038	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>153,983</u>	N/A
Total	<u>\$ 638,213</u>	<u>\$ 296,654</u>

The school department's employer contributions of \$153,983 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, 2026. 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
2026	\$ (128,793)
2027	627,333
2028	(154,773)
2029	(156,190)
2030	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, 2024, 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, 2024, 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	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)	\$ 1,934,969	\$ (1,523,182)	\$ (4,391,247)

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. 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 \$40,265 and teachers contributed \$40,523 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, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024, 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	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.93 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, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, 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 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. 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 2024 plan year was revised from 10.31 percent to 10.68 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, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	6
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>50</u>
Total	<u><u>56</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$48,558 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 School Department	State of TN			
		59.91%	40.09%		
Balance July 1, 2023	\$ 696,393	\$ 491,474	\$ 1,187,867		
Changes for the Year:					
Service Cost	\$ 24,872	\$ 16,923	\$ 41,795		
Interest	25,901	17,623	43,524		
Difference between Expected and Actual Experience	62,296	42,386	104,682		
Changes in Proportion	15,740	(15,740)	0		
Changes in Assumption	9,066	6,168	15,234		
Benefit Payments	(44,709)	(30,419)	(75,128)		
Net Changes	\$ 93,166	\$ 36,941	\$ 130,107		
Balance June 30, 2024	\$ 789,559	\$ 528,415	\$ 1,317,974		

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 \$41,893 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 59.91 percent and the State of Tennessee's share was 40.09 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$88,478, including the state's share of the expense. On June 30, 2025, 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 Actual and Expected Experience	\$ 60,789	\$ 51,016
Changes in Proportion	20,154	44,429
Changes of Assumptions	83,200	42,852
Benefits Paid After the Measurement Date of June 30, 2024	<u>48,558</u>	0
Total	\$ 212,701	\$ 138,297

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
2026	\$ (4,223)
2027	(1,137)
2028	9,141
2029	8,437
2030	13,628
Thereafter	0

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.

Discount Rate	Current		
	1% Decrease	Discount Rate	1% Increase
	2.93%	3.93%	4.93%

Proportionate Share of the Collective Total OPEB Liability	\$ 837,717	\$ 789,559	\$ 742,828
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

	1% Decrease	Current Rates	1% Increase
	9.68 to 3.5%	10.68 to 4.5%	11.68 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 722,674	\$ 789,559	\$ 865,975
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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 Events*

Director of Schools Diane Elder retired June 30, 2025, and was succeeded by Melissa Robbins effective July 1, 2025.

On October 21, 2025, the county commission approved the issuance of capital outlay notes totaling \$240,000 for the purchase of highway equipment and an emergency services truck.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 259,681	\$ 250,172	\$ 266,770	\$ 305,396	\$ 347,108	\$ 314,044	\$ 304,858	\$ 355,237	\$ 370,544	\$ 405,075
Interest	533,635	569,347	610,349	640,282	672,627	733,007	734,536	805,448	834,078	904,506
Differences Between Actual and Expected Experience	(30,552)	(7,844)	(139,927)	(159,768)	333,213	(555,909)	(22,265)	(266,985)	320,596	198,135
Changes in Assumptions	0	0	217,823	0	0	0	1,171,017	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(294,283)	(259,896)	(303,271)	(297,035)	(465,915)	(508,195)	(413,542)	(461,445)	(508,268)	(524,492)
Net Change in Total Pension Liability	\$ 468,481	\$ 551,779	\$ 651,744	\$ 488,875	\$ 887,033	\$ (17,053)	\$ 1,774,604	\$ 432,255	\$ 1,016,950	\$ 983,224
Total Pension Liability, Beginning	\$ 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	\$ 13,257,257
Total Pension Liability, Ending (a)	\$ 7,471,070	\$ 8,022,849	\$ 8,674,593	\$ 9,163,468	\$ 10,050,501	\$ 10,033,448	\$ 11,808,052	\$ 12,240,307	\$ 13,257,257	\$ 14,240,481
Plan Fiduciary Net Position										
Contributions - Employer	\$ 16,478	\$ 16,802	\$ 18,641	\$ 30,198	\$ 172,929	\$ 171,067	\$ 170,288	\$ 174,811	\$ 264,122	\$ 279,969
Contributions - Employee	135,068	140,113	152,798	171,579	182,227	175,445	174,665	179,190	199,159	208,656
Net Investment Income	247,115	215,959	932,800	750,341	720,474	508,415	2,743,122	(507,980)	852,531	1,316,175
Benefit Payments, Including Refunds of Employee Contributions	(294,283)	(259,896)	(303,271)	(297,035)	(465,915)	(508,195)	(413,542)	(461,445)	(508,268)	(524,492)
Administrative Expense	(5,147)	(7,558)	(9,974)	(11,550)	(10,269)	(10,050)	(9,697)	(10,815)	(11,657)	(14,142)
Net Change in Plan Fiduciary Net Position	\$ 99,231	\$ 105,420	\$ 790,994	\$ 643,533	\$ 599,446	\$ 336,682	\$ 2,664,836	\$ (626,239)	\$ 795,887	\$ 1,266,166
Plan Fiduciary Net Position, Beginning	\$ 8,097,369	\$ 8,196,600	\$ 8,302,020	\$ 9,093,014	\$ 9,736,547	\$ 10,335,993	\$ 10,672,675	\$ 13,337,511	\$ 12,711,272	\$ 13,507,159
Plan Fiduciary Net Position, Ending (b)	\$ 8,196,600	\$ 8,302,020	\$ 9,093,014	\$ 9,736,547	\$ 10,335,993	\$ 10,672,675	\$ 13,337,511	\$ 12,711,272	\$ 13,507,159	\$ 14,773,325
Net Pension Liability (Asset), Ending (a - b)	\$ (725,530)	\$ (279,171)	\$ (418,421)	\$ (573,079)	\$ (285,492)	\$ (639,227)	\$ (1,529,459)	\$ (470,965)	\$ (249,902)	\$ (532,844)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.71%	103.48%	104.82%	106.25%	102.84%	106.37%	112.95%	103.85%	101.89%	103.74%
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	\$ 4,129,331
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(26.86)%	(10.41)%	(13.69)%	(16.70)%	(8.25)%	(18.68)%	(44.91)%	(13.47)%	(6.41)%	(12.90)%

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 Public
Employee Pension Plan of TCRS**
Primary Government
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 16,802	\$ 18,641	\$ 30,198	\$ 141,110	\$ 170,383	\$ 169,607	\$ 174,112	\$ 264,122	\$ 279,969	\$ 300,294
Less: Contributions in Relation to the Actuarially Determined Contribution	(16,802)	(18,641)	(30,198)	(172,929)	(171,067)	(170,288)	(174,811)	(264,122)	(279,969)	(300,294)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (31,819)	\$ (684)	\$ (681)	\$ (699)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,754,384	\$ 3,055,943	\$ 3,431,569	\$ 3,458,563	\$ 3,421,325	\$ 3,405,753	\$ 3,496,217	\$ 3,895,604	\$ 4,129,331	\$ 4,429,145
Contributions as a Percentage of Covered Payroll	0.61%	0.61%	0.88%	5.00%	5.00%	5.00%	5.00%	6.78%	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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 2,559	\$ 7,171	\$ 8,755	\$ 4,494	\$ 6,065	\$ 7,069	\$ 8,199	\$ 15,360	\$ 17,698	\$ 24,069
Less: Contributions in Relation to the Contractually Required Contribution	(2,559)	(7,171)	(8,755)	(4,494)	(6,065)	(7,069)	(8,199)	(15,360)	(17,698)	(24,069)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 63,970	\$ 179,263	\$ 218,863	\$ 231,635	\$ 298,763	\$ 344,685	\$ 406,493	\$ 536,479	\$ 599,927	\$ 802,294
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	2.03%	2.05%	2.02%	2.86%	2.95%	3.00%

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%
 2025: Pension - 3.00%, SRT - 1.00%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 290,364	\$ 284,999	\$ 283,606	\$ 324,999	\$ 324,954	\$ 320,644	\$ 318,314	\$ 264,687	\$ 199,368	\$ 153,983
Less: Contributions in Relation to the Contractually Required Contribution	(290,364)	(284,999)	(283,606)	(324,999)	(324,954)	(320,644)	(318,314)	(264,687)	(199,368)	(153,983)
Contribution Deficiency (Excess)	<u>\$ 0</u>									
Covered Payroll	\$ 3,211,996	\$ 3,152,636	\$ 3,123,405	\$ 3,107,068	\$ 3,056,953	\$ 3,094,345	\$ 3,090,421	\$ 3,045,885	\$ 2,927,566	\$ 2,421,131
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.36%	10.30%	8.69%	6.81%	6.36%

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	2024
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%	0.025538%
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)	\$ (18,199)
Covered Payroll	\$ 31,076	\$ 63,970	\$ 179,263	\$ 218,863	\$ 231,635	\$ 298,763	\$ 344,685	\$ 406,493	\$ 536,479	\$ 599,927
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)%	(3.03)%
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%	106.49%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.082500%	0.088980%	0.089185%	0.089198%	0.092661%	0.091848%	0.095124%	0.093907%	0.093862%	0.088410%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (33,795)	\$ 556,074	\$ (29,180)	\$ (313,879)	\$ (952,724)	\$ (700,411)	\$ (4,102,937)	\$ (1,151,682)	\$ (1,106,613)	\$ (1,523,182)
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	\$ 2,927,566
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(132.59)%	(37.27)%	(36.33)%	(52.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

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	2024
Service Cost	\$ 50,036	\$ 45,940	\$ 41,451	\$ 37,521	\$ 49,068	\$ 61,718	\$ 45,921	\$ 41,795
Interest	35,318	41,955	37,662	35,548	23,578	25,612	40,027	43,524
Differences Between Actual and Expected Experience	0	(178,895)	41,835	(65,817)	(21,050)	7,810	(21,410)	104,682
Changes in Assumptions or Other Inputs	(45,257)	26,362	(80,808)	94,320	105,247	(87,846)	63,738	15,234
Benefit Payments	(63,221)	(70,811)	(67,752)	(59,869)	(57,948)	(43,239)	(49,969)	(75,128)
Net Change in Total OPEB Liability	\$ (23,124)	\$ (135,449)	\$ (27,612)	\$ 41,703	\$ 98,895	\$ (35,945)	\$ 78,307	\$ 130,107
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	1,187,867
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	\$ 1,317,974
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 435,988	\$ 378,700	\$ 376,142	\$ 367,151	\$ 423,019	\$ 434,685	\$ 491,474	\$ 528,415
Employer Proportionate Share of the Total OPEB Liability	731,980	653,819	628,765	679,459	722,486	674,875	696,393	789,559
Covered Employee Payroll	\$ 3,955,136	\$ 3,763,039	\$ 3,950,293	\$ 3,940,582	\$ 3,993,766	\$ 4,304,864	\$ 4,038,754	\$ 4,074,724
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.53%	27.44%	25.44%	26.56%	28.68%	25.77%	29.41%	32.35%

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%
2024	3.93%

(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%
- For the 2025 plan year - from 10.31% to 10.68%

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, 2025

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, 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 Fair 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.

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 PROJECTS 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. This fund was closed during the year.

PICKETT COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds	
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees		General Debt Service			
			Total					
ASSETS								
Cash	\$ 0	\$ 0	\$ 500	\$ 500	\$ 0	\$ 0	500	
Equity in Pooled Cash and Investments	1,060	555,881	0	556,941	1,023,090		1,580,031	
Accounts Receivable	0	0	12	12	0		12	
Property Taxes Receivable	0	0	0	0	69,618		69,618	
Allowance for Uncollectible Property Taxes	0	0	0	0	(1,296)		(1,296)	
Total Assets	\$ 1,060	\$ 555,881	\$ 512	\$ 557,453	\$ 1,091,412	\$	1,648,865	
LIABILITIES								
Due to Other Funds	\$ 0	\$ 17,479	\$ 512	\$ 17,991	\$ 0	\$ 0	17,991	
Total Liabilities	\$ 0	\$ 17,479	\$ 512	\$ 17,991	\$ 0	\$ 0	17,991	
DEFERRED INFLOWS OF RESOURCES								
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,025	\$ 65,025		
Deferred Delinquent Property Taxes	0	0	0	0	3,174		3,174	
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,199	\$ 68,199		
FUND BALANCES								
Restricted:								
Restricted for Public Safety	\$ 1,060	\$ 0	\$ 0	\$ 1,060	\$ 0	\$ 0	1,060	
Restricted for Debt Service	0	0	0	0	361,135		361,135	
Committed:								
Committed for Capital Outlay	0	538,402	0	538,402	0		538,402	
Committed for Debt Service	0	0	0	0	662,078		662,078	
Total Fund Balances	\$ 1,060	\$ 538,402	\$ 0	\$ 539,462	\$ 1,023,213	\$ 1,562,675		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,060	\$ 555,881	\$ 512	\$ 557,453	\$ 1,091,412	\$ 1,648,865		

PICKETT COUNTY, TENNESSEE

**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds**
For the Year Ended June 30, 2025

	Special Revenue Funds				Debt Service Fund	
	<i>Formerly Nonmajor</i>	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Total	General Debt Service
Revenues						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 127,925
Fines, Forfeitures, and Penalties	0	566	0	566	566	0
Other Local Revenues	0	6,606	3,147	9,753	9,753	0
Total Revenues	\$ 0	\$ 7,172	\$ 3,147	\$ 10,319	\$ 127,925	
Expenditures						
Current:						
Public Safety	\$ 0	\$ 7,974	\$ 0	\$ 7,974	\$ 7,974	\$ 0
Other Operations	0	0	0	0	0	0
Debt Service:						
Other Debt Service	0	0	0	0	0	2,444
Total Expenditures	\$ 0	\$ 7,974	\$ 0	\$ 7,974	\$ 7,974	\$ 2,444
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (802)	\$ 3,147	\$ 2,345	\$ 125,481	
Net Change in Fund Balances	\$ 0	\$ (802)	\$ 3,147	\$ 2,345	\$ 125,481	
Change to or Within the Reporting Entity	(543,238)	0	0	(543,238)	0	
Fund Balance, July 1, 2024	543,238	1,862	535,255	1,080,355	897,732	
Fund Balance, June 30, 2025	\$ 0	\$ 1,060	\$ 538,402	\$ 539,462	\$ 1,023,213	

(Continued)

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

	<u>Capital Projects Fund</u>	Total General Capital Projects	Nonmajor Governmental Funds
Revenues			
Local Taxes	\$ 0	\$ 127,925	
Fines, Forfeitures, and Penalties	0	566	
Other Local Revenues	6	9,759	
Total Revenues	<u>\$ 6</u>	<u>\$ 138,250</u>	
Expenditures			
Current:			
Public Safety	\$ 0	\$ 7,974	
Other Operations	1,368	1,368	
Debt Service:			
Other Debt Service	0	2,444	
Total Expenditures	<u>\$ 1,368</u>	<u>\$ 11,786</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,362)</u>	<u>\$ 126,464</u>	
Net Change in Fund Balances	\$ (1,362)	\$ 126,464	
Change to or Within the Reporting Entity	0	(543,238)	
Fund Balance, July 1, 2024	<u>1,362</u>	<u>1,979,449</u>	
Fund Balance, June 30, 2025	<u>\$ 0</u>	<u>\$ 1,562,675</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, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 566	\$ 5,500	\$ 5,500	\$ (4,934)
Other Local Revenues	6,606	100,000	100,000	(93,394)
Total Revenues	\$ 7,172	\$ 105,500	\$ 105,500	\$ (98,328)
Expenditures				
Public Safety				
Drug Enforcement	\$ 7,974	\$ 105,500	\$ 105,500	\$ 97,526
Total Expenditures	\$ 7,974	\$ 105,500	\$ 105,500	\$ 97,526
Excess (Deficiency) of Revenues Over Expenditures	\$ (802)	\$ 0	\$ 0	\$ (802)
Net Change in Fund Balance	\$ (802)	\$ 0	\$ 0	\$ (802)
Fund Balance, July 1, 2024	1,862	1,860	1,860	2
Fund Balance, June 30, 2025	\$ 1,060	\$ 1,860	\$ 1,860	\$ (800)

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

Other Special Revenue Fund

For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 3,147	\$ 1,000	\$ 1,000	\$ 2,147
Total Revenues	<u>\$ 3,147</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,147</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,147</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,147</u>
Other Financing Sources (Uses)				
Transfers Out	\$ 0	\$ (400,000)	\$ (635,000)	\$ 635,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (400,000)</u>	<u>\$ (635,000)</u>	<u>\$ 635,000</u>
Net Change in Fund Balance	\$ 3,147	\$ (399,000)	\$ (634,000)	\$ 637,147
Fund Balance, July 1, 2024	535,255	681,099	681,099	(145,844)
Fund Balance, June 30, 2025	<u>\$ 538,402</u>	<u>\$ 282,099</u>	<u>\$ 47,099</u>	<u>\$ 491,303</u>

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, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 127,925	\$ 126,779	\$ 126,779	\$ 1,146
Total Revenues	<u>\$ 127,925</u>	<u>\$ 126,779</u>	<u>\$ 126,779</u>	<u>\$ 1,146</u>
Expenditures				
Other Debt Service				
General Government	\$ 1,944	\$ 2,900	\$ 2,900	\$ 956
Education	500	500	500	0
Total Expenditures	<u>\$ 2,444</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 956</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 125,481	\$ 123,379	\$ 123,379	\$ 2,102
Net Change in Fund Balance	<u>\$ 125,481</u>	<u>\$ 123,379</u>	<u>\$ 123,379</u>	<u>\$ 2,102</u>
Fund Balance, July 1, 2024	897,732	892,698	892,698	5,034
Fund Balance, June 30, 2025	<u>\$ 1,023,213</u>	<u>\$ 1,016,077</u>	<u>\$ 1,016,077</u>	<u>\$ 7,136</u>

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, 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.

PICKETT COUNTY, TENNESSEE**Combining Statement of Net Position - Custodial Funds****June 30, 2025**

	Custodial Funds			
	Cities -	Constitu -	tional	
	Sales	Officers -	Custodial	Total
	Tax			
ASSETS				
Cash	\$ 0	\$ 397,185	\$ 397,185	
Due from Other Governments	56,481	0	56,481	
Total Assets	\$ 56,481	\$ 397,185	\$ 453,666	
LIABILITIES				
Due to Other Taxing Units	\$ 56,481	\$ 0	\$ 56,481	
Total Liabilities	\$ 56,481	\$ 0	\$ 56,481	
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 397,185	\$ 397,185	
Total Net Position	\$ 0	\$ 397,185	\$ 397,185	

PICKETT COUNTY, TENNESSEE**Combining Statement of Changes in Net Position - Custodial Funds**
For the Year Ended June 30, 2025

	Custodial Funds			
	Constitu -			
	Cities -	tional	Officers -	
	Sales	Officers -	Custodial	Total
	Tax			
Additions				
Sales Tax Collections for Other Governments	\$ 357,565	\$ 0	\$ 357,565	
Fines/Fees and Other Collections	0	2,157,024	2,157,024	
Total Additions	\$ 357,565	\$ 2,157,024	\$ 2,514,589	
Deductions				
Payment of Sales Tax Collections for Other Governments	\$ 357,565	\$ 0	\$ 357,565	
Payments to State	0	1,307,315	1,307,315	
Payments to Cities, Individuals, and Others	0	680,153	680,153	
Total Deductions	\$ 357,565	\$ 1,987,468	\$ 2,345,033	
Change in Net Position	\$ 0	\$ 169,556	\$ 169,556	
Net Position July 1, 2024	0	227,629	227,629	
Net Position June 30, 2025	\$ 0	\$ 397,185	\$ 397,185	

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.

PICKETT COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Pickett County School Department
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Operating	Capital	Total	Governmental Activities
		Charges for Services	Grants and Contributions	Grants and Contributions	
Governmental Activities:					
Instruction	\$ 4,042,289	\$ 0	\$ 390,805	\$ 94,458	\$ (3,557,026)
Support Services	2,957,380	0	590,526	260,690	(2,106,164)
Operation of Non-instructional Services	996,304	20,113	614,987	0	(361,204)
Total Governmental Activities	\$ 7,995,973	\$ 20,113	\$ 1,596,318	\$ 355,148	\$ (6,024,394)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 737,835	
Local Option Sales Taxes				818,667	
Business Tax				57,533	
Other Local Taxes				35	
Grants and Contributions Not Restricted to Specific Programs				5,043,567	
Unrestricted Investment Income				41,757	
Miscellaneous				10,546	
Total General Revenues				\$ 6,709,940	
Change in Net Position				\$ 685,546	
Net Position, July 1, 2024				8,659,401	
Restatement - See Note I.D.10.				(42,593)	
Net Position, June 30, 2025				\$ 9,302,354	

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

Discretely Presented Pickett County School Department

June 30, 2025

	Major Funds				Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School			
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 247,862	\$ 247,862		
Equity in Pooled Cash and Investments	3,271,243	127,465	480,417	0	0	3,879,125	
Inventories	0	0	29,424	0	0	29,424	
Accounts Receivable	1,501	0	0	0	0	1,501	
Due from Other Governments	343,074	944	69,300	0	0	413,318	
Property Taxes Receivable	789,008	0	0	0	0	789,008	
Allowance for Uncollectible Property Taxes	(37,826)	0	0	0	0	(37,826)	
Restricted Assets	57,985	0	0	0	0	57,985	
Total Assets	\$ 4,424,985	\$ 128,409	\$ 579,141	\$ 247,862	\$ 5,380,397		
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$ 725,547	\$ 0	\$ 0	\$ 0	\$ 0	725,547	
Deferred Delinquent Property Taxes	24,631	0	0	0	0	24,631	
Other Deferred/Unavailable Revenue	78,467	0	0	0	0	78,467	
Total Deferred Inflows of Resources	\$ 828,645	\$ 0	\$ 0	\$ 0	\$ 0	828,645	
FUND BALANCES							
Nonspendable:							
Inventory	\$ 0	\$ 0	\$ 29,424	\$ 0	\$ 0	29,424	
Restricted:							
Restricted for Education	572	3,409	549,717	247,862	0	801,560	
Restricted for Hybrid Retirement Stabilization Funds	57,985	0	0	0	0	57,985	
Committed:							
Committed for Education	0	125,000	0	0	0	125,000	
Unassigned	3,537,783	0	0	0	0	3,537,783	
Total Fund Balances	\$ 3,596,340	\$ 128,409	\$ 579,141	\$ 247,862	\$ 4,551,752		
Total Deferred Inflows of Resources and Fund Balances	\$ 4,424,985	\$ 128,409	\$ 579,141	\$ 247,862	\$ 5,380,397		

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, 2025

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)		\$ 4,551,752
(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: construction in progress	69,726	
Add: buildings and improvements net of accumulated depreciation	2,507,673	
Add: other capital assets net of accumulated depreciation	<u>748,018</u>	3,348,372
(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	\$ (112,714)	
Less: net OPEB liability	<u>(789,559)</u>	(902,273)
(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	\$ 842,777	
Less: deferred inflows of resources related to pensions	(359,197)	
Add: deferred outflows of resources related to OPEB	212,701	
Less: deferred inflows of resources related to OPEB	<u>(138,297)</u>	557,984
(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	\$ 102,040	
Add: net pension asset - teacher retirement plan	18,199	
Add: net pension asset - teacher legacy pension plan	<u>1,523,182</u>	1,643,421
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>103,098</u>
Net position of governmental activities (Exhibit A)		<u>\$ 9,302,354</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, 2025

	Major Funds				Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Revenues						
Local Taxes	\$ 1,611,098	\$ 0	\$ 0	\$ 0	\$ 1,611,098	
Licenses and Permits	256	0	0	0	256	
Charges for Current Services	0	0	20,113	0	20,113	
Other Local Revenues	49,010	0	3,293	400,016	452,319	
State of Tennessee	5,421,868	0	3,630	0	5,425,498	
Federal Government	65,458	567,593	492,601	0	1,125,652	
Other Governments and Citizens Groups	33,600	0	0	0	33,600	
Total Revenues	\$ 7,181,290	\$ 567,593	\$ 519,637	\$ 400,016	\$ 8,668,536	
Expenditures						
Current:						
Instruction	\$ 3,389,818	\$ 437,214	\$ 0	\$ 0	\$ 3,827,032	
Support Services	2,754,415	126,970	0	0	2,881,385	
Operation of Non-Instructional Services	139,702	0	473,918	382,684	996,304	
Capital Outlay	69,726	0	0	0	69,726	
Total Expenditures	\$ 6,353,661	\$ 564,184	\$ 473,918	\$ 382,684	\$ 7,774,447	
Excess (Deficiency) of Revenues Over Expenditures	\$ 827,629	\$ 3,409	\$ 45,719	\$ 17,332	\$ 894,089	
Net Change in Fund Balances	\$ 827,629	\$ 3,409	\$ 45,719	\$ 17,332	\$ 894,089	
Fund Balance, July 1, 2024	2,768,711	125,000	533,422	230,530	3,657,663	
Fund Balance, June 30, 2025	\$ 3,596,340	\$ 128,409	\$ 579,141	\$ 247,862	\$ 4,551,752	

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, 2025

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)	\$ 894,089
(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	\$ 267,940
Less: current-year depreciation expense	<u>(256,197)</u> 11,743
(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, 2025	\$ 103,098
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(99,755)</u> 3,343
(3) 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	\$ (57,376)
Change in net pension asset - agent plan	55,333
Change in net pension asset - teacher retirement plan	6,790
Change in net pension asset - teacher legacy pension plan	416,569
Change in deferred outflows related to pensions	(406,727)
Change in deferred inflows related to pensions	(240,191)
Change in OPEB liability	(93,166)
Change in deferred outflows related to OPEB	47,266
Change in deferred inflows related to OPEB	<u>47,873</u> <u>(223,629)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 685,546</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, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,611,098	\$ 1,465,462	\$ 1,465,462	\$ 145,636
Licenses and Permits	256	200	200	56
Charges for Current Services	0	1,000	1,000	(1,000)
Other Local Revenues	49,010	50,000	50,000	(990)
State of Tennessee	5,421,868	6,774,238	6,878,846	(1,456,978)
Federal Government	65,458	60,000	60,000	5,458
Other Governments and Citizens Groups	33,600	0	33,600	0
Total Revenues	\$ 7,181,290	\$ 8,350,900	\$ 8,489,108	\$ (1,307,818)
Expenditures				
Instruction				
Regular Instruction Program	\$ 2,757,641	\$ 3,244,000	\$ 3,287,746	\$ 530,105
Special Education Program	351,499	449,300	454,041	102,542
Career and Technical Education Program	280,678	677,414	577,414	296,736
Support Services				
Attendance	51,815	53,900	53,900	2,085
Health Services	107,301	143,435	143,435	36,134
Other Student Support	196,514	236,550	236,550	40,036
Regular Instruction Program	278,344	283,600	283,600	5,256
Special Education Program	108,014	123,200	123,200	15,186
Career and Technical Education Program	0	26,350	26,350	26,350
Technology	69,209	40,000	73,600	4,391
Other Programs	32,253	0	32,253	0
Board of Education	120,297	143,925	143,925	23,628
Director of Schools	131,755	136,200	137,200	5,445
Office of the Principal	237,640	274,370	274,370	36,730
Fiscal Services	125,047	164,700	164,700	39,653
Operation of Plant	484,916	599,000	601,297	116,381
Maintenance of Plant	279,825	277,200	292,600	12,775
Transportation	509,862	614,526	667,948	158,086
Central and Other	21,623	52,500	52,500	30,877
Operation of Non-Instructional Services				
Food Service	750	0	750	0

(Continued)

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 (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Operation of Non-Instructional Services (Cont.)				
Community Services	\$ 35,426	\$ 42,213	\$ 42,213	\$ 6,787
Early Childhood Education	103,526	105,600	106,600	3,074
Capital Outlay				
Regular Capital Outlay	69,726	113,347	163,347	93,621
Total Expenditures	\$ 6,353,661	\$ 7,801,330	\$ 7,939,539	\$ 1,585,878
Excess (Deficiency) of Revenues Over Expenditures	\$ 827,629	\$ 549,570	\$ 549,569	\$ 278,060
Net Change in Fund Balance	\$ 827,629	\$ 549,570	\$ 549,569	\$ 278,060
Fund Balance, July 1, 2024	2,768,711	2,224,918	2,224,918	543,793
Fund Balance, June 30, 2025	\$ 3,596,340	\$ 2,774,488	\$ 2,774,487	\$ 821,853

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, 2025**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 567,593	\$ 457,748	\$ 726,892	\$ (159,299)
Total Revenues	\$ 567,593	\$ 457,748	\$ 726,892	\$ (159,299)
Expenditures				
Instruction				
Regular Instruction Program	\$ 259,925	\$ 225,301	\$ 292,439	\$ 32,514
Special Education Program	166,607	155,087	227,181	60,574
Career and Technical Education Program	10,682	8,401	10,682	0
Support Services				
Other Student Support	17,035	19,589	27,142	10,107
Regular Instruction Program	84,169	23,220	107,498	23,329
Special Education Program	25,016	25,400	61,200	36,184
Career and Technical Education Program	750	750	750	0
Total Expenditures	\$ 564,184	\$ 457,748	\$ 726,892	\$ 162,708
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,409	\$ 0	\$ 0	\$ 3,409
Net Change in Fund Balance	\$ 3,409	\$ 0	\$ 0	\$ 3,409
Fund Balance, July 1, 2024	\$ 125,000	\$ 125,000	\$ 125,000	\$ 0
Fund Balance, June 30, 2025	\$ 128,409	\$ 125,000	\$ 125,000	\$ 3,409

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, 2025**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 20,113	\$ 56,000	\$ 56,000	\$ (35,887)
Other Local Revenues	3,293	1,500	1,500	1,793
State of Tennessee	3,630	5,300	5,300	(1,670)
Federal Government	492,601	407,620	407,620	84,981
Total Revenues	\$ 519,637	\$ 470,420	\$ 470,420	\$ 49,217
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 473,918	\$ 661,880	\$ 661,880	\$ 187,962
Total Expenditures	\$ 473,918	\$ 661,880	\$ 661,880	\$ 187,962
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 45,719	\$ (191,460)	\$ (191,460)	\$ 237,179
Net Change in Fund Balance				
Fund Balance, July 1, 2024	\$ 533,422	\$ 291,019	\$ 291,019	\$ 242,403
Fund Balance, June 30, 2025	\$ 579,141	\$ 99,559	\$ 99,559	\$ 479,582

MISCELLANEOUS SCHEDULES

PICKETT COUNTY, TENNESSEE**Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2025**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-24	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-25
NOTES PAYABLE								
Payable through Highway/Public Works Fund								
Highway Road Projects and Equipment	\$ 700,000	3.82 %	5-21-19	6-1-31	\$ 441,970	\$ 0	\$ 56,920	\$ 385,050
Highway Equipment	80,000	5.18	7-26-24	6-1-32	0	80,000	8,300	71,700
Total Notes Payable					\$ 441,970	\$ 80,000	\$ 65,220	\$ 456,750
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	\$ 224,600	\$ 0	\$ 148,300	\$ 76,300
Grader	190,361	3.59	4-7-20	3-4-26	62,013	0	33,763	28,250
Total Other Loans Payable					\$ 286,613	\$ 0	\$ 182,063	\$ 104,550

(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.

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2026	\$ 62,810	\$ 17,690	\$ 80,500
2027	70,440	14,935	85,375
2028	73,320	12,064	85,384
2029	76,290	9,073	85,363
2030	79,360	5,961	85,321
2031	82,630	2,722	85,352
2032	11,900	634	12,534
Total	\$ 456,750	\$ 63,079	\$ 519,829

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2026	\$ 104,550	\$ 1,296	\$ 105,846
Total	\$ 104,550	\$ 1,296	\$ 105,846

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, 2025

Official	Salary	Authorization	Bond	Surety
County Executive				
Base salary/Total compensation	<u>\$ 99,043</u>	Section 8-24-102, <i>TCA</i>	\$ 100,000	RLI Insurance Company
Road Superintendent				
Base salary	<u>\$ 94,327</u>	Section 8-24-102, <i>TCA</i>	100,000	RLI Insurance Company
Travel allowance per private act	<u>1,800</u>			
Total compensation	<u><u>\$ 96,127</u></u>			
Director of Schools				
Base salary	<u>\$ 100,850</u>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Salary equity	<u>1,930</u>			
Chief executive officer training supplement	<u>1,000</u>			
Career Ladder	<u>1,000</u>			
Total compensation	<u><u>\$ 104,780</u></u>			
Trustee				
Base salary/Total compensation	<u><u>\$ 85,752</u></u>	Section 8-24-102, <i>TCA</i>	410,469	RLI Insurance Company
Assessor of Property				
Base salary/Total compensation	<u><u>\$ 85,752</u></u>	Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
County Clerk				
Base salary/Total compensation	<u><u>\$ 85,752</u></u>	Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk				
Base salary/Total compensation	<u><u>\$ 85,752</u></u>	Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Clerk and Master				
Base salary	<u>\$ 85,752</u>	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	75,000	RLI Insurance Company
Special commissioner fees	<u>7,080</u>			
Total compensation	<u><u>\$ 92,832</u></u>			
Register of Deeds				
Base salary/Total compensation	<u><u>\$ 85,752</u></u>	Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Sheriff				
Base salary	<u>\$ 94,327</u>	Section 8-24-102, <i>TCA</i>	100,000	RLI Insurance Company
Law enforcement training supplement	<u>1,600</u>			
Total compensation	<u><u>\$ 95,927</u></u>			
Administrator of Elections				
Base salary/Total compensation	<u><u>\$ 77,177</u></u>	Section 2-12-208, <i>TCA</i>	(1)	Tennessee Risk Management Trust
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.

PICKETT COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2025

	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	\$ 2,468,205	\$ 248,892	\$ 0	\$ 0	\$ 0	\$ 62,212	
Trustee's Collections - Prior Year	73,206	7,417	0	0	0	0	2,106
Circuit Clerk/Clerk and Master Collections - Prior Years	16,014	1,622	0	0	0	0	461
Interest and Penalty	17,012	1,721	0	0	0	0	470
Payments in-Lieu-of Taxes - Other	64,013	131	0	0	0	0	33
County Local Option Taxes							
Local Option Sales Tax	461,241	0	0	0	0	0	0
Hotel/Motel Tax	113,182	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	62,643
Litigation Tax - General	5,626	0	0	0	0	0	0
Litigation Tax - Special Purpose	1,085	0	0	0	0	0	0
Business Tax	4,732	0	0	0	0	0	0
Mixed Drink Tax	38	0	0	0	0	0	0
Mineral Severance Tax	3,435	0	0	0	0	0	0
Statutory Local Taxes							
Bank Excise Tax	67,220	0	0	0	0	0	0
Wholesale Beer Tax	97,992	0	0	0	0	0	0
Other Statutory Local Taxes	234	0	0	0	0	0	0
Total Local Taxes	\$ 3,393,235	\$ 259,783	\$ 0	\$ 0	\$ 0	\$ 0	127,925

(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	
Licenses and Permits							
Licenses							
Marriage Licenses	\$ 256	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	15,842	0	0	0	0	0	0
Permits							
Beer Permits	4,872	0	0	0	0	0	0
Total Licenses and Permits	\$ 20,970	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	\$ 142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	263	0	0	0	0	0	0
Drug Control Fines	0	0	180	0	0	0	0
Jail Fees	96	0	0	0	0	0	0
Data Entry Fee - Circuit Court	100	0	0	0	0	0	0
Criminal Court							
DUI Treatment Fines	570	0	0	0	0	0	0
General Sessions Court							
Fines	7,757	0	0	0	0	0	0
Officers Costs	4,994	0	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 (Cont.)						
General Sessions Court (Cont.)						
Drug Control Fines	\$ 428	\$ 0	\$ 386	\$ 0	\$ 0	\$ 0
Drug Court Fees	332	0	0	0	0	0
Veterans Treatment Court Fees	238	0	0	0	0	0
Jail Fees	1,273	0	0	0	0	0
Data Entry Fee - General Sessions Court	872	0	0	0	0	0
Chancery Court						
Officers Costs	99	0	0	0	0	0
Data Entry Fee - Chancery Court	152	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 17,316	\$ 0	\$ 566	\$ 0	\$ 0	\$ 0
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 184,876	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	2,041	0	0	0	0
Patient Charges	467,862	0	0	0	0	0
Fees						
Copy Fees	152	0	0	0	0	0
Library Fees	1,875	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
Charges for Current Services (Cont.)						
Fees (Cont.)						
Greenbelt Late Application Fee	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Additional Fees - Titling and Registration	7,419	0	0	0	0	0
Data Processing Fee - Register	2,528	0	0	0	0	0
Probation Fees	14,752	0	0	0	0	0
Data Processing Fee - Sheriff	369	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	450	0	0	0	0	0
Data Processing Fee - County Clerk	4,500	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	765	0	0	0	0	0
Total Charges for Current Services	\$ 500,722	\$ 186,917	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 33,701	\$ 0	\$ 0	\$ 3,147	\$ 0	\$ 0
Lease/Rentals/PPP	19,567	0	0	0	0	0
Sale of Recycled Materials	0	8,661	0	0	731	0
Rebates	22,298	0	0	0	0	0
Miscellaneous Refunds	54,148	70	0	0	6,529	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 Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	\$ 0	\$ 30,308	\$ 6,606	\$ 0	\$ 0	\$ 0
Damages Recovered from Individuals	0	0	0	0	25,000	0
Contributions and Gifts	5,887	0	0	0	0	0
Total Other Local Revenues	\$ 135,601	\$ 39,039	\$ 6,606	\$ 3,147	\$ 32,260	\$ 0
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 108,624	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	5,317	0	0	0	0	0
General Sessions Court Clerk	14,507	0	0	0	0	0
Clerk and Master	10,270	0	0	0	0	0
Register	33,918	0	0	0	0	0
Sheriff	3,105	0	0	0	0	0
Trustee	140,389	0	0	0	0	0
Total Fees Received From County Officials	\$ 316,130	\$ 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							
General Government Grants							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Public Safety Grants							
Law Enforcement Training Programs	16,000	0	0	0	0	0	0
School Resource Officer Grants	150,000	0	0	0	0	0	0
Health and Welfare Grants							
Emergency Medical Services Training Programs	7,200	0	0	0	0	0	0
Other Health and Welfare Grants	256,841	0	0	0	0	0	0
Public Works Grants							
State Aid Program	0	0	0	0	609,640	0	0
Litter Program	19,615	0	0	0	0	0	0
Other State Revenues							
Flood Control	312,710	0	0	0	0	0	0
Beer Tax	17,752	0	0	0	0	0	0
Vehicle Certificate of Title Fees	862	0	0	0	0	0	0
Alcoholic Beverage Tax	22,059	0	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	19,186	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	221,727	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	12,846	0	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.)						
State Shared Sports Gaming Privilege Tax	\$ 9,183	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Gasoline and Motor Fuel Tax	0	0	0	0	1,810,045	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	21,817	0
Petroleum Special Tax	0	0	0	0	3,314	0
T.B.I. - Equipment Reimbursement	285	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	53,401	0	0	0	0	0
Other State Revenues	1,375	0	0	0	0	0
Total State of Tennessee	\$ 1,145,206	\$ 0	\$ 0	\$ 0	\$ 2,444,816	\$ 0
Federal Government						
Federal Through State						
Community Development	\$ 357,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	165,784	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	11,309	0	0	0	0	0
Other Direct Federal Revenue	50,000	0	0	0	0	0
Total Federal Government	\$ 584,373	\$ 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						
Other Governments						
Contracted Services	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups						
Donations	1,506	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	21,698	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 73,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 6,186,757	\$ 485,739	\$ 7,172	\$ 3,147	\$ 2,477,076	\$ 127,925

(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	\$ 2,779,309		
Trustee's Collections - Prior Year	0	82,729		
Circuit Clerk/Clerk and Master Collections - Prior Years	0	18,097		
Interest and Penalty	0	19,203		
Payments in-Lieu-of Taxes - Other	0	64,177		
County Local Option Taxes				
Local Option Sales Tax	0	461,241		
Hotel/Motel Tax	0	113,182		
Wheel Tax	0	62,643		
Litigation Tax - General	0	5,626		
Litigation Tax - Special Purpose	0	1,085		
Business Tax	0	4,732		
Mixed Drink Tax	0	38		
Mineral Severance Tax	0	3,435		
Statutory Local Taxes				
Bank Excise Tax	0	67,220		
Wholesale Beer Tax	0	97,992		
Other Statutory Local Taxes	0	234		
Total Local Taxes	<hr/> \$ 0	<hr/> \$ 3,780,943		

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Licenses and Permits			
Licenses			
Marriage Licenses	\$ 0	\$ 256	
Cable TV Franchise	0	15,842	
Permits			
Beer Permits	0	4,872	
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 20,970</u>	
Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	\$ 0	\$ 142	
Officers Costs	0	263	
Drug Control Fines	0	180	
Jail Fees	0	96	
Data Entry Fee - Circuit Court	0	100	
Criminal Court			
DUI Treatment Fines	0	570	
General Sessions Court			
Fines	0	7,757	
Officers Costs	0	4,994	

(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 (Cont.)			
General Sessions Court (Cont.)			
Drug Control Fines	\$ 0	\$ 814	
Drug Court Fees	0	332	
Veterans Treatment Court Fees	0	238	
Jail Fees	0	1,273	
Data Entry Fee - General Sessions Court	0	872	
Chancery Court			
Officers Costs	0	99	
Data Entry Fee - Chancery Court	0	152	
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 17,882</u>	
Charges for Current Services			
General Service Charges			
Tipping Fees	\$ 0	\$ 184,876	
Surcharge - Waste Tire Disposal	0	2,041	
Patient Charges	0	467,862	
Fees			
Copy Fees	0	152	
Library Fees	0	1,875	

(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 (Cont.)			
Fees (Cont.)			
Greenbelt Late Application Fee	\$ 0	\$ 50	50
Additional Fees - Titling and Registration	0	7,419	7,419
Data Processing Fee - Register	0	2,528	2,528
Probation Fees	0	14,752	14,752
Data Processing Fee - Sheriff	0	369	369
Sexual Offender Registration Fee - Sheriff	0	450	450
Data Processing Fee - County Clerk	0	4,500	4,500
Vehicle Insurance Coverage and Reinstatement Fees	0	765	765
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 687,639</u>	
Other Local Revenues			
Recurring Items			
Investment Income	\$ 6	\$ 36,854	36,854
Lease/Rentals/PPP	0	19,567	19,567
Sale of Recycled Materials	0	9,392	9,392
Rebates	0	22,298	22,298
Miscellaneous Refunds	0	60,747	60,747

(Continued)

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
Other Local Revenues (Cont.)			
Nonrecurring Items			
Sale of Equipment	\$ 0	\$ 36,914	
Damages Recovered from Individuals	0	25,000	
Contributions and Gifts	0	5,887	
Total Other Local Revenues	<u>\$ 6</u>	<u>\$ 216,659</u>	
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$ 0	\$ 108,624	
Circuit Court Clerk	0	5,317	
General Sessions Court Clerk	0	14,507	
Clerk and Master	0	10,270	
Register	0	33,918	
Sheriff	0	3,105	
Trustee	0	140,389	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 316,130</u>	

(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			
General Government Grants			
Juvenile Services Program	\$ 0	\$ 9,000	
Public Safety Grants			
Law Enforcement Training Programs	0	16,000	
School Resource Officer Grants	0	150,000	
Health and Welfare Grants			
Emergency Medical Services Training Programs	0	7,200	
Other Health and Welfare Grants	0	256,841	
Public Works Grants			
State Aid Program	0	609,640	
Litter Program	0	19,615	
Other State Revenues			
Flood Control	0	312,710	
Beer Tax	0	17,752	
Vehicle Certificate of Title Fees	0	862	
Alcoholic Beverage Tax	0	22,059	
Opioid Settlement Funds - TN Abatement Council	0	19,186	
State Revenue Sharing - T.V.A.	0	221,727	
State Revenue Sharing - Telecommunications	0	12,846	

(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.)			
State Shared Sports Gaming Privilege Tax	\$ 0	\$ 9,183	
Gasoline and Motor Fuel Tax	0	1,810,045	
Hybrid/Electric Vehicle Registration Fee	0	21,817	
Petroleum Special Tax	0	3,314	
T.B.I. - Equipment Reimbursement	0	285	
Registrar's Salary Supplement	0	15,164	
Other State Grants	0	53,401	
Other State Revenues	0	1,375	
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 3,590,022</u>	
Federal Government			
Federal Through State			
Community Development	\$ 0	\$ 357,280	
Other Federal through State	0	165,784	
Direct Federal Revenue			
Police Service (Lake Area)	0	11,309	
Other Direct Federal Revenue	0	50,000	
Total Federal Government	<u>\$ 0</u>	<u>\$ 584,373</u>	

(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			
Other Governments			
Contracted Services	\$ 0	\$ 50,000	
Citizens Groups			
Donations	0	1,506	
Other			
Opioid Settlement Funds - Past Remediation	0	21,698	
Total Other Governments and Citizens Groups	<hr/> \$ 0	<hr/> \$ 73,204	
 Total	 <hr/> \$ 6	 <hr/> \$ 9,287,822	

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

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2025

		Special Revenue Funds				
		General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Local Taxes						
County Property Taxes						
Current Property Tax		\$ 704,814	\$ 0	\$ 0	\$ 0	\$ 704,814
Trustee's Collections - Prior Year		19,728	0	0	0	19,728
Circuit Clerk/Clerk and Master Collections - Prior Years		4,496	0	0	0	4,496
Interest and Penalty		4,803	0	0	0	4,803
Payments in-Lieu-of Taxes - Other		371	0	0	0	371
County Local Option Taxes						
Local Option Sales Tax		446,897	0	0	0	446,897
Local Amusement Tax		35	0	0	0	35
Business Tax		57,533	0	0	0	57,533
Other County Local Option Taxes		372,421	0	0	0	372,421
Total Local Taxes		\$ 1,611,098	\$ 0	\$ 0	\$ 0	\$ 1,611,098
Licenses and Permits						
Licenses						
Marriage Licenses		\$ 256	\$ 0	\$ 0	\$ 0	\$ 256
Total Licenses and Permits		\$ 256	\$ 0	\$ 0	\$ 0	\$ 256

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

<u>Special Revenue Funds</u>					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Charges for Current Services					
Education Charges					
Lunch Payments - Children	\$ 0	\$ 2,239	\$ 0	\$ 2,239	
Lunch Payments - Adults	0	14,155	0	14,155	
Income from Breakfast	0	273	0	273	
A la Carte Sales	0	3,446	0	3,446	
Total Charges for Current Services	\$ 0	\$ 20,113	\$ 0	\$ 20,113	
Other Local Revenues					
Recurring Items					
Investment Income	\$ 40,196	\$ 0	\$ 1,561	\$ 0	\$ 41,757
Miscellaneous Refunds	8,814	0	1,732	0	10,546
Other Local Revenues					
Other Local Revenues	0	0	0	400,016	400,016
Total Other Local Revenues	\$ 49,010	\$ 0	\$ 3,293	\$ 400,016	\$ 452,319
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 32,253	\$ 0	\$ 0	\$ 0	\$ 32,253

(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
State of Tennessee (Cont.)						
State Education Funds						
Tennessee Investment in Student Achievement		\$ 4,802,001	\$ 0	\$ 0	\$ 0	\$ 4,802,001
TISA - On-behalf Payments		8,985	0	0	0	8,985
Early Childhood Education		102,450	0	0	0	102,450
School Food Service		0	0	3,630	0	3,630
Other State Education Funds		51,308	0	0	0	51,308
Paid Parental Leave		44,967	0	0	0	44,967
Career Ladder Program		15,390	0	0	0	15,390
Other Vocational		355,148	0	0	0	355,148
Other State Revenues						
Other State Grants		9,366	0	0	0	9,366
Total State of Tennessee		\$ 5,421,868	\$ 0	\$ 3,630	\$ 0	\$ 5,425,498
Federal Government						
Federal Through State						
USDA School Lunch Program		\$ 0	\$ 0	\$ 346,467	\$ 0	\$ 346,467
USDA - Commodities		0	0	29,217	0	29,217
Breakfast		0	0	114,140	0	114,140

(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 - Other	\$ 0	\$ 0	\$ 2,777	\$ 0	\$ 0	\$ 2,777
Vocational Education - Basic Grants to States	0	15,414	0	0	0	15,414
Title I Grants to Local Education Agencies	0	191,787	0	0	0	191,787
Special Education - Grants to States	0	185,730	0	0	0	185,730
Special Education Preschool Grants	0	6,723	0	0	0	6,723
Rural Education	0	22,707	0	0	0	22,707
Eisenhower Professional Development State Grants	0	30,887	0	0	0	30,887
COVID-19 Grant D	0	82,800	0	0	0	82,800
American Rescue Plan Act Grant #1	0	15,287	0	0	0	15,287
Other Federal through State	16,306	16,258	0	0	0	32,564
Direct Federal Revenue						
Public Law 874 - Maintenance and Operation	49,152	0	0	0	0	49,152
Total Federal Government	\$ 65,458	\$ 567,593	\$ 492,601	\$ 0	\$ 0	\$ 1,125,652
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 33,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,600
Total Other Governments and Citizens Groups	\$ 33,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,600
Total	\$ 7,181,290	\$ 567,593	\$ 519,637	\$ 400,016	\$ 8,668,536	

PICKETT COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types****For the Year Ended June 30, 2025****General Fund**

General Government

County Commission

Board and Committee Members Fees	\$ 50,400	
Audit Services	9,776	
Dues and Memberships	1,844	
Legal Notices, Recording, and Court Costs	656	
Total County Commission		\$ 62,676

Board of Equalization

Board and Committee Members Fees	\$ 200	
Total Board of Equalization		200

Beer Board

Board and Committee Members Fees	\$ 120	
Total Beer Board		120

County Mayor/Executive

County Official/Administrative Officer	\$ 99,043	
Accountants/Bookkeepers	39,000	
Secretary(ies)	29,455	
In-service Training	695	
Communication	3,304	
Data Processing Services	24,119	
Dues and Memberships	1,089	
Legal Notices, Recording, and Court Costs	306	
Postal Charges	1,443	
Printing, Stationery, and Forms	635	
Travel	1,124	
Other Contracted Services	504	
Office Supplies	1,931	
Other Supplies and Materials	40	
Total County Mayor/Executive		202,688

County Attorney

Legal Services	\$ 13,500	
Total County Attorney		13,500

(Continued)

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

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$ 77,177
Secretary(ies)	8,294
Election Commission	15,225
Election Workers	16,407
Communication	1,992
Data Processing Services	18,704
Legal Notices, Recording, and Court Costs	2,284
Postal Charges	975
Printing, Stationery, and Forms	4,199
Office Supplies	4,822
Total Election Commission	\$ 150,079

Register of Deeds

County Official/Administrative Officer	\$ 85,752
Communication	1,242
Dues and Memberships	763
Maintenance Agreements	252
Postal Charges	68
Other Contracted Services	2,716
Office Supplies	678
Total Register of Deeds	91,471

County Buildings

Custodial Personnel	\$ 65,402
Communication	8,502
Maintenance and Repair Services - Buildings	69,475
Maintenance and Repair Services - Vehicles	322
Custodial Supplies	3,447
Electricity	58,780
Water and Sewer	8,590
Other Supplies and Materials	3,262
Total County Buildings	217,780

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 85,752
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(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Deputy(ies)	\$ 12,012
Communication	621
Legal Notices, Recording, and Court Costs	180
Postal Charges	287
Travel	3,331
Other Contracted Services	6,785
Office Supplies	742
Other Supplies and Materials	1,000
Total Property Assessor's Office	\$ 110,710

County Trustee's Office

County Official/Administrative Officer	\$ 85,752
Deputy(ies)	11,817
Communication	2,037
Data Processing Services	14,768
Dues and Memberships	683
Legal Notices, Recording, and Court Costs	270
Postal Charges	1,443
Travel	55
Other Contracted Services	4,517
Office Supplies	865
Office Equipment	636
Total County Trustee's Office	122,843

County Clerk's Office

County Official/Administrative Officer	\$ 85,752
Deputy(ies)	50,682
Other Salaries and Wages	2,080
Communication	1,288
Dues and Memberships	833
Postal Charges	2,448
Printing, Stationery, and Forms	224
Other Contracted Services	8,433
Office Supplies	1,135
Total County Clerk's Office	152,875

(Continued)

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

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 85,752
Deputy(ies)	34,480
Jury and Witness Expense	1,430
Communication	1,341
Data Processing Services	19,051
Dues and Memberships	683
Legal Notices, Recording, and Court Costs	230
Licenses	425
Postal Charges	940
Other Contracted Services	1,200
Office Supplies	<u>2,614</u>
Total Circuit Court	\$ 148,146

General Sessions Judge

Judge(s)	\$ 85,906
Communication	2,259
Dues and Memberships	305
Travel	<u>648</u>
Total General Sessions Judge	89,118

Chancery Court

County Official/Administrative Officer	\$ 85,752
Communication	1,857
Data Processing Services	7,072
Dues and Memberships	1,013
Maintenance and Repair Services - Office Equipment	252
Postal Charges	360
Office Supplies	<u>2,286</u>
Total Chancery Court	98,592

Juvenile Court

Youth Service Officer(s)	\$ 11,708
Total Juvenile Court	11,708

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)	\$ 29,109
Communication	919
Office Supplies	860
Total Probation Services	\$ 30,888

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 94,327
Deputy(ies)	416,866
Salary Supplements	16,000
Overtime Pay	19,130
In-service Training	7,988
Data Processing Services	19,652
Dues and Memberships	1,000
Maintenance and Repair Services - Equipment	7,938
Maintenance and Repair Services - Vehicles	29,737
Postal Charges	192
Towing Services	700
Travel	701
Gasoline	60,118
Office Supplies	5,910
Tires and Tubes	6,233
Uniforms	7,885
Total Sheriff's Department	694,377

Special Patrols

School Resource Officer	\$ 94,805
In-service Training	2,303
Office Supplies	82
Uniforms	963
Motor Vehicles	63,810
Total Special Patrols	161,963

Jail

Deputy(ies)	\$ 200,347
Communication	18,002

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Contracts with Government Agencies	\$ 184,682
Medical and Dental Services	24,239
Custodial Supplies	809
Food Supplies	842
Other Charges	<u>6,253</u>
Total Jail	\$ 435,174

Fire Prevention and Control

Contributions	\$ 40,000
Other Equipment	<u>47,353</u>
Total Fire Prevention and Control	87,353

Other Emergency Management

Contributions	\$ 17,500
Total Other Emergency Management	17,500

County Coroner/Medical Examiner

Medical and Dental Services	\$ 5,780
Total County Coroner/Medical Examiner	5,780

Other Public Safety

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

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 11,045
Communication	4,747
Dues and Memberships	375
Electricity	7,536
Water and Sewer	609
Other Supplies and Materials	194
Building Improvements	<u>4,500</u>
Total Local Health Center	29,006

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 52,500
Accountants/Bookkeepers	30,428
Medical Personnel	590,389
In-service Training	10,008
Communication	6,264
Dues and Memberships	910
Licenses	1,875
Maintenance and Repair Services - Buildings	8,024
Maintenance and Repair Services - Equipment	8,114
Maintenance and Repair Services - Vehicles	8,895
Other Contracted Services	56,419
Custodial Supplies	1,093
Drugs and Medical Supplies	27,604
Electricity	12,550
Gasoline	21,857
Office Supplies	1,184
Tires and Tubes	2,049
Uniforms	3,623
Water and Sewer	1,402
Refunds	944
Other Equipment	30,615
Total Ambulance/Emergency Medical Services	\$ 876,747

Regional Mental Health Center

Contributions	\$ 1,706
Total Regional Mental Health Center	1,706

Appropriation to State

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

Sanitation Management

Other Salaries and Wages	\$ 21,902
Other Contracted Services	21,003
Total Sanitation Management	42,905

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Other Contracted Services	\$ 16,670
Total Other Public Health and Welfare	\$ 16,670

Social, Cultural, and Recreational Services

Adult Activities

Other Salaries and Wages	\$ 30,070
Maintenance and Repair Services - Vehicles	493
Food Supplies	38,180
Gasoline	376
Other Supplies and Materials	119
Total Adult Activities	69,238

Senior Citizens Assistance

Contributions	\$ 10,708
Transportation - Other than Students	3,618
Total Senior Citizens Assistance	14,326

Libraries

County Official/Administrative Officer	\$ 33,290
Assistant(s)	25,065
Communication	2,508
Maintenance and Repair Services - Buildings	2,509
Other Contracted Services	2,451
Custodial Supplies	755
Office Supplies	880
Other Supplies and Materials	2,561
Total Libraries	70,019

Other Social, Cultural, and Recreational

Supervisor/Director	\$ 29,939
Other Salaries and Wages	9,880
Communication	2,180
Postal Charges	73
Travel	342
Food Supplies	21
Office Supplies	359
Other Supplies and Materials	9,606
Total Other Social, Cultural, and Recreational	52,400

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$ 2,215
Other Contracted Services	76,248
Data Processing Equipment	938
Total Agricultural Extension Service	\$ 79,401

Soil Conservation

Secretary(ies)	\$ 20,799
Other Salaries and Wages	36,608
Communication	1,437
Office Supplies	199
Total Soil Conservation	59,043

Other Operations

Tourism

Contributions	\$ 25,050
Remittance of Revenue Collected	63,798
Total Tourism	88,848

Industrial Development

Other Charges	\$ 112
Total Industrial Development	112

Other Economic and Community Development

Consultants	\$ 23,400
Remittance of Revenue Collected	7,120
Other Supplies and Materials	22,275
Other Equipment	389,490
Other Capital Outlay	527,948
Total Other Economic and Community Development	970,233

Veterans' Services

Other Salaries and Wages	\$ 22,028
Communication	1,221
Travel	625
Office Supplies	806
Total Veterans' Services	24,680

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Travel	\$ 350
Building and Contents Insurance	58,234
Liability Insurance	60,367
Premiums on Corporate Surety Bonds	1,727
Trustee's Commission	72,416
Vehicle and Equipment Insurance	44,994
Liability Claims	1,140
Total Other Charges	\$ 239,228

Contributions to Other Agencies

Contributions	\$ 8,330
Total Contributions to Other Agencies	8,330

Employee Benefits

Longevity Pay	\$ 18,881
Social Security	217,364
Pensions	178,960
Medical Insurance	96,757
Unemployment Compensation	10,484
Other Fringe Benefits	5,775
Workers' Compensation Insurance	81,350
Total Employee Benefits	609,571

Miscellaneous

Advertising	\$ 1,610
Other Supplies and Materials	2,333
Total Miscellaneous	3,943

Highways

Traffic Control

Road Signs	\$ 3,550
Total Traffic Control	3,550

Total General Fund \$ 6,188,089

(Continued)

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Transfer Stations

Supervisor/Director	\$ 41,080
Longevity Pay	2,393
Other Salaries and Wages	102,227
In-service Training	398
Social Security	10,819
Pensions	8,053
Medical Insurance	7,770
Unemployment Compensation	799
Communication	2,440
Data Processing Services	10,490
Licenses	4,130
Maintenance and Repair Services - Buildings	16,392
Maintenance and Repair Services - Equipment	7,209
Maintenance and Repair Services - Vehicles	3,467
Postal Charges	220
Other Contracted Services	172,310
Custodial Supplies	71
Electricity	5,729
Gasoline	9,873
Office Supplies	1,163
Tires and Tubes	998
Uniforms	4,792
Water and Sewer	815
Other Supplies and Materials	687
Trustee's Commission	7,098
Total Transfer Stations	<u>\$ 421,423</u>

Total Solid Waste/Sanitation Fund

\$ 421,423

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 5,000
Other Supplies and Materials	2,974
Total Drug Enforcement	<u>\$ 7,974</u>

Total Drug Control Fund

7,974

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 94,327
Accountants/Bookkeepers	38,020
Advertising	216
Data Processing Services	16,790
Dues and Memberships	2,066
Postal Charges	412
Printing, Stationery, and Forms	560
Travel	1,800
Drugs and Medical Supplies	1,000
Office Supplies	265
Other Charges	4,475
Total Administration	\$ 159,931

Highway and Bridge Maintenance

Laborers	\$ 784,119
Other Contracted Services	32,264
Asphalt	51,686
Crushed Stone	115,183
Pipe	16,158
Road Signs	765
Salt	5,872
Other Charges	6,496
Total Highway and Bridge Maintenance	1,012,543

Operation and Maintenance of Equipment

Mechanic(s)	\$ 29,260
Maintenance and Repair Services - Vehicles	39,348
Diesel Fuel	62,021
Equipment and Machinery Parts	52,476
Gasoline	21,757
Lubricants	4,940
Propane Gas	1,457
Tires and Tubes	22,737
Other Supplies and Materials	7,427
Other Charges	8,442
Total Operation and Maintenance of Equipment	249,865

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations

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

Other Charges

Communication	\$ 4,494	
Utilities	5,033	
Premiums on Corporate Surety Bonds	197	
Trustee's Commission	18,418	
Vehicle and Equipment Insurance	<u>38,977</u>	
Total Other Charges		67,119

Employee Benefits

Social Security	\$ 72,350	
Pensions	54,458	
Unemployment Compensation	7,542	
Workers' Compensation Insurance	<u>28,852</u>	
Total Employee Benefits		163,202

Capital Outlay

Motor Vehicles	\$ 80,791	
State Aid Projects	<u>644,733</u>	
Total Capital Outlay		725,524

Principal on Debt

Highways and Streets

Principal on Notes	\$ 65,220	
Principal on Other Loans	<u>182,063</u>	
Total Highways and Streets		247,283

Interest on Debt

Highways and Streets

Interest on Notes	\$ 19,506	
Interest on Other Loans	<u>7,630</u>	
Total Highways and Streets		27,136

Total Highway/Public Works Fund

\$ 2,655,003

(Continued)

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

General Debt Service Fund			
Other Debt Service			
General Government			
Trustee's Commission	\$ 1,944		
Total General Government		\$ 1,944	
Education			
Other Debt Service	\$ 500		
Total Education		500	
Total General Debt Service Fund			\$ 2,444
General Capital Projects Fund			
Other Operations			
COVID-19 Grant A			
Other Capital Outlay	\$ 1,368		
Total COVID-19 Grant A		\$ 1,368	
Total General Capital Projects Fund			1,368
Total Governmental Funds - Primary Government			\$ 9,276,301

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

Discretely Presented Pickett County School Department

For the Year Ended June 30, 2025**General Purpose School Fund**

Instruction

Regular Instruction Program

Teachers	\$ 2,112,683
Career Ladder Program	8,500
Certified Substitute Teachers	36,463
Non-certified Substitute Teachers	53,401
Social Security	123,130
Pensions	122,917
Medical Insurance	190,217
Employer Medicare	29,029
Retirement - Hybrid Stabilization	18,084
Other Contracted Services	24,369
Instructional Supplies and Materials	15,211
Textbooks - Bound	7,932
Other Supplies and Materials	1,920
TISA - On-behalf Payments	8,985
Regular Instruction Equipment	4,800
Total Regular Instruction Program	\$ 2,757,641

Special Education Program

Teachers	\$ 258,518
Career Ladder Program	1,000
Homebound Teachers	7,959
Educational Assistants	22,761
Social Security	16,682
Pensions	16,078
Medical Insurance	18,298
Employer Medicare	3,901
Retirement - Hybrid Stabilization	1,561
Instructional Supplies and Materials	1,500
Other Supplies and Materials	1,766
Special Education Equipment	1,475
Total Special Education Program	351,499

Career and Technical Education Program

Teachers	\$ 132,469
Career Ladder Program	1,000

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Social Security	\$ 8,152
Pensions	7,650
Medical Insurance	5,651
Employer Medicare	1,906
Retirement - Hybrid Stabilization	1,849
Travel	116
Instructional Supplies and Materials	37,651
Software	4,640
Other Supplies and Materials	73,740
Other Charges	5,854
Total Career and Technical Education Program	\$ 280,678

Support Services

Attendance

Supervisor/Director	\$ 40,821
Social Security	2,355
Pensions	2,596
Medical Insurance	1,992
Employer Medicare	551
Travel	3,500
Total Attendance	51,815

Health Services

Supervisor/Director	\$ 39,299
Medical Personnel	23,955
Other Salaries and Wages	17,496
Social Security	4,383
Pensions	5,443
Medical Insurance	6,395
Employer Medicare	1,025
Communication	596
Travel	866
Other Contracted Services	3,884
Other Supplies and Materials	3,959
Total Health Services	107,301

(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.)

Other Student Support

Career Ladder Program	\$ 1,000
Guidance Personnel	89,340
Social Security	5,410
Pensions	5,746
Medical Insurance	2,213
Employer Medicare	1,265
Other Equipment	91,540
Total Other Student Support	\$ 196,514

Regular Instruction Program

Supervisor/Director	\$ 73,255
Career Ladder Program	2,000
Librarians	125,126
Instructional Computer Personnel	40,821
Social Security	14,693
Pensions	15,340
Medical Insurance	1,992
Employer Medicare	3,436
Travel	1,681
Total Regular Instruction Program	278,344

Special Education Program

Supervisor/Director	\$ 54,188
Psychological Personnel	33,125
Social Security	4,615
Pensions	5,553
Medical Insurance	9,454
Employer Medicare	1,079
Total Special Education Program	108,014

Technology

Internet Connectivity	\$ 48,355
Software	15,180
Other Equipment	5,674
Total Technology	69,209

(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.)

Other Programs

On-behalf Payments to OPEB	\$ 32,253
Total Other Programs	\$ 32,253

Board of Education

Secretary to Board	\$ 3,750
Board and Committee Members Fees	17,600
Social Security	1,194
Pensions	254
Life Insurance	1,550
Employer Medicare	297
Other Fringe Benefits	6,075
Audit Services	5,950
Dues and Memberships	3,794
Legal Services	8,123
Postal Charges	250
Trustee's Commission	35,927
Workers' Compensation Insurance	30,741
Other Charges	4,792
Total Board of Education	120,297

Director of Schools

County Official/Administrative Officer	\$ 100,850
Career Ladder Program	1,000
Social Security	5,635
Pensions	6,403
Medical Insurance	8,958
Employer Medicare	1,318
Communication	3,287
Dues and Memberships	1,931
Travel	2,373
Total Director of Schools	131,755

Office of the Principal

Principals	\$ 122,920
Secretary(ies)	66,913

(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.)

Office of the Principal (Cont.)

Social Security	\$ 10,572
Pensions	11,540
Medical Insurance	20,721
Employer Medicare	2,472
Retirement - Hybrid Stabilization	1,794
Communication	593
Postal Charges	115
Total Office of the Principal	\$ 237,640

Fiscal Services

Accountants/Bookkeepers	\$ 105,798
Social Security	6,381
Pensions	7,173
Medical Insurance	3,982
Employer Medicare	1,474
Office Supplies	239
Total Fiscal Services	125,047

Operation of Plant

Custodial Personnel	\$ 86,538
Social Security	5,206
Pensions	5,283
Medical Insurance	14,820
Employer Medicare	1,217
Other Contracted Services	21,964
Electricity	158,546
Natural Gas	62,053
Water and Sewer	14,953
Other Supplies and Materials	23,870
Building and Contents Insurance	89,953
Other Charges	513
Total Operation of Plant	484,916

Maintenance of Plant

Maintenance Personnel	\$ 75,143
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(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.)

Maintenance of Plant (Cont.)

Social Security	\$ 4,659
Pensions	5,094
Employer Medicare	1,090
Maintenance and Repair Services - Buildings	119,229
Maintenance and Repair Services - Equipment	68,621
Other Supplies and Materials	5,989
Total Maintenance of Plant	\$ 279,825

Transportation

Mechanic(s)	\$ 53,766
Bus Drivers	133,396
Social Security	10,682
Pensions	12,361
Medical Insurance	25,602
Employer Medicare	2,498
Communication	593
Diesel Fuel	30,052
Garage Supplies	3,887
Gasoline	5,663
Lubricants	1,954
Tires and Tubes	7,190
Vehicle Parts	17,789
Other Charges	5,865
Transportation Equipment	198,564
Total Transportation	509,862

Central and Other

Data Processing Services	\$ 20,577
Data Processing Supplies	1,046
Total Central and Other	21,623

Operation of Non-Instructional Services

Food Service

Food Supplies	\$ 750
Total Food Service	750

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services

Supervisor/Director	\$ 29,722
Social Security	1,836
Pensions	2,015
Employer Medicare	429
Other Charges	<u>1,424</u>
Total Community Services	\$ 35,426

Early Childhood Education

Supervisor/Director	\$ 7,245
Teachers	66,250
Educational Assistants	15,638
Social Security	5,401
Pensions	5,735
Employer Medicare	1,263
Instructional Supplies and Materials	1,832
Other Charges	<u>162</u>
Total Early Childhood Education	103,526

Capital Outlay

Regular Capital Outlay

Building Construction	\$ 69,726
Total Regular Capital Outlay	<u>69,726</u>

Total General Purpose School Fund

\$ 6,353,661

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 78,943
Educational Assistants	14,428
Other Salaries and Wages	86,320
Social Security	10,136
Pensions	9,898
Medical Insurance	16,562
Employer Medicare	2,371

(Continued)

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

Discretely Presented Pickett County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Instructional Supplies and Materials	\$ 12,575
Software	5,730
Other Supplies and Materials	6,626
Regular Instruction Equipment	<u>16,336</u>
Total Regular Instruction Program	\$ 259,925

Special Education Program

Educational Assistants	\$ 109,598
Social Security	6,431
Pensions	6,534
Medical Insurance	10,286
Employer Medicare	1,504
Instructional Supplies and Materials	20,291
Other Supplies and Materials	5,941
Special Education Equipment	<u>6,022</u>
Total Special Education Program	166,607

Career and Technical Education Program

Instructional Supplies and Materials	\$ 3,558
Software	1,750
Vocational Instruction Equipment	<u>5,374</u>
Total Career and Technical Education Program	10,682

Support Services

Other Student Support

Other Salaries and Wages	\$ 180
Social Security	11
Pensions	11
Employer Medicare	3
Other Contracted Services	11,916
In Service/Staff Development	1,500
Other Charges	<u>3,414</u>
Total Other Student Support	17,035

(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.)

Regular Instruction Program

Supervisor/Director	\$ 615
Other Salaries and Wages	3,404
Social Security	186
Pensions	191
Employer Medicare	44
Consultants	3,200
Other Contracted Services	72,800
In Service/Staff Development	2,729
Other Charges	1,000
Total Regular Instruction Program	\$ 84,169

Special Education Program

Contracts with Private Agencies	\$ 2,249
Evaluation and Testing	644
Other Contracted Services	7,225
Other Supplies and Materials	1,947
In Service/Staff Development	5,656
Other Charges	3,295
Other Equipment	4,000
Total Special Education Program	25,016

Career and Technical Education Program

In Service/Staff Development	\$ 750
Total Career and Technical Education Program	750

Total School Federal Projects Fund

\$ 564,184

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 149,159
Social Security	9,147
Pensions	5,838
Medical Insurance	6,845
Employer Medicare	2,139

(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.)

Communication	\$ 1,301
Maintenance and Repair Services - Equipment	1,911
Travel	468
Other Contracted Services	15,302
Food Preparation Supplies	27,498
Food Supplies	211,233
Office Supplies	407
USDA - Commodities	29,217
Other Supplies and Materials	499
Other Charges	1,249
Food Service Equipment	11,705
Total Food Service	\$ 473,918
Total Central Cafeteria Fund	\$ 473,918
Internal School Fund	
Operation of Non-Instructional Services	
Community Services	
Other Charges	\$ 382,684
Total Community Services	\$ 382,684
Total Internal School Fund	\$ 382,684
Total Governmental Funds - Pickett County School Department	\$ 7,774,447

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, 2025, 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 24, 2025. 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: 2025-001.

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 matters 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 subject 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 24, 2025

JEM/gc



JASON E. MUMPOWER
Comptroller

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

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, 2025. 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, 2025.

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 (*Government Auditing Standards*) issued by the Comptroller General of the United States; 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, 2025, and the related notes to the financial statements, which collectively comprise Pickett County's basic financial statements. We issued our report thereon dated October 24, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

October 24, 2025

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, 2025

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	\$ 346,467 (6)
School Breakfast Program	10.553	N/A	114,140
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	29,217 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	2,777 (6)
Direct Program:			
Rural Cooperative Development Grants	10.776	N/A	50,000
Total U.S. Department of Agriculture			<u>\$ 542,601</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	N/A	\$ 357,280
Total U.S. Department of Housing and Urban Development			<u>\$ 357,280</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 63,284
Total U.S. Department of the Interior			<u>\$ 63,284</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
Total U.S. Department of the Treasury			<u>\$ 16,306</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 189,659
Special Education Cluster (IDEA): (5)			
Special Education - Grants to States	84.027	N/A	184,899
Special Education - Preschool Grants	84.173	N/A	6,723
Career and Technical Education - Basic Grants to States	84.048	N/A	15,414
Rural Education	84.358	N/A	22,256
Supporting Effective Instruction State Grants	84.367	N/A	30,887
Comprehensive Literacy Development	84.371	N/A	82,800
Student Support and Academic Enrichment Program	84.424A		16,258
COVID 19- Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	15,287
Direct Program:			
Impact Aid	84.041	N/A	49,152
Total U.S. Department of Education			<u>\$ 613,335</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)	\$ 7,919
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	54,815
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	13,500
Passed-through State Department of Health:			
Immunization Cooperative Agreements	93.268	N/A	84,156
Total U.S. Department of Health and Human Services			<u>\$ 160,390</u>

(Continued)

PICKETT COUNTY, TENNESSEE, AND THE PICKETT COUNTY SCHOOL DEPARTMENT

Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U. S. Office of National Drug Control Policy:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	\$ 2,257
Total U. S. Office of National Drug Control Policy			\$ 2,257
Total Expenditures of Federal Grants			\$ 1,755,453

State Grants

	Contract Number	
State Supplement Juvenile Court Improvement Funds - State Department of Children's Services	(4)	\$ 9,000
Early Childhood Education - State Department of Education	N/A	102,450
COVID 19- Innovative School Models Grant - State Department of Education	N/A	355,148
Learning Camp Transportation - State Department of Education	N/A	10,380
Public School Security Grant - State Department of Education	N/A	9,366
Summer Learning Camps Grant - State Department of Education	N/A	40,928
Local Health Department Investment Program - State Department of Health	(4)	256,841
School Resource Officer Grant - State Department of Safety and Homeland Security	(4)	150,000
Litter Program - State Department of Transportation	(4)	19,615
Governor's Highway Safety Office Grant (GHSO) - State Highway Safety Office	(4)	10,400
Capital Maintenance and Improvement Grant (Amonett House) - Tennessee State Museum	(4)	14,000
Disability and Aging Grant - Upper Cumberland Development District	N/A	8,000
State Funded Nutrition Meal Delivery Services - Upper Cumberland Development District	N/A	3,137
Total State Grants		\$ 989,266

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 \$492,601; Special Education Cluster (IDEA) total \$191,622; Aging Cluster total \$76,234.

(6) Total for ALN 10.555 is \$378,461.

PICKETT COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2025

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, 2025.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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OFFICE OF COUNTY EXECUTIVE

2024	168	2024-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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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, 2025

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: 14.228 Community Development Block Grants/
State's Program

8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, is presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. 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 2025-001

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 \$2,420,883 in unrestricted net position on June 30, 2025. This deficit resulted from the recognition of a liability totaling \$2,836,924 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. Unfortunately, we do not have funds to complete this objective.

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, 2025.

PICKETT COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY EXECUTIVE

2025-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	170
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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: 
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.