



ANNUAL FINANCIAL REPORT

Hawkins County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HAWKINS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

HAWKINS COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Hawkins County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	27-30
Highway/Public Works Fund	C-6	31
Fiduciary Funds:		
Statement of Net Position	D-1	32
Statement of Changes in Net Position	D-2	33
Index and Notes to the Financial Statements		34-109
REQUIRED SUPPLEMENTARY INFORMATION:		110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	111
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Discretely Presented Hawkins County Board of Education Hybrid Retirement Plan of TCRS - Discretely Presented Hawkins County School Department	E-2	112
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-3	113
Schedule of Contributions Based on Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS - Discretely Presented Hawkins County School Department	E-4	114

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Hawkins County School Department	E-5	115
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hawkins County School Department	E-6	116
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Hawkins County School Department	E-7	117
Schedule of Proportionate Share of the Net Pension Liability/Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hawkins County School Department	E-8	118
Schedule of Changes in the Total OPEB Liability and Related Ratios- Hawkins County Plan - Primary Government	E-9	119
Schedule of Changes in the Total OPEB Liability and Related Ratios- Life Insurance Plan - Discretely Presented Hawkins County School Department	E-10	120
Schedule of Changes in the Total OPEB Liability and Related Ratios- Local Education Plan - Discretely Presented Hawkins County School Department	E-11	121
Schedule of Changes in the Total OPEB Liability and Related Ratios- Tennessee Plan - Medicare - Discretely Presented Hawkins County School Department	E-12	122
Notes to the Required Supplementary Information		123
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		124
Nonmajor Governmental Funds:		125-126
Combining Balance Sheet	F-1	127-130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	131-134
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	F-3	135
Drug Control Fund	F-4	136
General Debt Service Fund	F-5	137
Special Debt Service Fund	F-6	138
General Capital Projects Fund	F-7	139
Other Capital Projects Fund	F-8	140
Major Governmental Fund:		141
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Education Debt Service Fund	G	142
Fiduciary Funds:		143
Combining Statement of Net Position - Custodial Funds	H-1	144
Combining Statement of Changes in Net Position - Custodial Funds	H-2	145
Component Unit:		
Discretely Presented Hawkins County School Department:		146
Statement of Activities	I-1	147
Balance Sheet – Governmental Funds	I-2	148-149
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	150
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	151-152
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	153

	Exhibit	Page(s)
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	154-155
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	156-157
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	158-159
School Federal Projects Fund	I-9	160-161
Central Cafeteria Fund	I-10	162
School Transportation Fund	I-11	163
Education Capital Projects Fund	I-12	164
Miscellaneous Schedules:		165
Schedule of Changes in Long-term Other Loans and Bonds	J-1	166-167
Schedule of Long-term Debt Requirements by Year	J-2	168
Schedule of Transfers – Primary Government and Discretely Presented Hawkins County School Department	J-3	169
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hawkins County School Department	J-4	170
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	171-184
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-6	185-192
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	193-217
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-8	218-231
Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds	J-9	232
 <u>SINGLE AUDIT SECTION</u>		 233
 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		 234-135
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		 236-238
Schedule of Expenditures of Federal Awards and State Grants		239-241
Summary Schedule of Prior-year Findings		242
Schedule of Findings and Questioned Costs		243-247
Management's Corrective Action Plan		248-251
Best Practice		252

Summary of Audit Findings

Annual Financial Report
Hawkins County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Hawkins County as of and for the year ended June 30, 2021.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF SHERIFF

- ◆ Operations related to telephone and text messaging service contracts had deficiencies.
-

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

- ◆ Bids were not solicited for the purchase of apparel for faculty.



INTRODUCTORY SECTION

Hawkins County Officials

June 30, 2021

Officials

Jim Lee, County Mayor
Lowell Bean, Road Superintendent
Matt Hixson, Director of Schools
Jim Shanks, Trustee
David Pearson, Assessor of Property
Nancy Davis, County Clerk
Randall Collier, Circuit and General Sessions Courts Clerk
Brent Price, Clerk and Master
Judy Kirkpatrick, Register of Deeds
Ronnie Lawson, Sheriff

Board of County Commissioners

Rick Brewer, Chairman
Danny Alvis
Nancy Barker
Jeff Barrett
George Bridwell
Larry Clonce
Glenda Davis
Mark DeWitte
Bob Edens
Dawson Fields
Keith Gibson

Valerie Goins
Michael Herrell
Charles Housewright
Raymond Jessee
Tom Kern
Jason Roach
Donnie Talley
Charles Thacker
Syble Vaughan Trent
Hannah Winegar

Board of Education

Chris Christian, Chairman
Jackie Charles
Kathy Cradic
Tecky Hicks

McClure Boyd
Debbie Shedden
Judy Trent

Audit Committee

Nancy Barker, Chair
Danny Alvis
Glenda Davis
Bob Edens
Syble Vaughan Trent
Jason Roach
Hannah Winegar

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Internal School Fund of the Hawkins County School Department (a discretely presented component unit), which represent 1.89 percent, 2.77 percent, and 2.42 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 amounts included for the Hawkins County School Department's Internal School Fund, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of June 30, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Hawkins County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$1,094,303 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Hawkins County School Department's beginning net position totaling \$1,537,745 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of changes in the county's and school's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkins County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), miscellaneous schedules, and other information, such as the introductory section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and

relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of Hawkins County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hawkins County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hawkins County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 29, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Hawkins County, Tennessee
Statement of Net Position
June 30, 2021

	Primary Government Governmental Activities	Component Unit Hawkins County School Department
<u>ASSETS</u>		
Cash	\$ 45,731	\$ 1,652,712
Equity in Pooled Cash and Investments	32,753,443	14,440,431
Accounts Receivable	193,975	159,406
Due from Other Governments	2,102,863	4,245,408
Due from Primary Government	0	191,970
Due from Component Unit	39,668	0
Property Taxes Receivable	16,827,359	11,616,334
Allowance for Uncollectible Property Taxes	(508,333)	(350,907)
Prepaid Items	49,704	0
Cash Shortage	0	64,800
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	559,244
Net Pension Asset - Agent Plan - Legacy	1,128,260	815,005
Net Pension Asset - Agent Plan - Hybrid	0	35,514
Net Pension Asset - Teacher Retirement Plan	0	286,001
Net Pension Asset - Teacher Legacy Pension Plan	0	5,321,127
Capital Assets:		
Assets Not Depreciated:		
Land	1,383,652	1,570,973
Construction in Progress	52,009	4,119,589
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	14,120,937	39,688,866
Infrastructure	30,819,822	0
Other Capital Assets	2,145,685	2,999,483
Total Assets	<u>\$ 101,154,775</u>	<u>\$ 87,415,956</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 1,330,072	\$ 0
Pension Changes in Experience	0	255,468
Pension Changes in Assumptions	159,008	608,935
Pension Changes in Investment Earnings	268,634	1,412,976
Pension Changes in Proportion	0	39,627
Pension Contributions after Measurement Date	673,400	3,059,256
OPEB Changes in Experience	1,124,894	1,387,032
OPEB Changes in Assumptions	0	1,555,695
OPEB Changes in Proportion	0	880,495
OPEB Contributions After Measurement Date	0	620,956
Total Deferred Outflows of Resources	<u>\$ 3,556,008</u>	<u>\$ 9,820,440</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Hawkins County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 442,969	\$ 215,965
Accrued Payroll	0	43,456
Payroll Deductions Payable	92,194	92
Contracts Payable	737,036	1,558,711
Retainage Payable	31,041	0
Accrued Interest Payable	223,427	0
Due to Primary Government	0	39,668
Due to Component Unit	191,970	0
Due to State of Tennessee	2,396	544
Other Current Liabilities	498	1,575,174
Noncurrent Liabilities:		
Due Within One Year - Debt	4,156,088	0
Due Within One Year - Other	600,811	779,587
Due in More Than One Year - Debt	61,525,814	0
Due in More Than One Year - Other	6,385,814	16,664,780
Total Liabilities	<u>\$ 74,390,058</u>	<u>\$ 20,877,977</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 15,896,108	\$ 10,973,491
Pension Changes in Experience	211,400	2,787,487
Pension Changes in Proportion	0	50,704
OPEB Changes in Experience	634,463	1,305,683
OPEB Changes in Assumptions	0	1,093,468
OPEB Changes in Proportion	0	1,330,508
Total Deferred Inflows of Resources	<u>\$ 16,741,971</u>	<u>\$ 17,541,341</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Hawkins County School Department</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 35,391,922	\$ 48,378,911
Restricted for:		
General Government	303,576	0
Finance	100,993	0
Administration of Justice	489,633	0
Public Safety	275,874	0
Public Health and Welfare	11,293	0
Highways	5,270,360	0
Debt Service	11,572,801	0
Education	0	5,904,592
Capital Projects	1,198,325	358,174
Pensions	1,128,260	7,016,891
Unrestricted	<u>(42,164,283)</u>	<u>(2,841,490)</u>
Total Net Position	<u>\$ 13,578,754</u>	<u>\$ 58,817,078</u>

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

Exhibit B

Hawkins County, Tennessee
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Hawkins County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,979,359	\$ 579,575	\$ 603,182	\$ 100,000	\$ (2,696,602)	\$ 0
Finance	1,950,553	1,528,492	0	0	(422,061)	0
Administration of Justice	1,757,991	837,964	50,000	0	(870,027)	0
Public Safety	9,361,435	896,896	1,483,427	9,000	(6,972,112)	0
Public Health and Welfare	3,451,493	123,882	883,793	563,161	(1,880,657)	0
Social, Cultural, and Recreational Services	481,631	7,015	37,748	0	(436,868)	0
Agriculture and Natural Resources	206,324	0	0	0	(206,324)	0
Highways	6,256,306	29,870	2,875,949	509,691	(2,840,796)	0
Education	2,635,071	0	0	0	(2,635,071)	0
Interest on Long-term Debt	2,111,519	0	0	0	(2,111,519)	0
Total Primary Government	\$ 32,191,682	\$ 4,003,694	\$ 5,934,099	\$ 1,181,852	\$ (21,072,037)	\$ 0
Component Unit:						
Hawkins County School Department	\$ 71,564,395	\$ 340,729	\$ 12,669,306	\$ 4,141,016	\$ 0	\$ (54,413,344)
Total Component Unit	\$ 71,564,395	\$ 340,729	\$ 12,669,306	\$ 4,141,016	\$ 0	\$ (54,413,344)

(Continued)

Exhibit B

Hawkins County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Hawkins County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 11,005,286	\$ 6,815,299
Property Taxes Levied for Highway/Public Works					1,587,622	0
Property Taxes Levied for Transportation					0	3,305,158
Property Taxes Levied for Capital Projects					0	1,260,916
Property Taxes Levied for Debt Service					3,893,421	0
Local Option Sales Taxes					1,604,118	6,507,768
Wheel Tax					3,120,888	328,060
Litigation Tax - General					80,553	0
Litigation Tax - Jail, Workhouse, Courthouse					81,068	0
Litigation Tax - Courthouse Security					79,419	0
Litigation Tax - Special					46,026	0
Business Tax					414,468	0
Mineral Severance Tax					79,928	0
Wholesale Beer Tax					92,584	0
Other Local Tax					0	2,411
Grants and Contributions Not Restricted to Specific Programs					991,542	41,152,929
Unrestricted Investment Income					115,907	3,979
Miscellaneous					21,485	320,630
Gain on Investments					0	90,882
Gain on Sale of Assets					102,021	93,553
Total General Revenues					<u>\$ 23,316,336</u>	<u>\$ 59,881,585</u>
Change in Fair Value of Derivatives - Interest Rate Swap					\$ 754,979	\$ 0
Change in Net Position					\$ 2,999,278	\$ 5,468,241
Net Position, July 1, 2020					10,579,476	51,811,092
Restatement - See Note I.D.10.					0	1,537,745
Net Position, June 30, 2021					<u>\$ 13,578,754</u>	<u>\$ 58,817,078</u>

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

Exhibit C-1

Hawkins County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Funds Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 45,731	\$ 45,731
Equity in Pooled Cash and Investments	11,412,559	5,461,396	9,174,250	6,705,238	32,753,443
Accounts Receivable	39,934	0	3,483	150,558	193,975
Due from Other Governments	570,113	967,539	0	565,211	2,102,863
Due from Other Funds	141,903	911	0	0	142,814
Due from Component Units	39,668	0	0	0	39,668
Property Taxes Receivable	10,650,020	1,620,104	3,387,605	1,169,630	16,827,359
Allowance for Uncollectible Property Taxes	(321,729)	(48,947)	(102,343)	(35,314)	(508,333)
Prepaid Items	0	0	49,704	0	49,704
Total Assets	\$ 22,532,468	\$ 8,001,003	\$ 12,512,699	\$ 8,601,054	\$ 51,647,224
<u>LIABILITIES</u>					
Accounts Payable	\$ 224,370	\$ 138,369	\$ 0	\$ 80,230	\$ 442,969
Payroll Deductions Payable	77,679	10,365	0	4,150	92,194
Contracts Payable	0	722,534	0	14,502	737,036
Retainage Payable	15,646	0	0	15,395	31,041
Due to Other Funds	911	0	0	141,903	142,814
Due to Component Units	0	0	0	191,970	191,970
Due to State of Tennessee	1,138	1,154	0	104	2,396
Other Current Liabilities	497	0	0	1	498
Total Liabilities	\$ 320,241	\$ 872,422	\$ 0	\$ 448,255	\$ 1,640,918

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Funds Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,060,616	\$ 1,530,431	\$ 3,200,109	\$ 1,104,952	\$ 15,896,108
Deferred Delinquent Property Taxes	245,067	37,286	77,961	26,884	387,198
Other Deferred/Unavailable Revenue	71,033	688,517	0	167,763	927,313
Total Deferred Inflows of Resources	\$ 10,376,716	\$ 2,256,234	\$ 3,278,070	\$ 1,299,599	\$ 17,210,619
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 49,704	\$ 0	\$ 49,704
Restricted:					
Restricted for General Government	278,537	0	0	0	278,537
Restricted for Finance	100,993	0	0	0	100,993
Restricted for Administration of Justice	489,633	0	0	0	489,633
Restricted for Public Safety	45,032	0	0	185,683	230,715
Restricted for Public Health and Welfare	11,293	0	0	0	11,293
Restricted for Other Operations	25,039	0	0	0	25,039
Restricted for Highways/Public Works	0	4,611,941	0	0	4,611,941
Restricted for Debt Service	0	0	9,184,925	2,470,196	11,655,121
Restricted for Capital Projects	0	0	0	1,184,883	1,184,883
Committed:					
Committed for General Government	10,461	0	0	0	10,461
Committed for Finance	27,650	0	0	0	27,650
Committed for Public Safety	117,901	0	0	0	117,901
Committed for Public Health and Welfare	18,300	0	0	2,551,865	2,570,165
Committed for Other Operations	6,196	0	0	0	6,196
Committed for Highways/Public Works	0	260,406	0	0	260,406

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Committed (Cont.):					
Committed for Debt Service	\$ 0	\$ 0	\$ 0	\$ 460,573	\$ 460,573
Assigned:					
Assigned for General Government	2,333,982	0	0	0	2,333,982
Assigned for Finance	5,350	0	0	0	5,350
Assigned for Public Safety	187,973	0	0	0	187,973
Assigned for Public Health and Welfare	149,172	0	0	0	149,172
Assigned for Social, Cultural, and Recreational Services	71,537	0	0	0	71,537
Unassigned	7,956,462	0	0	0	7,956,462
Total Fund Balances	<u>\$ 11,835,511</u>	<u>\$ 4,872,347</u>	<u>\$ 9,234,629</u>	<u>\$ 6,853,200</u>	<u>\$ 32,795,687</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,532,468</u>	<u>\$ 8,001,003</u>	<u>\$ 12,512,699</u>	<u>\$ 8,601,054</u>	<u>\$ 51,647,224</u>

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

Exhibit C-2

Hawkins County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

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)		\$ 32,795,687
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,383,652	
Add: construction in progress	52,009	
Add: buildings and improvements net of accumulated depreciation	14,120,937	
Add: infrastructure net of accumulated depreciation	30,819,822	
Add: other capital assets net of accumulated depreciation	<u>2,145,685</u>	48,522,105
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (4,714,140)	
Less: bonds payable	(57,615,000)	
Add: deferred amount on refunding	1,330,072	
Less: compensated absences payable	(801,082)	
Less: unamortized premium on debt	(3,352,762)	
Less: accrued interest on bonds and other loans payable	(223,427)	
Less: other post employment benefits liability	<u>(6,185,543)</u>	(71,561,882)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,101,042	
Less: deferred inflows of resources related to pensions	(211,400)	
Add: deferred outflows of resources related to OPEB	1,124,894	
Less: deferred inflows of resources related to OPEB	<u>(634,463)</u>	1,380,073
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,314,511</u>
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		<u>1,128,260</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 13,578,754</u></u>

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

Exhibit C-3

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 13,265,911	\$ 1,684,874	\$ 3,707,060	\$ 3,563,106	\$ 22,220,951
Licenses and Permits	2,351	0	0	187,971	190,322
Fines, Forfeitures, and Penalties	161,152	0	0	37,287	198,439
Charges for Current Services	200,821	3,656	0	22,132	226,609
Other Local Revenues	137,954	3,293	97,924	433,570	672,741
Fees Received From County Officials	2,467,731	0	0	0	2,467,731
State of Tennessee	2,263,263	2,853,893	0	791,020	5,908,176
Federal Government	1,169,996	2,840	0	111,741	1,284,577
Other Governments and Citizens Groups	495,431	0	436,865	0	932,296
Total Revenues	\$ 20,164,610	\$ 4,548,556	\$ 4,241,849	\$ 5,146,827	\$ 34,101,842
<u>Expenditures</u>					
Current:					
General Government	\$ 2,811,586	\$ 0	\$ 0	\$ 0	\$ 2,811,586
Finance	1,614,845	0	0	0	1,614,845
Administration of Justice	1,742,658	0	0	20,946	1,763,604
Public Safety	8,633,617	0	0	67,077	8,700,694
Public Health and Welfare	1,237,284	0	0	2,011,590	3,248,874
Social, Cultural, and Recreational Services	469,141	0	0	0	469,141
Agriculture and Natural Resources	205,356	0	0	0	205,356
Other Operations	809,016	0	0	0	809,016
Highways	46,880	4,622,771	0	0	4,669,651
Debt Service:					
Principal on Debt	0	0	1,124,157	1,067,214	2,191,371
Interest on Debt	0	0	1,577,541	470,265	2,047,806
Other Debt Service	0	0	2,053,961	171,072	2,225,033

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 3,491,096	\$ 3,491,096
Total Expenditures	\$ 17,570,383	\$ 4,622,771	\$ 4,755,659	\$ 7,299,260	\$ 34,248,073
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,594,227	\$ (74,215)	\$ (513,810)	\$ (2,152,433)	\$ (146,231)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 22,640,000	\$ 8,440,000	\$ 31,080,000
Premiums on Debt Sold	0	0	1,783,524	684,494	2,468,018
Other Loans Issued	0	0	0	2,635,071	2,635,071
Insurance Recovery	0	351	0	0	351
Transfers In	0	0	106,544	0	106,544
Transfers Out	(106,544)	0	0	0	(106,544)
Payments to Refunded Debt Escrow Agent	0	0	(24,085,000)	(8,970,000)	(33,055,000)
Total Other Financing Sources (Uses)	\$ (106,544)	\$ 351	\$ 445,068	\$ 2,789,565	\$ 3,128,440
Net Change in Fund Balances	\$ 2,487,683	\$ (73,864)	\$ (68,742)	\$ 637,132	\$ 2,982,209
Fund Balance, July 1, 2020	9,347,828	4,946,211	9,303,371	6,216,068	29,813,478
Fund Balance, June 30, 2021	\$ 11,835,511	\$ 4,872,347	\$ 9,234,629	\$ 6,853,200	\$ 32,795,687

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

Exhibit C-4

Hawkins County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2021

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)		\$ 2,982,209
(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	\$ 1,144,668	
Less: current-year depreciation expense	<u>(2,783,415)</u>	(1,638,747)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: capital assets donated and capitalized	\$ 94,000	
Less: book value of assets disposed	<u>(223,207)</u>	(129,207)
(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, 2021	\$ 1,314,511	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(868,893)</u>	445,618
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt related items.		
Add: principal payments on bonds	\$ 1,765,000	
Add: principal payments on other loans	426,371	
Less: issuance of bonds	(31,080,000)	
Less: other loan proceeds	(2,635,071)	
Less: change in unamortized premium on debt issuances	(2,255,507)	
Add: debt principal refunded	33,055,000	
Less: change in deferred amount on refunding debt	(237,329)	
Add: derivative termination fee - interest rate swap	1,607,000	
Add: change in fair value of derivatives - interest rate swap	<u>754,979</u>	1,400,443
(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	\$ (38,895)	
Change in OPEB liability	190,690	
Change in compensated absences payable	(87,864)	
Change in net pension asset/liability	(379,799)	
Change in deferred outflows related to pensions	169,000	
Change in deferred inflows related to pensions	549,003	
Change in deferred outflows related to OPEB	(231,953)	
Change in deferred inflows related to OPEB	<u>(231,220)</u>	(61,038)
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,999,278</u>

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

Exhibit C-5

Hawkins County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,265,911	\$ 0	\$ 0	\$ 13,265,911	\$ 12,564,602	\$ 12,569,602	\$ 696,309
Licenses and Permits	2,351	0	0	2,351	2,150	2,150	201
Fines, Forfeitures, and Penalties	161,152	0	0	161,152	139,110	139,110	22,042
Charges for Current Services	200,821	0	0	200,821	226,000	263,056	(62,235)
Other Local Revenues	137,954	0	0	137,954	61,800	63,235	74,719
Fees Received From County Officials	2,467,731	0	0	2,467,731	2,318,500	2,318,500	149,231
State of Tennessee	2,263,263	0	0	2,263,263	2,326,342	2,759,043	(495,780)
Federal Government	1,169,996	0	0	1,169,996	242,134	635,371	534,625
Other Governments and Citizens Groups	495,431	0	0	495,431	463,547	469,547	25,884
Total Revenues	\$ 20,164,610	\$ 0	\$ 0	\$ 20,164,610	\$ 18,344,185	\$ 19,219,614	\$ 944,996
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 121,576	\$ (9,000)	\$ 0	\$ 112,576	\$ 139,720	\$ 139,720	\$ 27,144
Board of Equalization	7,826	0	0	7,826	8,912	8,912	1,086
Beer Board	707	0	0	707	3,033	3,033	2,326
Budget and Finance Committee	6,608	0	0	6,608	8,427	8,427	1,819
County Mayor/Executive	559,636	(6,205)	11,565	564,996	576,409	594,615	29,619
County Attorney	38,194	0	0	38,194	37,568	38,641	447
Election Commission	348,387	(900)	0	347,487	426,810	429,642	82,155
Register of Deeds	269,093	0	0	269,093	307,887	313,012	43,919
Planning	17,330	0	0	17,330	18,625	18,625	1,295
County Buildings	692,161	(136,771)	92,689	648,079	856,572	862,305	214,226
Other General Administration	745,406	(8,104)	3,200	740,502	851,327	851,327	110,825
Preservation of Records	4,662	0	0	4,662	14,400	14,400	9,738
<u>Finance</u>							
Property Assessor's Office	450,485	0	2,850	453,335	500,745	505,624	52,289
Reappraisal Program	159,887	0	1,500	161,387	183,447	188,887	27,500
County Trustee's Office	284,570	(3,270)	1,000	282,300	295,806	298,673	16,373
County Clerk's Office	719,903	0	0	719,903	746,170	764,576	44,673

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court Clerk	\$ 669,285	\$ (5,928)	\$ 0	\$ 663,357	\$ 688,422	\$ 724,016	\$ 60,659
Criminal Court	5,780	0	0	5,780	12,000	12,000	6,220
General Sessions Court	330,801	0	0	330,801	337,899	340,193	9,392
Drug Court	59,178	0	0	59,178	68,482	73,979	14,801
Chancery Court	349,028	0	0	349,028	342,551	358,937	9,909
Juvenile Court	172,150	0	0	172,150	173,659	173,952	1,802
Courtroom Security	156,436	(790)	0	155,646	169,109	253,339	97,693
<u>Public Safety</u>							
Sheriff's Department	4,254,444	(8,866)	146,681	4,392,259	4,658,853	4,665,853	273,594
Inmate Telephone Contract Grant	61,386	0	0	61,386	0	0	(61,386)
Drug Enforcement	6,879	0	0	6,879	6,879	6,879	0
Administration of the Sexual Offender Registry	4,419	(300)	0	4,119	5,500	5,500	1,381
Jail	3,022,381	(15,410)	3,650	3,010,621	3,356,157	3,394,213	383,592
Juvenile Services	298,835	0	0	298,835	311,503	316,796	17,961
Fire Prevention and Control	340,060	0	0	340,060	345,060	345,060	5,000
Rescue Squad	108,000	(49,000)	0	59,000	108,000	108,000	49,000
Disaster Relief	0	0	0	0	6,000	6,000	6,000
Other Emergency Management	337,389	(9,912)	28,904	356,381	381,210	382,895	26,514
County Coroner/Medical Examiner	199,824	(29,331)	0	170,493	167,669	172,669	2,176
<u>Public Health and Welfare</u>							
Local Health Center	347,563	(3,645)	29,887	373,805	406,017	410,603	36,798
Ambulance/Emergency Medical Services	215,715	0	119,285	335,000	335,000	335,000	0
Other Local Health Services	371,062	0	0	371,062	552,212	559,629	188,567
Aid to Dependent Children	1,185	0	0	1,185	5,000	5,000	3,815
Other Public Health and Welfare	301,759	0	0	301,759	17,146	317,146	15,387
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	0	0	0	0	2,000	2,000	2,000
Senior Citizens Assistance	217,759	(6,900)	0	210,859	226,881	230,859	20,000
Libraries	106,860	0	0	106,860	106,860	106,860	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Parks and Fair Boards	\$ 144,522	\$ (5,900)	\$ 71,538	\$ 210,160	\$ 173,163	\$ 237,245	\$ 27,085
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	113,997	0	0	113,997	125,977	125,977	11,980
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	76,248	0	0	76,248	77,068	78,753	2,505
Flood Control	0	0	0	0	3,000	3,000	3,000
Storm Water Management	13,611	0	0	13,611	18,353	18,891	5,280
<u>Other Operations</u>							
Tourism	1,500	0	0	1,500	1,500	1,500	0
Industrial Development	187,144	(4,209)	0	182,935	215,917	218,140	35,205
Airport	68,389	(13,219)	230,000	285,170	91,605	321,605	36,435
Veterans' Services	57,904	0	0	57,904	95,354	96,500	38,596
Contributions to Other Agencies	13,720	0	0	13,720	26,950	26,950	13,230
Employee Benefits	31,741	0	0	31,741	78,608	48,908	17,167
COVID-19 Grant #1	25,231	0	0	25,231	47,703	47,703	22,472
COVID-19 Grant #2	5,000	0	0	5,000	0	5,000	0
COVID-19 Grant #3	2,284	0	0	2,284	0	2,450	166
COVID-19 Grant #5	816	0	0	816	0	2,000	1,184
COVID-19 Grant #6	30,000	0	0	30,000	0	30,000	0
COVID-19 Grant #7	92,592	0	0	92,592	0	92,592	0
Miscellaneous	292,695	0	0	292,695	297,510	297,510	4,815
<u>Highways</u>							
Litter and Trash Collection	46,880	0	0	46,880	73,186	74,332	27,452
<u>Interest on Debt</u>							
General Government	0	0	0	0	4,000	4,000	4,000
Total Expenditures	\$ 17,570,383	\$ (317,660)	\$ 742,749	\$ 17,995,472	\$ 19,097,321	\$ 20,082,353	\$ 2,086,881
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,594,227	\$ 317,660	\$ (742,749)	\$ 2,169,138	\$ (753,136)	\$ (862,739)	\$ 3,031,877

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (106,544)	\$ 0	\$ 0	\$ (106,544)	\$ (106,431)	\$ (106,544)	\$ 0
Total Other Financing Sources	\$ (106,544)	\$ 0	\$ 0	\$ (106,544)	\$ (106,431)	\$ (106,544)	\$ 0
Net Change in Fund Balance	\$ 2,487,683	\$ 317,660	\$ (742,749)	\$ 2,062,594	\$ (859,567)	\$ (969,283)	\$ 3,031,877
Fund Balance, July 1, 2020	9,347,828	(317,660)	0	9,030,168	9,047,109	9,047,109	(16,941)
Fund Balance, June 30, 2021	\$ 11,835,511	\$ 0	\$ (742,749)	\$ 11,092,762	\$ 8,187,542	\$ 8,077,826	\$ 3,014,936

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

Exhibit C-6

Hawkins County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,684,874	\$ 0	\$ 0	\$ 1,684,874	\$ 1,603,268	\$ 1,603,268	\$ 81,606
Charges for Current Services	3,656	0	0	3,656	2,500	2,500	1,156
Other Local Revenues	3,293	0	0	3,293	500	500	2,793
State of Tennessee	2,853,893	0	0	2,853,893	3,559,666	3,600,193	(746,300)
Federal Government	2,840	0	0	2,840	0	0	2,840
Total Revenues	\$ 4,548,556	\$ 0	\$ 0	\$ 4,548,556	\$ 5,165,934	\$ 5,206,461	\$ (657,905)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 204,170	\$ 0	\$ 0	\$ 204,170	\$ 245,813	\$ 248,313	\$ 44,143
Highway and Bridge Maintenance	3,042,172	(300)	800,000	3,841,872	4,915,550	4,944,550	1,102,678
Operation and Maintenance of Equipment	372,368	(500)	0	371,868	944,900	948,900	577,032
Other Charges	198,496	0	0	198,496	212,900	212,900	14,404
Employee Benefits	344,182	0	0	344,182	479,500	484,527	140,345
Capital Outlay	461,383	(4,000)	0	457,383	1,580,449	1,580,449	1,123,066
Total Expenditures	\$ 4,622,771	\$ (4,800)	\$ 800,000	\$ 5,417,971	\$ 8,379,112	\$ 8,419,639	\$ 3,001,668
Excess (Deficiency) of Revenues Over Expenditures	\$ (74,215)	\$ 4,800	\$ (800,000)	\$ (869,415)	\$ (3,213,178)	\$ (3,213,178)	\$ 2,343,763
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 351	\$ 0	\$ 0	\$ 351	\$ 0	\$ 0	\$ 351
Total Other Financing Sources	\$ 351	\$ 0	\$ 0	\$ 351	\$ 0	\$ 0	\$ 351
Net Change in Fund Balance	\$ (73,864)	\$ 4,800	\$ (800,000)	\$ (869,064)	\$ (3,213,178)	\$ (3,213,178)	\$ 2,344,114
Fund Balance, July 1, 2020	4,946,211	(4,800)	0	4,941,411	5,193,924	5,193,924	(252,513)
Fund Balance, June 30, 2021	\$ 4,872,347	\$ 0	\$ (800,000)	\$ 4,072,347	\$ 1,980,746	\$ 1,980,746	\$ 2,091,601

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

Exhibit D-1

Hawkins County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,526,225
Equity in Pooled Cash and Investments	119,267
Accounts Receivable	58,210
Due from Other Governments	1,249,577
Taxes Receivable	1,142,351
Allowance for Uncollectible Taxes	<u>(34,508)</u>
Total Assets	<u>\$ 4,061,122</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 76,061
Due to Other Taxing Units	<u>1,351,137</u>
Total Liabilities	<u>\$ 1,427,198</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,105,418</u>
Total Deferred Inflows of Resources	<u>\$ 1,105,418</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,528,506</u>
Total Net Position	<u><u>\$ 1,528,506</u></u>

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

Hawkins County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,919,908
ADA - Educational Funds Collected for Cities	2,232,600
Fines/Fees and Other Collections	8,292,145
Total Additions	<u>\$ 16,444,653</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 5,919,908
Payments to City School Systems	2,232,600
Payments to State	6,067,076
Payments to Individuals and Others	1,790,866
Total Deductions	<u>\$ 16,010,450</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 434,203
Net Position, July 1, 2020	0
Restatement - See Note I.D.10	<u>1,094,303</u>
Net Position, June 30, 2021	<u><u>\$ 1,528,506</u></u>

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

HAWKINS COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	35
B. Government-wide and Fund Financial Statements	37
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	40
2. Receivables and Payables	41
3. Prepaid Items	42
4. Restricted Assets	43
5. Capital Assets	43
6. Deferred Outflows/Inflows of Resources	44
7. Compensated Absences	45
8. Long-term Debt and Long-term Obligations	45
9. Net Position and Fund Balance	46
10. Restatements	48
E. Pension Plans	48
F. Other Postemployment Benefit (OPEB) Plans	49
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	49
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	50
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	50
B. Cash Shortage - Prior Year	51
C. Expenditures Exceeded Appropriations	52
D. Sheriff Department Purchases in Noncompliance with Governing Laws	52
E. Sheriff Department Investigation	52
IV. Detailed Notes on All Funds	
A. Deposits and Investments	52
B. Derivative Instrument	56
C. Capital Assets	57
D. Construction and Renovation Contract Commitments	59
E. Interfund Receivables, Payables, and Transfers	60
F. Long-term Debt	61
G. Long-term Obligations	65
H. On-behalf Payments	66
V. Other Information	
A. Risk Management	67
B. Accounting Changes	68
C. Contingent Liabilities	68
D. Changes in Administration	68
E. Joint Ventures	69
F. Jointly Governed Organization	70
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	71
2. Deferred Compensation	94
H. Other Postemployment Benefits (OPEB)	95
I. Termination Benefits and Retirement Honorarium	109
J. Purchasing Law	109

HAWKINS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Hawkins County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Hawkins County (the primary government) and its component units. The financial statements of the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and the Hawkins County Library System, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

The Hawkins County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Hawkins County Industrial Development Board nominates, and the Hawkins County Commission confirms the board members. In a prior year, the county agreed to assume the liability for a note issued by the Industrial Development Board. Due to this financial burden relationship, the board is reported as a discretely presented component unit. In the current year, the Industrial Development Board did not have an audit performed since the majority of operational expenditures are administered by Hawkins County through the county's General Fund and included in the scope of the county's annual audit. The board maintains a separate checking account that is used for economic development expenses for which it receives reimbursements from the Northeast Tennessee Valley Regional Industrial Development Association and the Workforce Investment Act Youth Program. Total deposits and disbursements of \$789,025 and \$1,285,788, respectively, were channeled through this account during the year. In our opinion, these deposits and disbursements are not material to the component units' opinion unit.

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

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

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Hawkins County issues all debt for the discretely presented Hawkins County School Department. Net debt issues totaling \$2,635,071 were contributed by the county to the school department during the year ended June 30, 2021.

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

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

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

Fund financial statements of Hawkins County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Hawkins County does not have any proprietary funds to report.

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

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

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

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

Hawkins County reports the following major governmental funds:

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

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

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

Additionally, Hawkins County reports the following fund types:

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

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

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and

student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Hawkins County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the debt service funds. Hawkins County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Hawkins County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.571 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. The Other Current Liabilities account reflected on the statement of Net Position for the discretely presented school department represents remaining balances in the insurance, payroll tax, and retirement clearing accounts.

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

3. Prepaid Items

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

4. **Restricted Assets**

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

5. **Capital Assets**

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	7 - 30
Vehicles and Other Capital Assets	5 - 12
Infrastructure:	
Roads	20 - 50
Bridges	40

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience and proportion; OPEB changes in experience, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria for governmental funds.

7. **Compensated Absences**

Primary Government

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

Discretely Presented School Department

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Hawkins County Board of Education has adopted policies allowing all 12-month employees who declare their intention to retire within the calendar year to be paid their unused vacation benefits as they accrue. Other 12-month employees are allowed to accumulate a limited amount (five days) of earned but unused vacation benefits. Due to the COVID-19 pandemic, this policy was amended, beginning in the 2019-2020 fiscal year through the 2020-2021 fiscal year, to allow 12-month employees to accumulate ten days of earned but unused vacation benefits.

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

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

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

8. **Long-term Debt and Long-term Obligations**

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

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services 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 special termination/retirement benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$20,351,115 of restricted net position for the primary government, of which \$899,577 is restricted by enabling legislation.

As of June 30, 2021, Hawkins County had \$50,041,881 in outstanding debt for capital purposes for the discretely presented Hawkins County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Rogersville School System and the City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Hawkins County, but the capital assets acquired are reported in the financial statements of the school department, the City of Rogersville School System, and the City of Kingsport School System. Therefore, Hawkins County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding

stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund includes amounts appropriated for use in the 2021-2022 budget (\$2,065,722), encumbrances (\$542,749), insurance recovery (\$8,737), employee vacation pay (\$25,000), and unclaimed property refunds (\$105,806). Assigned fund balance in the school department's General Purpose School Fund includes encumbrances (\$2,686,892), fund balance assigned for textbooks (\$17,595), and fund balance appropriated for use in the 2021-2022 budget (\$5,954,066).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

10. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Hawkins County School Department. A restatement of \$1,537,745 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$1,094,303 using the economic measurement focus and the accrual basis of accounting.

E. Pension Plans

Primary Government

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

Discretely Presented Hawkins County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Hawkins County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

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

Primary Government

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

Discretely Presented Hawkins County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2021, Hawkins County and the Hawkins County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 742,749
Highway/Public Works	800,000
Nonmajor Funds:	
Solid/Waste Sanitation	5,148
General Capital Projects	309,500
School Department:	
Major Funds:	
General Purpose School	2,686,892
School Transportation	393,687
Nonmajor Funds:	
School Federal Projects	5,344,141
Central Cafeteria	495
Education Capital Projects	69,397

B. Cash Shortage – Prior Year

The audit of Hawkins County for the 2017-18 year reported a cash shortage of \$64,800 in the Hawkins County School Department. An investigative report of the Comptroller's Office dated August 22, 2018, reported that during the period of April 8, 2011, through December 12, 2017, former contracted certified operator Shawn Hatchett fraudulently claimed and received \$64,800 in fees from the Hawkins County Board of Education. That report is available at <https://www.comptroller.tn.gov/ia/>. On August 20, 2018, the Hawkins County Grand Jury indicted Shawn Hatchett on one count of Theft over \$60,000, one count of Forgery over \$60,000, and fifty-five counts of Violation of the Water Pollution Control Act. Mr. Hatchett pled guilty to these charges on August 31, 2021, and received a sentence of 12 years to serve 365 days with the remainder to be on supervised probation. He was also ordered to pay restitution in the amount of \$64,800 with payments beginning when Mr. Hatchett is released from incarceration.

C. Expenditures Exceeded Appropriations

Primary Government

Expenditures exceeded appropriations approved by the county commission in the Inmate Telephone Contract Grant major appropriations category (the legal level of control) of the General Fund by \$61,386. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

Discretely Presented Hawkins County School Department

Expenditures and encumbrances exceeded appropriations in the Regular Capital Outlay major appropriation category (the legal level of control) of the School Federal Projects Fund by \$2,443,647. This resulted from encumbrances of \$5,256,098 being recorded for the unperformed portion of a facilities renovation contract that is being funded by a federal grant. Recording the encumbrance also resulted in budgetary basis fund deficit of \$4,344,141 in the School Federal Projects Fund at June 30, 2021. That deficit will be liquidated upon recognition of revenues from the federal grant after year-end.

D. Sheriff Department Purchases in Noncompliance with Governing Laws

Purchases of \$61,386 were made for the sheriff's department during the year outside the administrative and budgetary control of the county government. These purchases were made from funds provided pursuant to an inmate telephone service agreement entered into by the sheriff and the telephone service provider. These transactions were made in violation of the private act governing purchases of Hawkins County and in violation of state laws governing appropriation of funds. Further details are presented in the Schedule of Findings and Questioned Costs in the Single Audit section of this report.

E. Sheriff Department Investigation

On April 1, 2021, the Comptroller's Division of Investigations issued an investigative report on the Hawkins County Sheriff's Office. The report disclosed that an employee received wages totaling at least \$1,207 for time not worked. The investigative report can be found at <https://www.comptroller.tn.gov/ia/>.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hawkins County and the Hawkins County School Department participate in an internal cash and investment pool through the Office of Trustee. The

county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets and statements of net position 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 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

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

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

procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

Other than Hawkins County's investment in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2021.

TCRS Stabilization Trust

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

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

On June 30, 2021, the Hawkins County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Fair Value</u>
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 173,366
Developed Market International Equity	N/A	N/A	78,294
Emerging Market International Equity	N/A	N/A	22,370
U.S. Fixed Income	N/A	N/A	111,849
Real Estate	N/A	N/A	55,924
Short-term Securities	N/A	N/A	5,592
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>111,849</u>
Total			<u>\$ 559,244</u>

Of the total amount above, \$106,713 represents amounts held for the Hybrid Pension Plan and \$452,531 represents amounts held for the Teacher Retirement Plan.

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Derivative Instrument

Hawkins County elected to terminate the following derivative instrument during the year:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$16M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$16,000,000	12-1-09	6-1-29	Pay 3.5325% receive 58.75% of LIBOR

The change in fair value of the derivative instrument and swap termination payment as reported in the 2021 financial statements are as follows:

Governmental Activities Type	Change in Fair Value		Swap Termination Payment
	Classification	Amount	

Investment Derivative:

Pay-fixed interest rate swap:

\$16M Swap	Interest and Investment Earnings	\$ 754,979	\$ 1,607,000
------------	----------------------------------	------------	--------------

As of June 30, 2021, Hawkins County had no outstanding derivative instrument swap agreements.

C. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,406,159	\$ 0	\$ 22,507	\$ 1,383,652
Construction in Progress	204,109	45,568	197,668	52,009
Total Capital Assets Not Depreciated	<u>\$ 1,610,268</u>	<u>\$ 45,568</u>	<u>\$ 220,175</u>	<u>\$ 1,435,661</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,981,285	\$ 781,154	\$ 69,832	\$ 22,692,607
Infrastructure	59,362,476	85,000	0	59,447,476
Other Capital Assets	11,432,401	524,614	313,784	11,643,231
Total Capital Assets Depreciated	<u>\$ 92,776,162</u>	<u>\$ 1,390,768</u>	<u>\$ 383,616</u>	<u>\$ 93,783,314</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,037,048	\$ 586,795	\$ 52,173	\$ 8,571,670
Infrastructure	27,157,956	1,469,698	0	28,627,654
Other Capital Assets	8,901,367	726,922	130,743	9,497,546
Total Accumulated Depreciation	<u>\$ 44,096,371</u>	<u>\$ 2,783,415</u>	<u>\$ 182,916</u>	<u>\$ 46,696,870</u>
Total Capital Assets Depreciated, Net	<u>\$ 48,679,791</u>	<u>\$ (1,392,647)</u>	<u>\$ 200,700</u>	<u>\$ 47,086,444</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,290,059</u>	<u>\$ (1,347,079)</u>	<u>\$ 420,875</u>	<u>\$ 48,522,105</u>

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

Governmental Activities:

General Government	\$ 252,178
Finance	4,877
Administration of Justice	9,965
Public Safety	624,993
Public Health and Welfare	254,872
Social, Cultural, and Recreational Services	7,905
Highway/Public Works	<u>1,628,625</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,783,415</u>
---	---------------------

Discretely Presented Hawkins County School Department

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,570,973	\$ 0	\$ 0	\$ 1,570,973
Construction in Progress	0	4,119,589	0	4,119,589
Total Capital Assets Not Depreciated	<u>\$ 1,570,973</u>	<u>\$ 4,119,589</u>	<u>\$ 0</u>	<u>\$ 5,690,562</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 99,701,211	\$ 2,889,811	\$ 0	\$ 102,591,022
Other Capital Assets	10,223,442	239,300	101,419	10,361,323
Total Capital Assets Depreciated	<u>\$ 109,924,653</u>	<u>\$ 3,129,111</u>	<u>\$ 101,419</u>	<u>\$ 112,952,345</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 59,756,945	\$ 3,145,211	\$ 0	\$ 62,902,156
Other Capital Assets	6,843,707	542,996	24,863	7,361,840
Total Accumulated Depreciation	<u>\$ 66,600,652</u>	<u>\$ 3,688,207</u>	<u>\$ 24,863</u>	<u>\$ 70,263,996</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,324,001</u>	<u>\$ (559,096)</u>	<u>\$ 76,556</u>	<u>\$ 42,688,349</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,894,974</u>	<u>\$ 3,560,493</u>	<u>\$ 76,556</u>	<u>\$ 48,378,911</u>

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

Governmental Activities:

Instruction	\$ 3,122,207
Support Services	522,665
Operation of Non-instructional Services	<u>43,335</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,688,207</u>

D. Construction and Renovation Contract Commitments

Primary Government

At June 30, 2021, the General Fund had uncompleted construction contracts of approximately \$58,050 for roof replacement and \$200,000 for airport improvements. Funding for these future expenditures is expected to be provided from available fund balance.

Discretely Presented Hawkins County School Department

At June 30, 2021, the General Purpose School Fund had uncompleted construction contracts of approximately \$2,331,819 for lighting and HVAC improvements and \$142,030 for paving projects. The School Federal Projects fund had uncompleted renovation contracts of approximately \$5,256,098 for existing facility system upgrades. The Education Capital Projects Fund had uncompleted construction contracts of approximately \$69,397 for HVAC and other facility improvements. Funding for future expenditures of the General Purpose School Fund is expected to be provided from other loan issuances and available fund balance. Funding for future expenditures of the School Federal Projects Fund is expected to be provided from future grant revenues. Funding for the future expenditures of the Education Capital Projects Fund is expected to be provided from available fund balance.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 141,903
Highway	General	911
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	24,500
School Transportation	General Purpose School	10,624
Nonmajor governmental	"	84,134

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Component Unit: School Department: General Purpose School	\$ 39,668
Component Unit:		
School Department: General Purpose School	Primary Government: Nonmajor Governmental	191,970

Interfund Transfers:

Interfund transfers for the year ended June 30, 2021, consisted of the following amounts:

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u>
	Education Debt Service Fund
General Fund	\$ 106,544

Transfers to the General Debt Service Fund are for Qualified School Construction Bond (QSCB) rebates.

Discretely Presented Hawkins County School Department

Transfers Out	Transfers In	
	General Purpose School	Nonmajor Governmental Funds
Nonmajor Governmental Funds	\$ 24,500	\$ 0
General Purpose School	0	502,189

Transfers to the General Purpose School Fund are for indirect costs related to federal programs. Transfers to the non-major governmental funds are for cash flow (\$500,000) and operations (\$2,189).

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

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Hawkins County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans and bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 19 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service, Special Debt Service, or Education Debt Service funds.

Direct Borrowing and Direct Placements - Hawkins County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, other loans have been issued to refund other loans and bonds. Other loans are direct obligations and pledge the full faith and credit of the government. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the

debt. All other loans included in long-term debt as of June 30, 2021, will be retired from the Education Debt Service fund.

General obligation bonds and other loans outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds -				
Refunding	2 to 5 %	6-1-38	\$ 61,526,353	\$ 57,615,000
Direct Borrowing and				
Direct Placement:				
Other Loans - Qualified School				
Construction Bonds	0 to 1.515	9-15-27	4,973,000	1,756,914
Other Loans - Energy Efficient				
Schools Initiative	0 to 0.75	(1) (2)	3,827,758	2,957,226

(1) Final maturity and repayment schedule to be determined upon project completion in subsequent period.

(2) \$2,331,819 remains available to be drawn as of June 30, 2021.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2021, including interest payments are presented in the tables below.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 3,755,000	\$ 1,495,704	\$ 5,250,704
2023	3,675,000	1,483,988	5,158,988
2024	3,695,000	1,370,513	5,065,513
2025	3,735,000	1,258,237	4,993,237
2026	2,945,000	1,141,688	4,086,688
2027-2031	15,065,000	4,403,612	19,468,612
2032-2036	18,150,000	2,324,700	20,474,700
2037-2038	6,595,000	298,200	6,893,200
Total	\$ 57,615,000	\$ 13,776,642	\$ 71,391,642

Year Ending June 30	Other Loans (1)		
	Principal	Interest	Total
2022	\$ 401,088	\$ 154,996	\$ 556,084
2023	350,232	154,708	504,940
2024	350,544	154,396	504,940
2025	350,843	154,096	504,939
2026	367,371	153,784	521,155
2027-2029	258,991	128,061	387,052
Total	\$ 2,079,069	\$ 900,041	\$ 2,979,110

(1) Does not include amounts for a portion of the Energy Efficient Schools Initiative loans. A repayment schedule has not been established for a loan with a principal balance of \$2,635,071 at June 30, 2021. Repayments do not begin until sixty days after the project associated with this debt is completed, at which time a final amortization schedule will be developed. The project is expected to be completed in a subsequent fiscal year. Interest will continue to accrue on the outstanding balance.

There is \$12,165,398 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,016, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premium totaled \$1,158, based on the 2020 federal census.

During the year, the school department contributed \$436,865 to the county debt service funds to be applied toward the retirement of school related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	Other Loans -	
	Bonds	Direct Placement
Balance, July 1, 2020	\$ 46,495,000	\$ 17,365,440
Additions	31,080,000	2,635,071
Reductions	(19,960,000)	(15,286,371)
Balance, June 30, 2021	\$ 57,615,000	\$ 4,714,140
Balance Due Within One Year	\$ 3,755,000	\$ 401,088

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 62,329,140
Less: Balance Due Within One Year - Debt	(4,156,088)
Add: Unamortized Premium on Debt	<u>3,352,762</u>
Noncurrent Liabilities - Due in More Than One Year - Debt -Exhibit A	<u>\$ 61,525,814</u>

Current Refunding

On March 31, 2021, Hawkins County refunded other loans with a separate general obligation bond issue. The county issued \$13,925,000 of general obligation refunding bonds to provide resources to redeem the Series VII-A-1 variable-rate loan agreement on March 31, 2021. As a result, the liability has been removed from the county's long-term debt. The county's financial advisors were not able to determine the cumulative savings or economic gain from this refunding transaction due to the variable-rate debt instrument involved.

On April 30, 2021, Hawkins County refunded its Series 2014 general obligation bond issue with a separate general obligation bond issue. The county issued \$8,440,000 of general obligation refunding bonds to provide resources to place funds with an escrow agent and redeem the refunded bonds at the June 1, 2021, call date. As a result of the refunding, total debt service payments over the next 15 years will be reduced by \$1,832,339, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of \$1,544,069 was obtained.

On May 28, 2021, Hawkins County refunded its Series 2015 general obligation refunding bond issue with a separate general obligation bond issue. The county issued \$8,715,000 of general obligation refunding bonds to provide resources to place funds with an escrow agent and redeem the refunded bonds at the June 1, 2021, call date. As a result of the refunding, total debt service payments over the next 15 years will be reduced by \$2,487,330, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of \$1,912,653 was obtained.

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2020	\$ 713,218	\$ 6,376,233
Additions	763,762	557,155
Reductions	(675,898)	(747,845)
Balance, June 30, 2021	<u>\$ 801,082</u>	<u>\$ 6,185,543</u>
Balance Due Within One Year	<u>\$ 600,811</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 6,986,625
Less: Balance Due Within One Year - Other	<u>(600,811)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 6,385,814</u>

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

Discretely Presented Hawkins County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hawkins County School Department for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2020	\$ 2,134,307	\$ 238,473
Additions	639,577	107,193
Reductions	(702,643)	(45,837)
Balance, June 30, 2021	<u>\$ 2,071,241</u>	<u>\$ 299,829</u>
Balance Due Within One Year	<u>\$ 639,045</u>	<u>\$ 107,192</u>

	Retirement Honorarium	Other Postemployment Benefits
Balance, July 1, 2020	\$ 577,424	\$ 15,518,807
Additions	50,897	2,625,723
Reductions	(50,111)	(3,649,443)
Balance, June 30, 2021	<u>\$ 578,210</u>	<u>\$ 14,495,087</u>
Balance Due Within One Year	<u>\$ 33,350</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 17,444,367
Less: Balance Due Within One Year - Other	<u>(779,587)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 16,664,780</u>

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

H. On-Behalf Payments

Discretely Presented Hawkins County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hawkins County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2021, were \$223,677 and \$99,192, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

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

Discretely Presented Hawkins County School Department

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

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

losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The county is involved in several pending lawsuits. Management, based on letters from attorneys, estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Changes in Administration

Jeff Thacker, assessor of property, passed away on December 20, 2020. He was succeeded in office by David Pearson on January 25, 2021.

Holly Jaynes, clerk and master, retired effective June 30, 2020, and was succeeded in office by Brent Price effective July 1, 2020.

E. Joint Ventures

Primary Government

The Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Third Judicial District, Greene, Hamblen, Hancock, and Hawkins counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hawkins County made no contributions to the DTF for the year ended June 30, 2021.

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Hawkins County and the counties of Carter, Greene, Johnson, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction's facilities. The program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, Inc., to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Hawkins County's participation cost percentage is 11.7 percent. The county also pays a daily fee for each individual from their county using the facility.

Discretely Presented School Department

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

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

Administrative Offices:

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

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

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

F. Jointly Governed Organization

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

Hawkins County is a participant in the joint governance of the Alliance for Business and Training (AB&T), which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs

are funded by grants passed through the state Department of Labor to AB&T.

Mayors of the participating counties, along with four members jointly appointed by the mayors serve as the governing board of AB&T. The consortium agreement calls for any liability for disallowed costs of the grant programs to be shared by member counties of the consortium based on each county's percent of the population of the local workforce development area. However, that contingent liability is to be mitigated by \$3 million of insurance coverage provided by AB&T to indemnify the counties pursuant to the consortium agreement.

Complete financial information for the Alliance for Business and Training can be obtained from the following address.

Alliance for Business and Training
386 Hwy 91
P.O. Box 249
Elizabethton, TN 37643

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

Public Employee Legacy Retirement Plan

General Information About the Pension Plan

Plan Description. Employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.06 percent, the non-certified employees of the discretely presented school department comprise 41.94 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by

statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	467
Inactive Employees Entitled to But Not Yet Receiving Benefits	644
Active Employees	547
Total	1,658

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Hawkins County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Hawkins County was \$1,094,588 based on a rate of 7.0 percent of covered payroll. The minimum rate established by the Board of Trustees was 5.68 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hawkins County’s state shared taxes if required

employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Hawkins County's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, 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 2.5 percent. The best estimates of geometric real rates of return and

the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Hawkins County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 62,197,387	\$ 64,846,358	\$ (2,648,971)
Changes for the Year:			
Service Cost	\$ 1,281,085	\$ 0	\$ 1,281,085
Interest	4,485,475	0	4,485,475
Differences Between Expected and Actual Experience	(87,207)	0	(87,207)
Contributions-Employer	0	1,073,390	(1,073,390)
Contributions-Employees	0	767,560	(767,560)
Net Investment Income	0	3,181,045	(3,181,045)
Benefit Payments, Including Refunds of Employee Contributions	(3,219,712)	(3,219,712)	0
Administrative Expense	0	(48,348)	48,348
Net Changes	\$ 2,459,641	\$ 1,753,935	\$ 705,706
Balance, June 30, 2020	\$ 64,657,028	\$ 66,600,293	\$ (1,943,265)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.06%	\$ 37,539,870	\$ 38,668,130	\$ (1,128,260)
School Department	41.94%	27,117,158	27,932,163	(815,005)
Total		\$ 64,657,028	\$ 66,600,293	\$ (1,943,265)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Hawkins County calculated using the discount rate of 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Hawkins County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 5,708,090 \$ (1,943,265) \$ (8,358,150)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2021, Hawkins County recognized pension expense of \$621,762.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Hawkins County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 364,106
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	462,684	0
Changes in Assumptions	273,869	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	1,094,588	N/A
Total	<u>\$ 1,831,141</u>	<u>\$ 364,106</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,101,042	\$ 211,400
School Department	730,099	152,706
Total	<u>\$ 1,831,141</u>	<u>\$ 364,106</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
2022	\$ (279,683)
2023	110,365
2024	248,045
2025	293,717
2026	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2021, Hawkins County reported a payable of \$53,705 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

Discretely Presented Hawkins County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description – Hawkins County Legacy Plan. As noted above under the primary government, employees of Hawkins County and non-certified employees of the discretely presented Hawkins County School Department are provided a defined benefit pension plan

through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.06 percent and the non-certified employees of the discretely presented school department comprise 41.94 percent of the plan based on contribution data.

The discretely presented Hawkins County School Department withdrew from the TCRS Hawkins County Plan effective July 1, 2015. Non-certified school employees hired after the date of withdrawal are not eligible to participate in the Hawkins County Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

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

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	83
Active Employees	175
Total	258

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The school department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2021, to the Retirement Plan were \$76,722, which is 2.52 percent of covered payroll. In addition, employer contributions of \$33,450 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, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Liabilities (Assets). The school department’s net pension liability (asset) was measured at June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, 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 2.5 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	5.69 %	31 %
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the school department will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2019	\$ 355,902	\$ 402,107	\$ (46,205)
Changes for the Year:			
Service Cost	\$ 162,090	\$ 0	\$ 162,090
Interest	37,157	0	37,157
Differences Between Expected and Actual Experience	(2,675)	0	(2,675)
Contributions-Employer	0	59,341	(59,341)
Contributions-Employees	0	117,063	(117,063)
Net Investment Income	0	23,695	(23,695)
Benefit Payments, Including Refunds of Employee Contributions	(10,956)	(10,956)	0
Administrative Expense	0	(14,218)	14,218
Net Changes	\$ 185,616	\$ 174,925	\$ 10,691
Balance, June 30, 2020	\$ 541,518	\$ 577,032	\$ (35,514)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the school department calculated using the discount rate of 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 84,860	\$ (35,514)	\$ (128,237)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$68,679.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 42,557	\$ 4,807
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,208	0
Changes in Assumptions	1,706	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	76,722	N/A
Total	<u>\$ 128,193</u>	<u>\$ 4,807</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2022	\$ 6,800
2023	7,289
2024	7,637
2025	7,758
2026	6,178
Thereafter	11,001

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

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) 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 COLA, 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, 2021, to the Teacher Retirement Plan were \$145,327, which is 2.02 percent of covered payroll. In addition, employer contributions of \$139,069 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$286,001) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .502955 percent. The proportion as of June 30, 2019, was .478240 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$113,452.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 10,625	\$ 71,671
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	23,299	0
Changes in Assumptions	8,968	0
Changes in Proportion of Net Pension Liability (Asset)	0	22,631
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	145,327	N/A
Total	<u>\$ 188,219</u>	<u>\$ 94,302</u>

The school department's employer contributions of \$145,327, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. 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
2022	\$ (4,534)
2023	(1,167)
2024	550
2025	1,039
2026	(6,853)
Thereafter	(40,447)

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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, 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 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 222,461 \$ (286,001) \$ (660,801)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hawkins County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$2,416,019, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$5,321,127) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was .697785 percent. The proportion measured at June 30, 2019, was .715696 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$114,781).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 202,286	\$ 2,558,303
Changes in Assumptions	483,400	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,188,419	0
Changes in Proportion of Net Pension Liability (Asset)	39,627	28,073
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>2,416,019</u>	N/A
Total	<u>\$ 4,329,751</u>	<u>\$ 2,586,376</u>

The school department's employer contributions of \$2,416,019 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2022. 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
2022	\$ (1,333,337)
2023	(180,877)
2024	54,327
2025	787,243
2026	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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, 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 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
---	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset) \$ 16,548,586 \$ (5,321,127) \$ (23,456,255)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$340,901 and teachers contributed \$417,912 to this deferred compensation pension plan.

Non-certified personnel of the school department hired after July 1, 2015, are required to participate in a separate hybrid pension plan administered by TCRS. The school department is also required to contribute five percent of non-certified employees’ salaries to this Section 401(k) plan. The Section 401(k) plan assets remain the property of the participating employees and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the school department contributed \$160,453 and employees contributed \$76,999 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Hawkins County and the discretely presented Hawkins County School Department provide OPEB benefits to their retirees under various plans, these include OPEB provided through commercial plans for both the primary government and the school department as well as OPEB provided through state administered public entity risk pools for the school department. For reporting purposes, the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of the plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through Commercial Health Plan (Primary Government)

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

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

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	187
Total	<u>193</u>

Total OPEB Liability

The plan's total OPEB liability of \$6,185,543 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	2.16%
Healthcare Cost Trend Rates	4.50%
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate of 2.16 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2021.

Mortality rates were based on the 2019 PPA Mortality Table (RP-2014 Mortality, base year 2006, adjusted to 2019 with Mortality Improvement Scale MP-2017).

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 6,376,233
Changes for the Year:	
Service Cost	\$ 407,240
Interest	149,915
Difference between Expected and Actuarial Experience	(343,147)
Benefit Payments	(48,223)
Implicit Rate Subsidy	<u>(356,475)</u>
Net Changes	<u>\$ (190,690)</u>
Balance June 30, 2021	<u>\$ 6,185,543</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized OPEB

expense of \$677,181. At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,124,894	\$ 634,463
Total	<u>\$ 1,124,894</u>	<u>\$ 634,463</u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 120,026
2023	120,026
2024	120,026
2025	102,950
2026	(44,922)
Thereafter	72,326

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability	\$ 6,701,401	\$ 6,185,543	\$ 5,729,583

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability calculated using the current healthcare cost trend rate as well as what the OPEB liability

would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease (3.5%)	Current Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	\$ 5,557,432	\$ 6,185,543	\$ 6,922,898

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

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

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

Employees Covered by Benefit Terms

As of July 1, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	184
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	1,016
Total	<u><u>1,200</u></u>

Total OPEB Liability

The plan's total OPEB liability of \$799,409 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.16%
Life Insurance Cost Trend Rates	0% for all years
Retirees share of	
Benefit-related Cost	None

The discount rate of 2.16 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2021.

The mortality assumption is based on RP-2014, base year 2006, adjusted to 2020 with Mortality Improvement Scale MP-2018.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 865,867
Changes for the Year:	
Service Cost	\$ 11,217
Interest	17,949
Difference between Expected and Actuarial Experience	(74,201)
Benefit Payments	<u>(21,423)</u>
Net Changes	<u>\$ (66,458)</u>
Balance June 30, 2021	<u>\$ 799,409</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$60,004. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	<u>\$ 183,055</u>	<u>\$ 53,790</u>
Total	<u>\$ 183,055</u>	<u>\$ 53,790</u>

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

Year Ending June 30	Amount
2022	\$ 30,838
2023	30,838
2024	30,838
2025	30,838
2026	7,746
Thereafter	(1,836)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 899,278	\$ 799,409	\$ 715,868

OPEB Provided through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for each plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, 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	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting 9.02% for pre-65 retirees in the 2021 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5% TN-M: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.21 percent, based on the Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019 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, 2012 - June 30, 2016. 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 RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. 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.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the

measurement date of June 30, 2020. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2021 plan year. The assumed initial trend rate applicable to the 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

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

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

Benefits Provided. The Hawkins County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department provides a direct subsidy ranging from \$141 to \$831 per month toward the cost of insurance for retired certified employees based on years of service and insurance coverage selected. The school department provides a direct subsidy ranging from \$347 to \$1,239 per month toward the cost of insurance for retired non-certified employees based on insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	61
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	740
 Total	 <u><u>801</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 \$532,600 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Hawkins County School Department 73.3126%</u>	<u>State of TN 26.6874%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 11,042,507	\$ 3,599,135	\$ 14,641,642
Changes for the Year:			
Service Cost	\$ 509,538	\$ 185,483	\$ 695,021
Interest	384,569	139,991	524,560
Difference between Expected and Actuarial Experience	(908,139)	(330,582)	(1,238,721)
Changes in Proportion	(308,338)	308,338	0
Changes in Assumption and Other Inputs	1,141,255	415,442	1,556,697
Benefit Payments	(579,664)	(211,010)	(790,674)
Net Changes	<u>\$ 239,221</u>	<u>\$ 507,662</u>	<u>\$ 746,883</u>
Balance June 30, 2020	<u>\$ 11,281,728</u>	<u>\$ 4,106,797</u>	<u>\$ 15,388,525</u>

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognized revenue for subsidies provided by nonemployer contributing

entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$307,530 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability was 73.3126 percent and the State of Tennessee's share was 26.6874 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$1,262,389 which includes expenses funded by nonemployer contributing entities. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 958,055	\$ 903,730
Changes of Assumptions/Inputs	1,175,235	926,129
Changes in Proportion	627,371	430,725
Benefits Paid After the Measurement Date of June 30, 2020	532,600	0
Total	<u>\$ 3,293,261</u>	<u>\$ 2,260,584</u>

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

Year Ending June 30	School Department
2022	\$ 60,752
2023	60,752
2024	60,752
2025	60,752
2026	60,752
Thereafter	196,318

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 12,110,533	\$ 11,281,728	\$ 10,489,804
--	---------------	---------------	---------------

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Current Rate 9.02 to 4.5%	1% Increase 10.02 to 5.5%
-----------------------------------	--------------------------------	---------------------------------	---------------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 10,051,377	\$ 11,281,728	\$ 12,729,866
--	---------------	---------------	---------------

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

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

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	159
Inactive Employees Entitled to But Not Yet Receiving Benefits	84
Active Employees Eligible for Benefits	796
 Total	 <u><u>1,039</u></u>

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA Sections 8-27-201, 8-27-301 and 8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2021, the school department paid \$88,356 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Hawkins County School Department 47.1111%	State of TN 52.8889%	Total OPEB Liability
Balance July 1, 2019	\$ 3,610,434	\$ 2,267,301	\$ 5,877,735
Changes for the Year:			
Service Cost	\$ 75,078	\$ 84,285	\$ 159,363
Interest	98,314	110,372	208,686
Change of Benefit Terms	(729,888)	(819,402)	(1,549,290)
Difference between Expected and Actuarial Experience	(99,412)	(111,605)	(211,017)
Changes in Proportion	(841,368)	841,368	0
Changes in Assumption and Other Inputs	387,889	435,460	823,349
Benefit Payments	(87,097)	(97,778)	(184,875)
Net Changes	<u>\$ (1,196,484)</u>	<u>\$ 442,700</u>	<u>\$ (753,784)</u>
Balance June 30, 2020	<u>\$ 2,413,950</u>	<u>\$ 2,710,001</u>	<u>\$ 5,123,951</u>

Changes in benefit terms are due to the clarification of eligibility rules. To receive the benefit, the employee must be age 65 at retirement. The age 65 requirement was not previously valued.

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized negative operating grants and contribution revenues (\$532,728) for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Hawkins County School Department's proportionate share of the collective OPEB liability for the TNM plan was 47.1111 percent and the State of Tennessee's share was 52.8889 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized negative OPEB expense of (\$1,185,371), which includes expenses funded by nonemployer contributing entities.

At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 245,922	\$ 348,162
Changes of Assumptions/Inputs	380,460	167,339
Changes in Proportion	253,124	899,783
Benefits Paid After the Measurement Date of June 30, 2020	88,356	0
Total	<u>\$ 967,862</u>	<u>\$ 1,415,284</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2022	\$ (96,147)
2023	(96,147)
2024	(96,147)
2025	(96,147)
2026	(96,147)
Thereafter	(55,043)

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,785,113	\$ 2,413,950	\$ 2,111,491
--	--------------	--------------	--------------

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

I. Termination Benefits and Retirement Honorarium

The discretely presented school department offers a voluntary termination benefits plan to its employees. To be eligible, employees must have 30 years of credible service in the Tennessee Consolidated Retirement System and no less than ten years of service with the Hawkins County School System. Under the plan, employees who accept the benefit shall receive an annual amount equal to ten percent of their total compensation based on the highest annual salary of their last three years of employment. Benefits shall begin in July following retirement and continue until they reach the age of 62, or for a maximum of seven years, whichever is less. In the event an employee dies during the term of the agreement, the designated beneficiary shall continue to receive the payments for the remainder of the fiscal year of the employee's death. During the year, 15 retirees participated in the program. The estimated cost of the cash payments reported in the government-wide Statement of Net Position is \$299,829. The school department determined this liability by calculating the total cash payments due over the next six years. Of that amount, \$107,192 is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers a retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service with the Hawkins County School Department. Under the terms of the plan, employees receive \$100 for each year of service with Hawkins County up to a maximum of 20 years. As of June 30, 2021, 312 employees met the requirement of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$578,210, of which \$33,350 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$50,111 in the General Purpose School Fund.

J. Purchasing Law

Purchasing procedures for all departments of Hawkins County, including the discretely presented Hawkins County School Department, are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases and for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$ 1,292,383	\$ 1,388,131	\$ 1,370,544	\$ 1,372,583	\$ 1,373,076	\$ 1,333,026	\$ 1,281,085
Interest	3,618,616	3,735,883	3,893,700	4,077,560	4,195,156	4,317,167	4,485,475
Differences Between Actual and Expected Experience	(879,835)	(328,471)	15,277	(381,698)	(750,034)	(69,712)	(87,207)
Changes in Assumptions	0	0	0	1,369,345	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)
Net Change in Total Pension Liability	\$ 1,478,695	\$ 2,221,311	\$ 2,506,308	\$ 3,550,803	\$ 1,822,138	\$ 2,386,075	\$ 2,459,641
Total Pension Liability, Beginning	48,232,057	49,710,752	51,932,063	54,438,371	57,989,174	59,811,312	62,197,387
Total Pension Liability, Ending (a)	\$ 49,710,752	\$ 51,932,063	\$ 54,438,371	\$ 57,989,174	\$ 59,811,312	\$ 62,197,387	\$ 64,657,028
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 1,073,390
Contributions - Employee	766,561	783,114	775,293	819,476	763,520	760,623	767,560
Net Investment Income	7,260,957	1,554,198	1,364,232	5,914,668	4,750,506	4,534,860	3,181,045
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)
Administrative Expense	(28,022)	(37,272)	(51,442)	(53,513)	(57,156)	(49,779)	(48,348)
Other	0	0	0	0	5	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,850,743	\$ 1,081,960	\$ 660,775	\$ 5,136,643	\$ 3,778,974	\$ 3,350,669	\$ 1,753,935
Plan Fiduciary Net Position, Beginning	43,986,594	50,837,337	51,919,297	52,580,072	57,716,715	61,495,689	64,846,358
Plan Fiduciary Net Position, Ending (b)	\$ 50,837,337	\$ 51,919,297	\$ 52,580,072	\$ 57,716,715	\$ 61,495,689	\$ 64,846,358	\$ 66,600,293
Net Pension Liability (Asset), Ending (a - b)	\$ (1,126,585)	\$ 12,766	\$ 1,858,299	\$ 272,459	\$ (1,684,377)	\$ (2,648,971)	\$ (1,943,265)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.27%	99.98%	96.59%	99.53%	102.82%	104.26%	103.01%
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.38)%	0.08%	11.98%	1.76%	(11.09)%	(17.7)%	(12.78)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Hawkins County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Hawkins County Board of Education Hybrid Retirement Plan of TCRS
Discretely Presented Hawkins County School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020
Total Pension Liability					
Service Cost	\$ 26,012	\$ 51,610	\$ 79,994	\$ 112,311	\$ 162,090
Interest	1,951	5,558	11,749	21,947	37,157
Differences Between Actual and Expected Experience	(5,469)	1,681	21,709	33,978	(2,675)
Changes in Assumptions	0	3,074	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)
Net Change in Total Pension Liability	\$ 22,494	\$ 61,923	\$ 108,734	\$ 162,751	\$ 185,616
Total Pension Liability, Beginning	0	22,494	84,417	193,151	355,902
Total Pension Liability, Ending (a)	\$ 22,494	\$ 84,417	\$ 193,151	\$ 355,902	\$ 541,518
Plan Fiduciary Net Position					
Contributions - Employer	\$ 11,561	\$ 37,107	\$ 58,503	\$ 44,592	\$ 59,341
Contributions - Employee	14,451	46,384	73,130	114,682	117,063
Net Investment Income	327	7,092	13,745	22,961	23,695
Benefit Payments, Including Refunds of Employee Contributions	0	0	(4,718)	(5,485)	(10,956)
Administrative Expense	(2,563)	(7,069)	(10,331)	(12,262)	(14,218)
Net Change in Plan Fiduciary Net Position	\$ 23,776	\$ 83,514	\$ 130,329	\$ 164,488	\$ 174,925
Plan Fiduciary Net Position, Beginning	0	23,776	107,290	237,619	402,107
Plan Fiduciary Net Position, Ending (b)	\$ 23,776	\$ 107,290	\$ 237,619	\$ 402,107	\$ 577,032
Net Pension Liability (Asset), Ending (a - b)	\$ (1,282)	\$ (22,873)	\$ (44,468)	\$ (46,205)	\$ (35,514)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.70%	127.10%	123.02%	112.98%	106.56%
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.44)%	(2.47)%	(3.04)%	(2.23)%	(1.45)%

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

Exhibit E-3

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

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 870,980	\$ 888,180
Less Contributions in Relation to the Actuarially Determined Contribution	(1,403,716)	(1,356,152)	(1,345,905)	(1,342,999)	(1,318,159)	(1,299,371)	(1,073,390)	(1,094,588)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (202,410)	\$ (206,408)
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971
Contributions as a Percentage of Covered Payroll	9.19%	8.68%	8.68%	8.68%	8.68%	8.68%	7.06%	7.00%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-4

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

	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 5,780	\$ 10,483	\$ 22,886	\$ 44,592	\$ 59,341	\$ 76,722
Less Contributions in Relation to the Actuarially Determined Contribution	(11,561)	(37,107)	(58,503)	(44,592)	(59,341)	(76,722)
Contribution Deficiency (Excess)	\$ (5,781)	\$ (26,624)	\$ (35,617)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,523
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	2.15%	2.42%	2.52%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
 2019: Pension - 2.15%, SRT - 1.85%
 2020: Pension - 2.42%, SRT - 1.58%
 2021: Pension - 2.52%, SRT - 1.48%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 29,900	\$ 73,046	\$ 119,156	\$ 162,926	\$ 98,179	\$ 128,842	\$ 145,327
Less Contributions in Relation to the Contractually Required Contribution	(29,900)	(73,046)	(119,156)	(162,926)	(98,179)	(128,842)	(145,327)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
 2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 2,500,355	\$ 2,467,027	\$ 2,360,756	\$ 2,309,662	\$ 2,259,837	\$ 2,510,225	\$ 2,468,721	\$ 2,416,019
Less Contributions in Relation to the Contractually Required Contribution	(2,500,355)	(2,467,027)	(2,360,756)	(2,309,662)	(2,259,837)	(2,510,225)	(2,468,721)	(2,416,019)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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

Exhibit E-7

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

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.359770%	0.415032%	0.453865%	0.466100%	0.478240%	0.502955%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,473)	\$ (43,206)	\$ (119,745)	\$ (211,389)	\$ (269,960)	\$ (286,001)
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841
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)%
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%

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

Exhibit E-8

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

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.717381%	0.729000%	0.723435%	0.722764%	0.710748%	0.715696%	0.697785%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (116,571)	\$ 298,623	\$ 4,521,070	\$ (236,476)	\$ (2,501,062)	\$ (7,358,648)	\$ (5,321,127)
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

Exhibit E-9

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

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 308,392	\$ 332,149	\$ 322,023	\$ 407,240
Interest	176,978	175,628	197,572	149,915
Differences Between Actual and Expected Experience	(564,540)	642,483	1,007,506	(343,147)
Benefit Payments	(29,211)	(25,485)	(35,289)	(48,223)
Implicit Rate Subsidy	(205,319)	(205,319)	(356,475)	(356,475)
Net Change in Total OPEB Liability	\$ (313,700)	\$ 919,456	\$ 1,135,337	\$ (190,690)
Total OPEB Liability, Beginning	4,635,140	4,321,440	5,240,896	6,376,233
Total OPEB Liability, Ending	<u>\$ 4,321,440</u>	<u>\$ 5,240,896</u>	<u>\$ 6,376,233</u>	<u>\$ 6,185,543</u>
Covered Employee Payroll	\$ 8,285,453	\$ 8,307,211	\$ 8,736,986	\$ 9,350,409
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	63.09%	72.98%	66.15%

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

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

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%

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

Exhibit E-10

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

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 34,860	\$ 9,741	\$ 9,936	\$ 11,217
Interest	17,234	28,318	26,255	17,949
Differences Between Actual and Expected Experience	(425)	182,442	87,185	(74,201)
Benefit Payments	(27,868)	(23,782)	(22,153)	(21,423)
Net Change in Total OPEB Liability	\$ 23,801	\$ 196,719	\$ 101,223	\$ (66,458)
Total OPEB Liability, Beginning	544,124	567,925	764,644	865,867
Total OPEB Liability, Ending	\$ 567,925	\$ 764,644	\$ 865,867	\$ 799,409
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220	\$ 38,051,162
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.56%	2.09%	2.34%	2.10%

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

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

2017	3.00%
2018	3.05%
2019	3.50%
2020	2.21%
2021	2.16%

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

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 877,677	\$ 819,891	\$ 810,255	\$ 695,021
Interest	458,702	547,363	555,735	524,560
Changes in Benefit Terms	0	(2,633,339)	478,173	0
Differences Between Actual and Expected Experience	0	1,858,982	(179,264)	(1,238,721)
Changes in Assumptions or Other Inputs	(655,917)	325,543	(1,119,990)	1,556,697
Benefit Payments	(921,688)	(990,826)	(881,777)	(790,674)
Net Change in Total OPEB Liability	\$ (241,226)	\$ (72,386)	\$ (336,868)	\$ 746,883
Total OPEB Liability, Beginning	15,292,122	15,050,896	14,978,510	14,641,642
Total OPEB Liability, Ending	\$ 15,050,896	\$ 14,978,510	\$ 14,641,642	\$ 15,388,525
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,329,661	\$ 3,439,755	\$ 3,599,136	\$ 4,106,797
Employer Proportionate Share of the Total OPEB Liability	10,721,235	11,538,755	11,042,506	11,281,728
Covered Employee Payroll	\$ 36,367,068	\$ 36,590,600	\$ 37,076,220	\$ 38,051,162
Net OPEB Liability as a Percentage of Covered Employee Payroll	29.48%	31.53%	29.78%	29.65%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

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

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%

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

Exhibit E-12

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 208,059	\$ 171,994	\$ 113,256	\$ 159,363
Interest	187,101	214,221	180,560	208,686
Changes in Benefit Terms	0	(267,040)	0	(1,549,290)
Differences Between Actual and Expected Experience	0	(873,709)	685,387	(211,017)
Changes in Assumptions or Other Inputs	(580,688)	(42,554)	112,759	823,349
Benefit Payments	(164,100)	(173,016)	(176,067)	(184,875)
Net Change in Total OPEB Liability	\$ (349,628)	\$ (970,104)	\$ 915,895	\$ (753,784)
Total OPEB Liability, Beginning	6,281,572	5,931,944	4,961,840	5,877,735
Total OPEB Liability, Ending	\$ 5,931,944	\$ 4,961,840	\$ 5,877,735	\$ 5,123,951
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,421,004	\$ 2,186,805	\$ 2,267,301	\$ 2,710,001
Employer Proportionate Share of the Total OPEB Liability	3,510,940	2,775,035	3,610,434	2,413,950
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

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

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

HAWKINS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, 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	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: (1) decreased inflation rate from 3 percent to 2.5 percent; (2) decreased the investment rate of return from 7.5 percent to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; (4) decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and (5) modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

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

Other Capital Projects Fund – The Other Capital Projects Fund was used during the year to account for expenditures related to a waterline improvement project.

Exhibit F-1

Hawkins County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 45,731	\$ 45,731	\$ 0
Equity in Pooled Cash and Investments	2,428,654	188,411	0	2,617,065	2,219,946
Accounts Receivable	56,865	0	92,558	149,423	1,135
Due from Other Governments	319,411	0	0	319,411	0
Property Taxes Receivable	0	0	0	0	584,160
Allowance for Uncollectible Property Taxes	0	0	0	0	(17,647)
Total Assets	<u>\$ 2,804,930</u>	<u>\$ 188,411</u>	<u>\$ 138,289</u>	<u>\$ 3,131,630</u>	<u>\$ 2,787,594</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 79,852	\$ 378	\$ 0	\$ 80,230	\$ 0
Payroll Deductions Payable	4,150	0	0	4,150	0
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	1,195	2,350	138,289	141,834	0
Due to Component Units	0	0	0	0	0
Due to State of Tennessee	104	0	0	104	0
Other Current Liabilities	1	0	0	1	0
Total Liabilities	<u>\$ 85,302</u>	<u>\$ 2,728</u>	<u>\$ 138,289</u>	<u>\$ 226,319</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 551,831

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,442
Other Deferred/Unavailable Revenue	167,763	0	0	167,763	0
Total Deferred Inflows of Resources	<u>\$ 167,763</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 167,763</u>	<u>\$ 565,273</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 185,683	\$ 0	\$ 185,683	\$ 0
Restricted for Debt Service	0	0	0	0	1,761,748
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	2,551,865	0	0	2,551,865	0
Committed for Debt Service	0	0	0	0	460,573
Total Fund Balances	<u>\$ 2,551,865</u>	<u>\$ 185,683</u>	<u>\$ 0</u>	<u>\$ 2,737,548</u>	<u>\$ 2,222,321</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,804,930</u>	<u>\$ 188,411</u>	<u>\$ 138,289</u>	<u>\$ 3,131,630</u>	<u>\$ 2,787,594</u>

(Continued)

Exhibit F-1

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,731
Equity in Pooled Cash and Investments	708,448	2,928,394	1,159,710	69	1,159,779	6,705,238
Accounts Receivable	0	1,135	0	0	0	150,558
Due from Other Governments	0	0	245,800	0	245,800	565,211
Property Taxes Receivable	0	584,160	585,470	0	585,470	1,169,630
Allowance for Uncollectible Property Taxes	0	(17,647)	(17,667)	0	(17,667)	(35,314)
Total Assets	\$ 708,448	\$ 3,496,042	\$ 1,973,313	\$ 69	\$ 1,973,382	\$ 8,601,054
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,230
Payroll Deductions Payable	0	0	0	0	0	4,150
Contracts Payable	0	0	14,502	0	14,502	14,502
Retainage Payable	0	0	15,395	0	15,395	15,395
Due to Other Funds	0	0	0	69	69	141,903
Due to Component Units	0	0	191,970	0	191,970	191,970
Due to State of Tennessee	0	0	0	0	0	104
Other Current Liabilities	0	0	0	0	0	1
Total Liabilities	\$ 0	\$ 0	\$ 221,867	\$ 69	\$ 221,936	\$ 448,255
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 551,831	\$ 553,121	\$ 0	\$ 553,121	\$ 1,104,952

(Continued)

Exhibit F-1

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 0	\$ 13,442	\$ 13,442	\$ 0	\$ 13,442	\$ 26,884
Other Deferred/Unavailable Revenue	0	0	0	0	0	167,763
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 565,273</u>	<u>\$ 566,563</u>	<u>\$ 0</u>	<u>\$ 566,563</u>	<u>\$ 1,299,599</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 185,683
Restricted for Debt Service	708,448	2,470,196	0	0	0	2,470,196
Restricted for Capital Projects	0	0	1,184,883	0	1,184,883	1,184,883
Committed:						
Committed for Public Health and Welfare	0	0	0	0	0	2,551,865
Committed for Debt Service	0	460,573	0	0	0	460,573
Total Fund Balances	<u>\$ 708,448</u>	<u>\$ 2,930,769</u>	<u>\$ 1,184,883</u>	<u>\$ 0</u>	<u>\$ 1,184,883</u>	<u>\$ 6,853,200</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 708,448</u>	<u>\$ 3,496,042</u>	<u>\$ 1,973,313</u>	<u>\$ 69</u>	<u>\$ 1,973,382</u>	<u>\$ 8,601,054</u>

Exhibit F-2

Hawkins County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 1,972,912	\$ 0	\$ 0	\$ 1,972,912	\$ 661,325
Licenses and Permits	187,971	0	0	187,971	0
Fines, Forfeitures, and Penalties	0	37,287	0	37,287	0
Charges for Current Services	900	0	21,232	22,132	0
Other Local Revenues	415,568	0	0	415,568	18,002
State of Tennessee	191,089	0	0	191,089	0
Federal Government	0	48,511	0	48,511	0
Total Revenues	<u>\$ 2,768,440</u>	<u>\$ 85,798</u>	<u>\$ 21,232</u>	<u>\$ 2,875,470</u>	<u>\$ 679,327</u>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 20,946	\$ 20,946	\$ 0
Public Safety	0	66,791	286	67,077	0
Public Health and Welfare	2,011,590	0	0	2,011,590	0
Debt Service:					
Principal on Debt	0	0	0	0	710,430
Interest on Debt	0	0	0	0	370,371
Other Debt Service	0	0	0	0	167,445
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 2,011,590</u>	<u>\$ 66,791</u>	<u>\$ 21,232</u>	<u>\$ 2,099,613</u>	<u>\$ 1,248,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 756,850</u>	<u>\$ 19,007</u>	<u>\$ 0</u>	<u>\$ 775,857</u>	<u>\$ (568,919)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,440,000
Premiums on Debt Sold	0	0	0	0	684,494
Other Loans Issued	0	0	0	0	0
Payments to Refunded Debt Escrow Agent	0	0	0	0	(8,970,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154,494</u>
Net Change in Fund Balances	\$ 756,850	\$ 19,007	\$ 0	\$ 775,857	\$ (414,425)
Fund Balance, July 1, 2020	1,795,015	166,676	0	1,961,691	2,636,746
Fund Balance, June 30, 2021	<u>\$ 2,551,865</u>	<u>\$ 185,683</u>	<u>\$ 0</u>	<u>\$ 2,737,548</u>	<u>\$ 2,222,321</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 351,432	\$ 1,012,757	\$ 577,437	\$ 0	\$ 577,437	\$ 3,563,106
Licenses and Permits	0	0	0	0	0	187,971
Fines, Forfeitures, and Penalties	0	0	0	0	0	37,287
Charges for Current Services	0	0	0	0	0	22,132
Other Local Revenues	0	18,002	0	0	0	433,570
State of Tennessee	0	0	100,000	499,931	599,931	791,020
Federal Government	0	0	63,230	0	63,230	111,741
Total Revenues	<u>\$ 351,432</u>	<u>\$ 1,030,759</u>	<u>\$ 740,667</u>	<u>\$ 499,931</u>	<u>\$ 1,240,598</u>	<u>\$ 5,146,827</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,946
Public Safety	0	0	0	0	0	67,077
Public Health and Welfare	0	0	0	0	0	2,011,590
Debt Service:						
Principal on Debt	356,784	1,067,214	0	0	0	1,067,214
Interest on Debt	99,894	470,265	0	0	0	470,265
Other Debt Service	3,627	171,072	0	0	0	171,072
Capital Projects	0	0	2,991,165	499,931	3,491,096	3,491,096
Total Expenditures	<u>\$ 460,305</u>	<u>\$ 1,708,551</u>	<u>\$ 2,991,165</u>	<u>\$ 499,931</u>	<u>\$ 3,491,096</u>	<u>\$ 7,299,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (108,873)</u>	<u>\$ (677,792)</u>	<u>\$ (2,250,498)</u>	<u>\$ 0</u>	<u>\$ (2,250,498)</u>	<u>\$ (2,152,433)</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 8,440,000	\$ 0	\$ 0	\$ 0	\$ 8,440,000
Premiums on Debt Sold	0	684,494	0	0	0	684,494
Other Loans Issued	0	0	2,635,071	0	2,635,071	2,635,071
Payments to Refunded Debt Escrow Agent	0	(8,970,000)	0	0	0	(8,970,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 154,494</u>	<u>\$ 2,635,071</u>	<u>\$ 0</u>	<u>\$ 2,635,071</u>	<u>\$ 2,789,565</u>
Net Change in Fund Balances	\$ (108,873)	\$ (523,298)	\$ 384,573	\$ 0	\$ 384,573	\$ 637,132
Fund Balance, July 1, 2020	817,321	3,454,067	800,310	0	800,310	6,216,068
Fund Balance, June 30, 2021	<u>\$ 708,448</u>	<u>\$ 2,930,769</u>	<u>\$ 1,184,883</u>	<u>\$ 0</u>	<u>\$ 1,184,883</u>	<u>\$ 6,853,200</u>

Exhibit F-3

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,972,912	\$ 0	\$ 0	\$ 1,972,912	\$ 1,230,000	\$ 1,230,000	\$ 742,912
Licenses and Permits	187,971	0	0	187,971	130,000	130,000	57,971
Charges for Current Services	900	0	0	900	1,500	1,500	(600)
Other Local Revenues	415,568	0	0	415,568	291,000	309,012	106,556
State of Tennessee	191,089	0	0	191,089	137,000	159,043	32,046
Total Revenues	\$ 2,768,440	\$ 0	\$ 0	\$ 2,768,440	\$ 1,789,500	\$ 1,829,555	\$ 938,885
<u>Expenditures</u>							
<u>General Government</u>							
Other Boards and Committees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,185	\$ 6,185	\$ 6,185
<u>Public Health and Welfare</u>							
Sanitation Management	80,611	0	0	80,611	76,979	85,126	4,515
Waste Pickup	656,851	0	0	656,851	668,952	690,050	33,199
Convenience Centers	400,553	(12,240)	5,148	393,461	464,561	477,501	84,040
Recycling Center	120,503	0	0	120,503	215,737	219,107	98,604
Landfill Operation and Maintenance	721,968	0	0	721,968	722,747	722,747	779
Other Waste Disposal	31,104	0	0	31,104	40,000	40,000	8,896
<u>Interest on Debt</u>							
General Government	0	0	0	0	1,000	1,000	1,000
Total Expenditures	\$ 2,011,590	\$ (12,240)	\$ 5,148	\$ 2,004,498	\$ 2,196,161	\$ 2,241,716	\$ 237,218
Excess (Deficiency) of Revenues Over Expenditures	\$ 756,850	\$ 12,240	\$ (5,148)	\$ 763,942	\$ (406,661)	\$ (412,161)	\$ 1,176,103
Net Change in Fund Balance	\$ 756,850	\$ 12,240	\$ (5,148)	\$ 763,942	\$ (406,661)	\$ (412,161)	\$ 1,176,103
Fund Balance, July 1, 2020	1,795,015	(12,240)	0	1,782,775	1,939,511	1,939,511	(156,736)
Fund Balance, June 30, 2021	\$ 2,551,865	\$ 0	\$ (5,148)	\$ 2,546,717	\$ 1,532,850	\$ 1,527,350	\$ 1,019,367

Exhibit F-4

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 37,287	\$ 35,700	\$ 35,700	\$ 1,587
Federal Government	48,511	20,000	20,000	28,511
Total Revenues	<u>\$ 85,798</u>	<u>\$ 55,700</u>	<u>\$ 55,700</u>	<u>\$ 30,098</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 66,791	\$ 142,100	\$ 142,100	\$ 75,309
Total Expenditures	<u>\$ 66,791</u>	<u>\$ 142,100</u>	<u>\$ 142,100</u>	<u>\$ 75,309</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,007</u>	<u>\$ (86,400)</u>	<u>\$ (86,400)</u>	<u>\$ 105,407</u>
Net Change in Fund Balance	\$ 19,007	\$ (86,400)	\$ (86,400)	\$ 105,407
Fund Balance, July 1, 2020	<u>166,676</u>	<u>171,578</u>	<u>171,578</u>	<u>(4,902)</u>
Fund Balance, June 30, 2021	<u><u>\$ 185,683</u></u>	<u><u>\$ 85,178</u></u>	<u><u>\$ 85,178</u></u>	<u><u>\$ 100,505</u></u>

Exhibit F-5

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 661,325	\$ 647,594	\$ 647,594	\$ 13,731
Other Local Revenues	18,002	68,000	68,000	(49,998)
Total Revenues	<u>\$ 679,327</u>	<u>\$ 715,594</u>	<u>\$ 715,594</u>	<u>\$ (36,267)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 710,430	\$ 710,430	\$ 710,430	\$ 0
<u>Interest on Debt</u>				
General Government	370,371	370,372	370,372	1
<u>Other Debt Service</u>				
General Government	167,445	22,200	176,695	9,250
Total Expenditures	<u>\$ 1,248,246</u>	<u>\$ 1,103,002</u>	<u>\$ 1,257,497</u>	<u>\$ 9,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (568,919)</u>	<u>\$ (387,408)</u>	<u>\$ (541,903)</u>	<u>\$ (27,016)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 8,440,000	0	\$ 8,440,000	\$ 0
Premiums on Debt Sold	684,494	0	684,495	(1)
Payments to Refunded Debt Escrow Agent	(8,970,000)	0	(8,970,000)	0
Total Other Financing Sources	<u>\$ 154,494</u>	<u>\$ 0</u>	<u>\$ 154,495</u>	<u>\$ (1)</u>
Net Change in Fund Balance	<u>\$ (414,425)</u>	<u>\$ (387,408)</u>	<u>\$ (387,408)</u>	<u>\$ (27,017)</u>
Fund Balance, July 1, 2020	2,636,746	2,635,784	2,635,784	962
Fund Balance, June 30, 2021	<u>\$ 2,222,321</u>	<u>\$ 2,248,376</u>	<u>\$ 2,248,376</u>	<u>\$ (26,055)</u>

Exhibit F-6

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 351,432	\$ 340,000	\$ 340,000	\$ 11,432
Total Revenues	\$ 351,432	\$ 340,000	\$ 340,000	\$ 11,432
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 356,784	\$ 356,785	\$ 356,785	\$ 1
<u>Interest on Debt</u>				
Highways and Streets	99,894	99,894	99,894	0
<u>Other Debt Service</u>				
Highways and Streets	3,627	5,600	5,600	1,973
Total Expenditures	\$ 460,305	\$ 462,279	\$ 462,279	\$ 1,974
Excess (Deficiency) of Revenues Over Expenditures	\$ (108,873)	\$ (122,279)	\$ (122,279)	\$ 13,406
Net Change in Fund Balance	\$ (108,873)	\$ (122,279)	\$ (122,279)	\$ 13,406
Fund Balance, July 1, 2020	817,321	817,322	817,322	(1)
Fund Balance, June 30, 2021	\$ 708,448	\$ 695,043	\$ 695,043	\$ 13,405

Exhibit F-7

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 577,437	\$ 0	\$ 0	\$ 577,437	\$ 529,094	\$ 529,094	\$ 48,343
State of Tennessee	100,000	0	0	100,000	186,123	100,000	0
Federal Government	63,230	0	0	63,230	0	250,000	(186,770)
Total Revenues	<u>\$ 740,667</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 740,667</u>	<u>\$ 715,217</u>	<u>\$ 879,094</u>	<u>\$ (138,427)</u>
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 217,232	\$ (217,232)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety Projects	127,634	(116,751)	309,500	320,383	100,000	548,500	228,117
Other General Government Projects	11,228	0	0	11,228	12,500	12,500	1,272
Education Capital Projects	2,635,071	0	0	2,635,071	0	4,966,890	2,331,819
Total Expenditures	<u>\$ 2,991,165</u>	<u>\$ (333,983)</u>	<u>\$ 309,500</u>	<u>\$ 2,966,682</u>	<u>\$ 112,500</u>	<u>\$ 5,527,890</u>	<u>\$ 2,561,208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,250,498)</u>	<u>\$ 333,983</u>	<u>\$ (309,500)</u>	<u>\$ (2,226,015)</u>	<u>\$ 602,717</u>	<u>\$ (4,648,796)</u>	<u>\$ 2,422,781</u>
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 2,635,071	\$ 0	\$ 0	\$ 2,635,071	\$ 0	\$ 4,966,890	\$ (2,331,819)
Total Other Financing Sources	<u>\$ 2,635,071</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,635,071</u>	<u>\$ 0</u>	<u>\$ 4,966,890</u>	<u>\$ (2,331,819)</u>
Net Change in Fund Balance	\$ 384,573	\$ 333,983	\$ (309,500)	\$ 409,056	\$ 602,717	\$ 318,094	\$ 90,962
Fund Balance, July 1, 2020	800,310	(333,983)	0	466,327	466,333	466,333	(6)
Fund Balance, June 30, 2021	<u>\$ 1,184,883</u>	<u>\$ 0</u>	<u>\$ (309,500)</u>	<u>\$ 875,383</u>	<u>\$ 1,069,050</u>	<u>\$ 784,427</u>	<u>\$ 90,956</u>

Exhibit F-8

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 499,931	\$ 0	\$ 500,000	\$ (69)
Total Revenues	\$ 499,931	\$ 0	\$ 500,000	\$ (69)
<u>Expenditures</u>				
<u>Capital Projects</u>				
Public Utility Projects	\$ 499,931	\$ 0	\$ 500,000	\$ 69
Total Expenditures	\$ 499,931	\$ 0	\$ 500,000	\$ 69
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2020	0	0	0	0
Fund Balance, June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 0

Major Governmental Fund

Education Debt Service Fund

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

Exhibit G

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,707,060	\$ 3,525,359	\$ 3,525,359	\$ 181,701
Other Local Revenues	97,924	250,000	250,000	(152,076)
Other Governments and Citizens Groups	436,865	479,743	479,743	(42,878)
Total Revenues	<u>\$ 4,241,849</u>	<u>\$ 4,255,102</u>	<u>\$ 4,255,102</u>	<u>\$ (13,253)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,124,157	\$ 2,464,159	\$ 1,124,159	\$ 2
<u>Interest on Debt</u>				
Education	1,577,541	1,902,215	1,632,241	54,700
<u>Other Debt Service</u>				
Education	2,053,961	151,500	2,099,998	46,037
Total Expenditures	<u>\$ 4,755,659</u>	<u>\$ 4,517,874</u>	<u>\$ 4,856,398</u>	<u>\$ 100,739</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (513,810)</u>	<u>\$ (262,772)</u>	<u>\$ (601,296)</u>	<u>\$ 87,486</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 22,640,000	\$ 0	\$ 22,640,000	\$ 0
Premiums on Debt Sold	1,783,524	0	1,783,524	0
Transfers In	106,544	106,431	106,431	113
Payments to Refunded Debt Escrow Agent	(24,085,000)	0	(24,085,000)	0
Total Other Financing Sources	<u>\$ 445,068</u>	<u>\$ 106,431</u>	<u>\$ 444,955</u>	<u>\$ 113</u>
Net Change in Fund Balance	<u>\$ (68,742)</u>	<u>\$ (156,341)</u>	<u>\$ (156,341)</u>	<u>\$ 87,599</u>
Fund Balance, July 1, 2020	<u>9,303,371</u>	<u>9,297,650</u>	<u>9,297,650</u>	<u>5,721</u>
Fund Balance, June 30, 2021	<u><u>\$ 9,234,629</u></u>	<u><u>\$ 9,141,309</u></u>	<u><u>\$ 9,141,309</u></u>	<u><u>\$ 93,320</u></u>

Custodial Funds

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

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

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

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

Exhibit H-1

Hawkins County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

	Custodial Funds				Total
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu- tional Officers - Custodial	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,526,225	\$ 1,526,225
Equity in Pooled Cash and Investments	0	68,182	51,085	0	119,267
Accounts Receivable	0	55,929	0	2,281	58,210
Due from Other Governments	1,059,998	111,175	78,404	0	1,249,577
Property Taxes Receivable	0	687,841	454,510	0	1,142,351
Allowance for Uncollectible Property Taxes	0	(20,778)	(13,730)	0	(34,508)
Total Assets	\$ 1,059,998	\$ 902,349	\$ 570,269	\$ 1,528,506	\$ 4,061,122
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 76,061	\$ 0	\$ 76,061
Due to Other Taxing Units	1,059,998	236,746	54,393	0	1,351,137
Total Liabilities	\$ 1,059,998	\$ 236,746	\$ 130,454	\$ 0	\$ 1,427,198
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 665,603	\$ 439,815	\$ 0	\$ 1,105,418
Total Deferred Inflows of Resources	\$ 0	\$ 665,603	\$ 439,815	\$ 0	\$ 1,105,418
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 1,528,506	\$ 1,528,506
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 1,528,506	\$ 1,528,506

Exhibit H-2

Hawkins County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>				
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu- tional Officers - Custodial	Total
<u>Additions</u>					
Sales Tax Collections for Other Governments	\$ 5,919,908	\$ 0	\$ 0	\$ 0	\$ 5,919,908
ADA - Educational Funds Collected for Cities	0	1,272,602	959,998	0	2,232,600
Fines/Fees and Other Collections	0	0	0	8,292,145	8,292,145
Total Additions	\$ 5,919,908	\$ 1,272,602	\$ 959,998	\$ 8,292,145	\$ 16,444,653
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 5,919,908	\$ 0	\$ 0	\$ 0	\$ 5,919,908
Payments to City School Systems	0	1,272,602	959,998	0	2,232,600
Payments to State	0	0	0	6,067,076	6,067,076
Payments to Individuals and Others	0	0	0	1,790,866	1,790,866
Total Deductions	\$ 5,919,908	\$ 1,272,602	\$ 959,998	\$ 7,857,942	\$ 16,010,450
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 434,203	\$ 434,203
Net Position July 1, 2020	0	0	0	0	0
Restatement - See Note I.D.10	0	0	0	1,094,303	1,094,303
Net Position June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 1,528,506	\$ 1,528,506

Hawkins County School Department

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

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

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

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

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

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

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

Exhibit I-1

Hawkins County, Tennessee
Statement of Activities
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 41,826,166	\$ 0	\$ 5,629,468	\$ 4,141,016	\$ (32,055,682)
Support Services	23,919,333	87,727	1,024,575	0	(22,807,031)
Operation of Non-instructional Services	5,818,896	253,002	6,015,263	0	449,369
Total Governmental Activities	\$ 71,564,395	\$ 340,729	\$ 12,669,306	\$ 4,141,016	\$ (54,413,344)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,815,299
Property Taxes Levied for Transportation					3,305,158
Property Taxes Levied for Education Capital Projects					1,260,916
Local Option Sales Taxes					6,507,768
Wheel Tax					328,060
Other Local Tax					2,411
Grants and Contributions Not Restricted for Specific Programs					41,152,929
Unrestricted Investment Income					3,979
Miscellaneous					320,630
Gain on Investments					90,882
Gain on Sale of Assets					93,553
Total General Revenues					\$ 59,881,585
Change in Net Position					\$ 5,468,241
Net Position, July 1, 2020					51,811,092
Restatement - See Note I.D.10.					1,537,745
Net Position, June 30, 2021					\$ 58,817,078

Exhibit I-2

Hawkins County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hawkins County School Department
June 30, 2021

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>School Transportation</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,652,712	\$ 1,652,712
Equity in Pooled Cash and Investments	9,622,218	1,425,889	3,392,324	14,440,431
Accounts Receivable	132,069	725	26,612	159,406
Due from Other Governments	2,132,889	0	2,112,519	4,245,408
Due from Other Funds	24,500	10,624	84,134	119,258
Due from Primary Government	191,970	0	0	191,970
Property Taxes Receivable	6,959,431	3,371,227	1,285,676	11,616,334
Allowance for Uncollectible Property Taxes	(210,228)	(101,848)	(38,831)	(350,907)
Cash Shortage	64,800	0	0	64,800
Restricted Assets	559,244	0	0	559,244
Total Assets	\$ 19,476,893	\$ 4,706,617	\$ 8,515,146	\$ 32,698,656
<u>LIABILITIES</u>				
Accounts Payable	\$ 163,440	\$ 13,916	\$ 38,609	\$ 215,965
Accrued Payroll	42,702	754	0	43,456
Payroll Deductions Payable	0	0	92	92
Contracts Payable	191,970	0	1,366,741	1,558,711
Due to Other Funds	94,758	0	24,500	119,258
Due to Primary Government	39,668	0	0	39,668
Due to State of Tennessee	544	0	0	544
Other Current Liabilities	1,575,174	0	0	1,575,174
Total Liabilities	\$ 2,108,256	\$ 14,670	\$ 1,429,942	\$ 3,552,868

(Continued)

Exhibit I-2

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor- tation	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,574,308	\$ 3,184,637	\$ 1,214,546	\$ 10,973,491
Deferred Delinquent Property Taxes	160,123	77,585	29,571	267,279
Other Deferred/Unavailable Revenue	599,212	0	0	599,212
Total Deferred Inflows of Resources	<u>\$ 7,333,643</u>	<u>\$ 3,262,222</u>	<u>\$ 1,244,117</u>	<u>\$ 11,839,982</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 1,220,201	\$ 4,505,700	\$ 5,725,901
Restricted for Capital Projects	0	0	328,603	328,603
Restricted for Hybrid Retirement Stabilization Funds	559,244	0	0	559,244
Committed:				
Committed for Education	0	209,524	1,000,000	1,209,524
Committed for Capital Projects	0	0	6,784	6,784
Assigned:				
Assigned for Education	6,177,791	0	0	6,177,791
Assigned for Capital Projects	2,480,762	0	0	2,480,762
Unassigned	817,197	0	0	817,197
Total Fund Balances	<u>\$ 10,034,994</u>	<u>\$ 1,429,725</u>	<u>\$ 5,841,087</u>	<u>\$ 17,305,806</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,476,893</u>	<u>\$ 4,706,617</u>	<u>\$ 8,515,146</u>	<u>\$ 32,698,656</u>

Exhibit I-3

Hawkins County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Hawkins County School Department
June 30, 2021

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)		\$	17,305,806
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,570,973	
Add: construction in progress		4,119,589	
Add: building and improvements net of accumulated depreciation		39,688,866	
Add: other capital assets net of accumulated depreciation		<u>2,999,483</u>	48,378,911
(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	\$	(2,071,241)	
Less: termination benefits payable		(299,829)	
Less: retirement honorarium payable		(578,210)	
Less: other postemployment benefits liability		<u>(14,495,087)</u>	(17,444,367)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			866,491
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	5,376,262	
Less: deferred inflows of resources related to pensions		(2,838,191)	
Add: deferred outflows of resources related to OPEB		4,444,178	
Less: deferred inflows of resources related to OPEB		<u>(3,729,659)</u>	3,252,590
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan - legacy	\$	815,005	
Add: net pension asset - agent plan - hybrid		35,514	
Add: net pension asset - teacher retirement plan		286,001	
Add: net pension asset - teacher legacy pension plan		<u>5,321,127</u>	<u>6,457,647</u>
Net position of governmental activities (Exhibit A)		\$	<u>58,817,078</u>

Exhibit I-4

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

	Major Funds		Nonmajor	Total
	General Purpose School	School Transportation	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 13,519,934	\$ 3,467,782	\$ 1,274,655	\$ 18,262,371
Licenses and Permits	3,774	0	0	3,774
Charges for Current Services	79,304	10,818	204,129	294,251
Other Local Revenues	644,017	0	1,864,561	2,508,578
State of Tennessee	41,358,263	0	33,358	41,391,621
Federal Government	945,871	0	10,926,692	11,872,563
Other Governments and Citizens Groups	2,635,071	0	0	2,635,071
Total Revenues	\$ 59,186,234	\$ 3,478,600	\$ 14,303,395	\$ 76,968,229
<u>Expenditures</u>				
Current:				
Instruction	\$ 35,234,201	\$ 0	\$ 4,663,840	\$ 39,898,041
Support Services	20,067,555	3,236,402	1,484,815	24,788,772
Operation of Non-Instructional Services	544,586	0	5,340,059	5,884,645
Capital Outlay	4,135,899	0	1,366,741	5,502,640
Debt Service:				
Other Debt Service	436,865	0	0	436,865
Capital Projects	0	0	1,767,903	1,767,903
Total Expenditures	\$ 60,419,106	\$ 3,236,402	\$ 14,623,358	\$ 78,278,866
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,232,872)	\$ 242,198	\$ (319,963)	\$ (1,310,637)

(Continued)

Exhibit I-4

Hawkins County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hawkins County School Department (Cont.)

	Major Funds		Nonmajor	Total
	General Purpose School	School Transportation	Other Governmental Funds	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,516	\$ 93,620	\$ 0	\$ 96,136
Transfers In	24,500	0	502,189	526,689
Transfers Out	(502,189)	0	(24,500)	(526,689)
Total Other Financing Sources (Uses)	\$ (475,173)	\$ 93,620	\$ 477,689	\$ 96,136
Net Change in Fund Balances	\$ (1,708,045)	\$ 335,818	\$ 157,726	\$ (1,214,501)
Restatement - See Note I.D.10	0	0	1,537,745	1,537,745
Fund Balance, July 1, 2020	11,743,039	1,093,907	4,145,616	16,982,562
Fund Balance, June 30, 2021	\$ 10,034,994	\$ 1,429,725	\$ 5,841,087	\$ 17,305,806

Exhibit I-5

Hawkins County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

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)		\$ (1,214,501)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 7,248,700	
Less: current-year depreciation expense	<u>(3,688,207)</u>	3,560,493
(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		(76,556)
(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, 2021	\$ 866,491	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(688,007)</u>	178,484
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 63,066	
Change in termination benefits payable	(61,356)	
Change in retirement honorarium payable	(786)	
Change in OPEB liability	1,023,720	
Change in net pension asset/liability	(2,358,078)	
Change in deferred outflows related to pensions	585,571	
Change in deferred inflows related to pensions	4,482,254	
Change in deferred outflows related to OPEB	783,571	
Change in deferred inflows related to OPEB	<u>(1,497,641)</u>	<u>3,020,321</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,468,241</u>

Exhibit I-6

Hawkins County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hawkins County School Department
June 30, 2021

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Internal</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>				<u>Capital</u>	<u>Governmental</u>
					<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 2,074	\$ 1,650,638	\$ 1,652,712	\$ 0	\$ 1,652,712
Equity in Pooled Cash and Investments	462,367	2,597,298	0	3,059,665	332,659	3,392,324
Accounts Receivable	0	25,117	1,495	26,612	0	26,612
Due from Other Governments	1,859,355	253,164	0	2,112,519	0	2,112,519
Due from Other Funds	81,945	2,189	0	84,134	0	84,134
Property Taxes Receivable	0	0	0	0	1,285,676	1,285,676
Allowance for Uncollectible Property Taxes	0	0	0	0	(38,831)	(38,831)
Total Assets	\$ 2,403,667	\$ 2,879,842	\$ 1,652,133	\$ 6,935,642	\$ 1,579,504	\$ 8,515,146
<u>LIABILITIES</u>						
Accounts Payable	\$ 12,426	\$ 595	\$ 25,588	\$ 38,609	\$ 0	\$ 38,609
Payroll Deductions Payable	0	92	0	92	0	92
Contracts Payable	1,366,741	0	0	1,366,741	0	1,366,741
Due to Other Funds	24,500	0	0	24,500	0	24,500
Total Liabilities	\$ 1,403,667	\$ 687	\$ 25,588	\$ 1,429,942	\$ 0	\$ 1,429,942
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,214,546	\$ 1,214,546
Deferred Delinquent Property Taxes	0	0	0	0	29,571	29,571
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,244,117	\$ 1,244,117

(Continued)

Exhibit I-6

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Internal</u>	<u>Total</u>	<u>Projects Fund</u>	
<u>FUND BALANCES</u>	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>				<u>Capital</u>	<u>Governmental</u>
					<u>Projects</u>	<u>Funds</u>
Restricted:						
Restricted for Education	\$ 0	\$ 2,879,155	\$ 1,626,545	\$ 4,505,700	\$ 0	\$ 4,505,700
Restricted for Capital Projects	0	0	0	0	328,603	328,603
Committed:						
Committed for Education	1,000,000	0	0	1,000,000	0	1,000,000
Committed for Capital Projects	0	0	0	0	6,784	6,784
Total Fund Balances	<u>\$ 1,000,000</u>	<u>\$ 2,879,155</u>	<u>\$ 1,626,545</u>	<u>\$ 5,505,700</u>	<u>\$ 335,387</u>	<u>\$ 5,841,087</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,403,667</u>	<u>\$ 2,879,842</u>	<u>\$ 1,652,133</u>	<u>\$ 6,935,642</u>	<u>\$ 1,579,504</u>	<u>\$ 8,515,146</u>

Exhibit I-7

Hawkins County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds				Capital	Total	
	School Federal Projects	Central Cafeteria	Internal School	Total	Projects Fund Education Capital Projects		Nonmajor Governmental Funds
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,274,655	\$ 1,274,655	
Charges for Current Services	0	204,129	0	204,129	0	204,129	
Other Local Revenues	0	4,125	1,860,436	1,864,561	0	1,864,561	
State of Tennessee	0	33,358	0	33,358	0	33,358	
Federal Government	7,555,412	3,371,280	0	10,926,692	0	10,926,692	
Total Revenues	\$ 7,555,412	\$ 3,612,892	\$ 1,860,436	\$ 13,028,740	\$ 1,274,655	\$ 14,303,395	
<u>Expenditures</u>							
Current:							
Instruction	\$ 4,663,840	\$ 0	\$ 0	\$ 4,663,840	\$ 0	\$ 4,663,840	
Support Services	1,484,815	0	0	1,484,815	0	1,484,815	
Operation of Non-Instructional Services	16,752	3,551,671	1,771,636	5,340,059	0	5,340,059	
Capital Outlay	1,366,741	0	0	1,366,741	0	1,366,741	
Capital Projects	0	0	0	0	1,767,903	1,767,903	
Total Expenditures	\$ 7,532,148	\$ 3,551,671	\$ 1,771,636	\$ 12,855,455	\$ 1,767,903	\$ 14,623,358	
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,264	\$ 61,221	\$ 88,800	\$ 173,285	\$ (493,248)	\$ (319,963)	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 500,000	\$ 2,189	\$ 0	\$ 502,189	\$ 0	\$ 502,189	
Transfers Out	(24,500)	0	0	(24,500)	0	(24,500)	
Total Other Financing Sources (Uses)	\$ 475,500	\$ 2,189	\$ 0	\$ 477,689	\$ 0	\$ 477,689	

(Continued)

Exhibit I-7

Hawkins County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hawkins County School Department (Cont.)

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	Total	Education Capital Projects	
Net Change in Fund Balances	\$ 498,764	\$ 63,410	\$ 88,800	\$ 650,974	\$ (493,248)	\$ 157,726
Restatement - See Note I.D.10	0	0	1,537,745	1,537,745	0	1,537,745
Fund Balance, July 1, 2020	501,236	2,815,745	0	3,316,981	828,635	4,145,616
Fund Balance, June 30, 2021	\$ 1,000,000	\$ 2,879,155	\$ 1,626,545	\$ 5,505,700	\$ 335,387	\$ 5,841,087

Exhibit I-8

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
General Purpose School Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,519,934	\$ 0	\$ 0	\$ 13,519,934	\$ 11,276,344	\$ 11,276,344	\$ 2,243,590
Licenses and Permits	3,774	0	0	3,774	4,000	4,000	(226)
Charges for Current Services	79,304	0	0	79,304	93,000	93,000	(13,696)
Other Local Revenues	644,017	0	0	644,017	423,713	576,293	67,724
State of Tennessee	41,358,263	0	0	41,358,263	40,230,648	41,890,293	(532,030)
Federal Government	945,871	0	0	945,871	130,000	704,623	241,248
Other Governments and Citizens Groups	2,635,071	0	0	2,635,071	0	4,966,890	(2,331,819)
Total Revenues	\$ 59,186,234	\$ 0	\$ 0	\$ 59,186,234	\$ 52,157,705	\$ 59,511,443	\$ (325,209)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 29,171,104	\$ (247)	\$ 0	\$ 29,170,857	\$ 29,387,999	\$ 30,495,192	\$ 1,324,335
Alternative Instruction Program	316,515	(499)	1,498	317,514	346,239	348,876	31,362
Special Education Program	4,154,869	0	0	4,154,869	4,482,844	4,506,949	352,080
Career and Technical Education Program	1,591,713	0	0	1,591,713	1,634,382	1,673,793	82,080
<u>Support Services</u>							
Attendance	278,257	(931)	1,156	278,482	294,025	301,382	22,900
Health Services	993,254	(11,179)	1,398	983,473	963,232	1,004,684	21,211
Other Student Support	2,977,310	0	16,792	2,994,102	2,928,259	3,028,313	34,211
Regular Instruction Program	1,491,718	0	6,876	1,498,594	1,522,084	1,574,324	75,730
Special Education Program	684,422	0	0	684,422	613,389	718,532	34,110
Career and Technical Education Program	97,922	0	0	97,922	100,773	101,855	3,933
Technology	894,856	(4,268)	104,111	994,699	1,006,129	1,059,026	64,327
Other Programs	322,869	0	0	322,869	0	322,869	0
Board of Education	1,578,430	(28,500)	28,500	1,578,430	1,614,264	1,640,577	62,147
Director of Schools	454,544	0	0	454,544	490,021	494,347	39,803
Office of the Principal	3,844,365	0	0	3,844,365	3,763,177	3,889,562	45,197
Fiscal Services	339,500	0	189	339,689	343,700	353,038	13,349
Human Services/Personnel	122,671	0	23,165	145,836	115,299	157,731	11,895

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,847,886	\$ 0	\$ 12,750	\$ 3,860,636	\$ 4,100,991	\$ 4,143,095	\$ 282,459
Maintenance of Plant	1,331,280	(1,200)	0	1,330,080	1,455,752	1,470,258	140,178
Transportation	115,330	0	0	115,330	42,662	156,973	41,643
COVID-19 Expenditures	692,941	0	0	692,941	0	692,941	0
<u>Operation of Non-Instructional Services</u>							
Food Service	74,585	0	0	74,585	0	104,834	30,249
Community Services	83,698	0	0	83,698	90,676	97,428	13,730
Early Childhood Education	386,303	(447)	9,695	395,551	392,002	397,619	2,068
<u>Capital Outlay</u>							
Regular Capital Outlay	4,135,899	(339,782)	2,480,762	6,276,879	300,000	6,290,009	13,130
<u>Other Debt Service</u>							
Education	436,865	0	0	436,865	479,743	479,743	42,878
Total Expenditures	\$ 60,419,106	\$ (387,053)	\$ 2,686,892	\$ 62,718,945	\$ 56,467,642	\$ 65,503,950	\$ 2,785,005
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (1,232,872)	\$ 387,053	\$ (2,686,892)	\$ (3,532,711)	\$ (4,309,937)	\$ (5,992,507)	\$ 2,459,796
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,516	\$ 0	\$ 0	\$ 2,516	\$ 0	\$ 2,516	\$ 0
Transfers In	24,500	0	0	24,500	0	0	24,500
Transfers Out	(502,189)	0	0	(502,189)	0	(502,189)	0
Total Other Financing Sources	\$ (475,173)	\$ 0	\$ 0	\$ (475,173)	\$ 0	\$ (499,673)	\$ 24,500
Net Change in Fund Balance							
	\$ (1,708,045)	\$ 387,053	\$ (2,686,892)	\$ (4,007,884)	\$ (4,309,937)	\$ (6,492,180)	\$ 2,484,296
Fund Balance, July 1, 2020	11,743,039	(387,053)	0	11,355,986	11,895,567	11,895,567	(539,581)
Fund Balance, June 30, 2021	\$ 10,034,994	\$ 0	\$ (2,686,892)	\$ 7,348,102	\$ 7,585,630	\$ 5,403,387	\$ 1,944,715

Exhibit I-9

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
School Federal Projects Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 7,555,412	\$ 0	\$ 7,555,412	\$ 4,667,548	\$ 16,185,788	\$ (8,630,376)
Total Revenues	\$ 7,555,412	\$ 0	\$ 7,555,412	\$ 4,667,548	\$ 16,185,788	\$ (8,630,376)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,199,852	\$ 44,762	\$ 3,244,614	\$ 1,351,081	\$ 5,575,174	\$ 2,330,560
Special Education Program	1,315,806	0	1,315,806	1,446,566	1,881,884	566,078
Career and Technical Education Program	148,182	1,299	149,481	106,248	167,480	17,999
<u>Support Services</u>						
Attendance	0	0	0	0	48,378	48,378
Health Services	102	0	102	0	48,570	48,468
Other Student Support	142,808	0	142,808	442,268	464,167	321,359
Regular Instruction Program	787,951	5,065	793,016	909,904	2,142,220	1,349,204
Special Education Program	337,476	0	337,476	350,381	698,882	361,406
Career and Technical Education Program	363	0	363	5,100	372	9
Technology	130,597	0	130,597	0	305,251	174,654
Office of the Principal	6,801	0	6,801	0	72,850	66,049
Operation of Plant	76,923	36,917	113,840	0	128,000	14,160
Maintenance of Plant	0	0	0	0	70,000	70,000
Transportation	1,794	0	1,794	6,000	222,433	220,639
<u>Operation of Non-Instructional Services</u>						
Food Service	0	0	0	0	73,290	73,290
Community Services	16,752	0	16,752	50,000	72,645	55,893
<u>Capital Outlay</u>						
Regular Capital Outlay	1,366,741	5,256,098	6,622,839	0	4,179,192	(2,443,647)
Total Expenditures	\$ 7,532,148	\$ 5,344,141	\$ 12,876,289	\$ 4,667,548	\$ 16,150,788	\$ 3,274,499

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,264	\$ (5,344,141)	\$ (5,320,877)	\$ 0	\$ 35,000	\$ (5,355,877)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 500,000	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Transfers Out	(24,500)	0	(24,500)	0	(35,000)	10,500
Total Other Financing Sources	\$ 475,500	\$ 0	\$ 475,500	\$ 0	\$ (35,000)	\$ 510,500
Net Change in Fund Balance	\$ 498,764	\$ (5,344,141)	\$ (4,845,377)	\$ 0	\$ 0	\$ (4,845,377)
Fund Balance, July 1, 2020	501,236	0	501,236	500,000	500,000	1,236
Fund Balance, June 30, 2021	\$ 1,000,000	\$ (5,344,141)	\$ (4,344,141)	\$ 500,000	\$ 500,000	\$ (4,844,141)

Exhibit I-10

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 204,129	\$ 0	\$ 204,129	\$ 985,000	\$ 985,000	\$ (780,871)
Other Local Revenues	4,125	0	4,125	5,500	5,500	(1,375)
State of Tennessee	33,358	0	33,358	33,000	33,000	358
Federal Government	3,371,280	0	3,371,280	3,028,000	3,028,000	343,280
Total Revenues	\$ 3,612,892	\$ 0	\$ 3,612,892	\$ 4,051,500	\$ 4,051,500	\$ (438,608)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,551,671	\$ 495	\$ 3,552,166	\$ 4,347,117	\$ 4,347,117	\$ 794,951
Total Expenditures	\$ 3,551,671	\$ 495	\$ 3,552,166	\$ 4,347,117	\$ 4,347,117	\$ 794,951
Excess (Deficiency) of Revenues Over Expenditures	\$ 61,221	\$ (495)	\$ 60,726	\$ (295,617)	\$ (295,617)	\$ 356,343
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 2,189	\$ 0	\$ 2,189	\$ 0	\$ 0	\$ 2,189
Total Other Financing Sources	\$ 2,189	\$ 0	\$ 2,189	\$ 0	\$ 0	\$ 2,189
Net Change in Fund Balance	\$ 63,410	\$ (495)	\$ 62,915	\$ (295,617)	\$ (295,617)	\$ 358,532
Fund Balance, July 1, 2020	2,815,745	0	2,815,745	2,815,879	2,815,879	(134)
Fund Balance, June 30, 2021	\$ 2,879,155	\$ (495)	\$ 2,878,660	\$ 2,520,262	\$ 2,520,262	\$ 358,398

Exhibit I-11

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
School Transportation Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,467,782	\$ 0	\$ 0	\$ 3,467,782	\$ 3,296,386	\$ 3,296,386	\$ 171,396
Charges for Current Services	10,818	0	0	10,818	50,000	51,714	(40,896)
Other Local Revenues	0	0	0	0	25,000	25,000	(25,000)
Total Revenues	\$ 3,478,600	\$ 0	\$ 0	\$ 3,478,600	\$ 3,371,386	\$ 3,373,100	\$ 105,500
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 66,428	\$ 0	\$ 0	\$ 66,428	\$ 75,000	\$ 75,000	\$ 8,572
Transportation	3,169,974	(1,566)	393,687	3,562,095	3,779,968	3,919,613	357,518
Total Expenditures	\$ 3,236,402	\$ (1,566)	\$ 393,687	\$ 3,628,523	\$ 3,854,968	\$ 3,994,613	\$ 366,090
Excess (Deficiency) of Revenues Over Expenditures	\$ 242,198	\$ 1,566	\$ (393,687)	\$ (149,923)	\$ (483,582)	\$ (621,513)	\$ 471,590
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 93,620	\$ 0	\$ 0	\$ 93,620	\$ 0	\$ 93,620	\$ 0
Total Other Financing Sources	\$ 93,620	\$ 0	\$ 0	\$ 93,620	\$ 0	\$ 93,620	\$ 0
Net Change in Fund Balance	\$ 335,818	\$ 1,566	\$ (393,687)	\$ (56,303)	\$ (483,582)	\$ (527,893)	\$ 471,590
Fund Balance, July 1, 2020	1,093,907	(1,566)	0	1,092,341	1,105,397	1,105,397	(13,056)
Fund Balance, June 30, 2021	\$ 1,429,725	\$ 0	\$ (393,687)	\$ 1,036,038	\$ 621,815	\$ 577,504	\$ 458,534

Exhibit I-12

Hawkins County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hawkins County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,274,655	\$ 0	\$ 0	\$ 1,274,655	\$ 1,187,717	\$ 1,187,717	\$ 86,938
Total Revenues	\$ 1,274,655	\$ 0	\$ 0	\$ 1,274,655	\$ 1,187,717	\$ 1,187,717	\$ 86,938
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 1,767,903	\$ (599,970)	\$ 69,397	\$ 1,237,330	\$ 1,187,717	\$ 1,283,152	\$ 45,822
Total Expenditures	\$ 1,767,903	\$ (599,970)	\$ 69,397	\$ 1,237,330	\$ 1,187,717	\$ 1,283,152	\$ 45,822
Excess (Deficiency) of Revenues Over Expenditures	\$ (493,248)	\$ 599,970	\$ (69,397)	\$ 37,325	\$ 0	\$ (95,435)	\$ 132,760
Net Change in Fund Balance	\$ (493,248)	\$ 599,970	\$ (69,397)	\$ 37,325	\$ 0	\$ (95,435)	\$ 132,760
Fund Balance, July 1, 2020	828,635	(599,970)	0	228,665	228,665	228,665	0
Fund Balance, June 30, 2021	\$ 335,387	\$ 0	\$ (69,397)	\$ 265,990	\$ 228,665	\$ 133,230	\$ 132,760

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hawkins County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Education Debt Service Fund</u>									
Series VII-A-1 - Refunding	\$ 16,150,000	(1)	% 8-28-08	6-1-29	\$ 14,860,000	\$ 0	\$ 0	\$ 14,860,000	\$ 0
Qualified School Construction Bonds	2,640,000	1.51	12-17-09	7-1-26	1,020,139	0	164,732	0	855,407
Qualified School Construction Bonds	2,333,000	0	10-1-10	9-15-27	1,047,082	0	145,575	0	901,507
Energy Efficient Schools Initiative	767,272	0	9-28-11	2-1-22	127,872	0	76,728	0	51,144
Energy Efficient Schools Initiative	158,556	0.75	6-28-16	7-1-28	108,348	0	13,056	0	95,292
Energy Efficient Schools Initiative	266,859	0.75	9-16-16	12-1-27	201,999	0	26,280	0	175,719
Energy Efficient Schools Initiative	(2)	0.5	4-15-21	(3)	0	2,635,071	0	0	2,635,071
Total Other Loans Payable					<u>\$ 17,365,440</u>	<u>\$ 2,635,071</u>	<u>\$ 426,371</u>	<u>\$ 14,860,000</u>	<u>\$ 4,714,140</u>
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Bonds, Series 2014	9,460,000	2 to 3.5	12-19-14	6-1-36	\$ 9,050,000	\$ 0	\$ 80,000	\$ 8,970,000	\$ 0
General Obligation Bonds, Series 2016	653,647	.75 to 1.2	5-26-16	6-1-21	135,994	0	135,994	0	0
General Obligation Refunding Bonds, Series 2016	1,660,204	2	5-26-16	6-1-25	1,607,624	0	13,928	0	1,593,696
General Obligation Refunding Bonds, Series 2019	1,555,476	5	6-28-19	6-1-25	1,092,981	0	480,508	0	612,473
General Obligation Refunding Bonds, Series 2021B	8,440,000	2 to 3	4-30-21	3-1-36	0	8,440,000	0	0	8,440,000
Total Payable through General Debt Service Fund					<u>\$ 11,886,599</u>	<u>\$ 8,440,000</u>	<u>\$ 710,430</u>	<u>\$ 8,970,000</u>	<u>\$ 10,646,169</u>
<u>Payable through Special Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2019	2,345,911	5	6-28-19	6-1-25	\$ 1,997,874	\$ 0	\$ 356,784	\$ 0	\$ 1,641,090
Total Payable through Special Debt Service Fund					<u>\$ 1,997,874</u>	<u>\$ 0</u>	<u>\$ 356,784</u>	<u>\$ 0</u>	<u>\$ 1,641,090</u>

(Continued)

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
BONDS PAYABLE (Cont.)									
Payable through Education Debt Service Fund									
General Obligation Refunding Bonds, Series 2015	\$ 9,655,000	1 to 3.5	% 7-20-15	6-30-36	\$ 9,290,000	\$ 0	\$ 65,000	\$ 9,225,000	\$ 0
General Obligation Refunding Bonds, Series 2016	7,416,149	2 to 2.5	5-26-16	6-30-33	6,061,382	0	455,078	0	5,606,304
General Obligation Refunding Bonds, Series 2019	17,468,613	3 to 5	6-28-19	6-1-38	17,259,145	0	177,708	0	17,081,437
General Obligation Refunding Bonds, Series 2021A	13,925,000	2 to 3	3-31-21	3-1-35	0	13,925,000	0	0	13,925,000
General Obligation Refunding Bonds, Series 2021C	8,715,000	2 to 3	5-28-21	6-1-36	0	8,715,000	0	0	8,715,000
Total Payable through Education Debt Service Fund					<u>\$ 32,610,527</u>	<u>\$ 22,640,000</u>	<u>\$ 697,786</u>	<u>\$ 9,225,000</u>	<u>\$ 45,327,741</u>
Total Bonds Payable					<u>\$ 46,495,000</u>	<u>\$ 31,080,000</u>	<u>\$ 1,765,000</u>	<u>\$ 18,195,000</u>	<u>\$ 57,615,000</u>

- (1) The entire amount of the PBA Loan Series V-B-1 was swapped to a synthetic fixed rate by execution of a swap agreement in a prior-year. Also, in a prior-year, the Series V-B-1 loan agreement was refunded with proceeds from the Series VII-A-1 loan agreement.
- (2) Total amount approved for Energy Efficient Schools Initiative Loan was \$4,966,890, of which \$2,331,819 remains available to be drawn as of June 30, 2021.
- (3) Final maturity date is to be determined upon project completion.

Exhibit J-2

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

Year Ending June 30	Other Loans (1)		
	Principal	Interest	Total
2022	\$ 401,088	\$ 154,996	\$ 556,084
2023	350,232	154,708	504,940
2024	350,544	154,396	504,940
2025	350,843	154,096	504,939
2026	367,371	153,784	521,155
2027	216,585	116,821	333,406
2028	39,002	11,228	50,230
2029	3,404	12	3,416
Total	\$ 2,079,069	\$ 900,041	\$ 2,979,110

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 3,755,000	\$ 1,495,704	\$ 5,250,704
2023	3,675,000	1,483,988	5,158,988
2024	3,695,000	1,370,513	5,065,513
2025	3,735,000	1,258,237	4,993,237
2026	2,945,000	1,141,688	4,086,688
2027	2,950,000	1,053,137	4,003,137
2028	2,980,000	966,588	3,946,588
2029	2,980,000	879,237	3,859,237
2030	3,070,000	791,738	3,861,738
2031	3,085,000	712,912	3,797,912
2032	3,585,000	646,875	4,231,875
2033	3,985,000	564,725	4,549,725
2034	4,170,000	470,300	4,640,300
2035	3,635,000	367,850	4,002,850
2036	2,775,000	274,950	3,049,950
2037	3,250,000	197,850	3,447,850
2038	3,345,000	100,350	3,445,350
Total	\$ 57,615,000	\$ 13,776,642	\$ 71,391,642

(1) Schedule does not include requirements for the Energy Efficient Schools Initiative with a principal balance of \$2,635,071 at June 30, 2021. Actual requirements for this loan are to be determined at project completion in the subsequent period.

Exhibit J-3

Hawkins County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	Transfer QSCB rebate	\$ 106,544
Total Transfers Primary Government			<u>\$ 106,544</u>
<u>DISCRETELY PRESENTED HAWKINS</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash Flow	\$ 500,000
General Purpose School	Central Cafeteria	Operations	2,189
Schools Federal Projects	General Purpose School	Indirect Costs	<u>24,500</u>
Total Transfers Discretely Presented Hawkins County School Department			<u>\$ 526,689</u>

Exhibit J-4

Hawkins County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 107,954	\$ 100,000	Liberty Mutual Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	99,813	100,000	"
Director of Schools	State Board of Education and County Board of Education	105,000 (1)	(4)	
Trustee	Section 8-24-102, <i>TCA</i>	90,740	2,083,000	Liberty Mutual Insurance Company
Assessor of Property:				
Jeff Thacker (7/1/20 through 12/20/20)	Section 8-24-102, <i>TCA</i>	42,849	50,000	RLI Insurance Company
David Pearson (1/25/21 through 6/30/21)	Section 8-24-102, <i>TCA</i>	39,272	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	90,740	100,000	Liberty Mutual Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	90,740	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	90,740 (2)	150,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	90,740	100,000	Liberty Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	99,813 (3)	100,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			400,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,000, bonus of \$2,100, and travel allowance totaling \$7,200.

(2) Does not include special commissioner fees of \$20,946.

(3) Does not include \$3,000 for serving as workhouse superintendent and \$800 for a law enforcement training supplement.

(4) Official bonded through \$400,000 blanket bond.

Exhibit J-5

Hawkins County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,853,966	\$ 0	\$ 0	\$ 0	\$ 1,499,281	\$ 540,478
Trustee's Collections - Prior Year	302,875	0	0	0	46,052	16,560
Trustee's Collections - Bankruptcy	583	0	0	0	92	44
Circuit Clerk/Clerk and Master Collections - Prior Years	223,907	0	0	0	34,067	13,718
Interest and Penalty	56,179	0	0	0	8,546	3,085
Pickup Taxes	7,716	0	0	0	1,279	738
Payments in-Lieu-of Taxes - T.V.A.	1,644	0	0	0	250	90
Payments in-Lieu-of Taxes - Other	74,521	0	0	0	11,338	4,087
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,558,444	0	0	0	0
Wheel Tax	2,418,024	0	0	0	0	0
Litigation Tax - General	80,553	0	0	0	0	0
Litigation Tax - Special Purpose	46,026	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	81,068
Litigation Tax - Courthouse Security	79,419	0	0	0	0	0
Business Tax	0	414,468	0	0	0	0
Mineral Severance Tax	0	0	0	0	79,928	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	27,914	0	0	0	4,041	1,457
Wholesale Beer Tax	92,584	0	0	0	0	0
Total Local Taxes	\$ 13,265,911	\$ 1,972,912	\$ 0	\$ 0	\$ 1,684,874	\$ 661,325
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 187,971	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,401	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	950	0	0	0	0	0
Total Licenses and Permits	\$ 2,351	\$ 187,971	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,263	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,533	0	0	0	0	0
Drug Control Fines	13,056	0	1,020	0	0	0
Drug Court Fees	1,135	0	0	0	0	0
DUI Treatment Fines	532	0	0	0	0	0
Data Entry Fee - Circuit Court	1,284	0	0	0	0	0
Courtroom Security Fee	41	0	0	0	0	0
<u>Criminal Court</u>						
Jail Fees	1,914	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	22,295	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	34,774	0	0	0	0	0
Game and Fish Fines	133	0	0	0	0	0
Drug Control Fines	1,902	0	10,707	0	0	0
Drug Court Fees	6,609	0	0	0	0	0
Jail Fees	32,681	0	0	0	0	0
DUI Treatment Fines	6,657	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,308	0	0	0	0	0
Courtroom Security Fee	71	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 2,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,871	0	0	0	0	0
Jail Fees	71	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,159	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	356	0	0	0	0	0
Data Entry Fee - Chancery Court	8,622	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	25,560	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 161,152	\$ 0	\$ 37,287	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 900	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	15,753	0	0	0	0	0
Work Release Charges for Board	21,628	0	0	0	0	0
Other General Service Charges	0	0	0	0	3,633	0
<u>Fees</u>						
Recreation Fees	7,015	0	0	0	0	0
Copy Fees	3,970	0	0	0	23	0
Greenbelt Late Application Fee	400	0	0	0	0	0
Telephone Commissions	112,118	0	0	0	0	0
Vending Machine Collections	277	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	286	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 20,946	\$ 0	\$ 0
Data Processing Fee - Register	20,116	0	0	0	0	0
Data Processing Fee - Sheriff	2,606	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,400	0	0	0	0	0
Data Processing Fee - County Clerk	5,208	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Session	1,580	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,750	0	0	0	0	0
Total Charges for Current Services	\$ 200,821	\$ 900	\$ 0	\$ 21,232	\$ 3,656	\$ 0

Other Local Revenues

Recurring Items

Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,002
Lease/Rentals	5,700	0	0	0	0	0
Commissary Sales	19,082	0	0	0	0	0
Sale of Gasoline	28,968	0	0	0	0	0
Sale of Maps	59	0	0	0	0	0
Sale of Recycled Materials	0	107,229	0	0	902	0
Miscellaneous Refunds	13,315	839	0	0	2,364	0
Expenditure Credits	165	0	0	0	0	0

Nonrecurring Items

Sale of Equipment	0	307,500	0	0	0	0
Sale of Property	4,050	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	27	0
Contributions and Gifts	1,435	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 65,180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 137,954	\$ 415,568	\$ 0	\$ 0	\$ 3,293	\$ 18,002
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 690,573	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	114,014	0	0	0	0	0
General Sessions Court Clerk	258,019	0	0	0	0	0
Clerk and Master	230,493	0	0	0	0	0
Juvenile Court Clerk	40,033	0	0	0	0	0
Register	297,228	0	0	0	0	0
Sheriff	16,097	0	0	0	0	0
Trustee	821,274	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,467,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 14,960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	37,748	0	0	0	0	0
Solid Waste Grants	0	33,165	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	52,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	377,661	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 41,736	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other State Revenues</u>						
Income Tax	25,039	0	0	0	0	0
Beer Tax	18,369	0	0	0	0	0
Vehicle Certificate of Title Fees	5,294	0	0	0	0	0
Alcoholic Beverage Tax	0	135,881	0	0	0	0
State Revenue Sharing - Telecommunications	76,259	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	20,177	0	0	0	0	0
Prisoner Transportation	104	0	0	0	0	0
Contracted Prisoner Boarding	691,119	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,769,681	0
Petroleum Special Tax	0	0	0	0	42,539	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	50,000	0	0	0	0	0
Other State Revenues	836,833	22,043	0	0	41,673	0
Total State of Tennessee	\$ 2,263,263	\$ 191,089	\$ 0	\$ 0	\$ 2,853,893	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	41,000	0	0	0	0	0
COVID-19 Grant #1	27,384	0	0	0	0	0
COVID-19 Grant #2	10,330	0	0	0	0	0
COVID-19 Grant #3	2,284	0	0	0	0	0
COVID-19 Grant #4	847,950	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
COVID-19 Grant #5	\$ 816	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant A	30,000	0	0	0	0	0
COVID-19 Grant B	69,444	0	0	0	0	0
Other Federal through State	21,744	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	0	0	0	0	2,840	0
Tax Credit Bond Rebate	106,544	0	0	0	0	0
Other Direct Federal Revenue	12,500	0	48,511	0	0	0
Total Federal Government	\$ 1,169,996	\$ 0	\$ 48,511	\$ 0	\$ 2,840	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 490,292	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	3,167	0	0	0	0	0
<u>Other</u>						
Other	1,972	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 495,431	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 20,164,610	\$ 2,768,440	\$ 85,798	\$ 21,232	\$ 4,548,556	\$ 679,327

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 3,134,766	\$ 540,478	\$ 0	\$ 15,568,969
Trustee's Collections - Prior Year	0	96,214	16,665	0	478,366
Trustee's Collections - Bankruptcy	0	194	14	0	927
Circuit Clerk/Clerk and Master Collections - Prior Years	0	71,230	11,563	0	354,485
Interest and Penalty	0	17,872	3,083	0	88,765
Pickup Taxes	0	2,674	0	0	12,407
Payments in-Lieu-of Taxes - T.V.A.	0	523	90	0	2,597
Payments in-Lieu-of Taxes - Other	0	23,706	4,087	0	117,739
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	1,558,444
Wheel Tax	351,432	351,432	0	0	3,120,888
Litigation Tax - General	0	0	0	0	80,553
Litigation Tax - Special Purpose	0	0	0	0	46,026
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	81,068
Litigation Tax - Courthouse Security	0	0	0	0	79,419
Business Tax	0	0	0	0	414,468
Mineral Severance Tax	0	0	0	0	79,928
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	8,449	1,457	0	43,318
Wholesale Beer Tax	0	0	0	0	92,584
Total Local Taxes	\$ 351,432	\$ 3,707,060	\$ 577,437	\$ 0	\$ 22,220,951
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 187,971

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	1,401
Other Permits	0	0	0	0	950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	190,322
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	4,263
Officers Costs	0	0	0	0	6,533
Drug Control Fines	0	0	0	0	14,076
Drug Court Fees	0	0	0	0	1,135
DUI Treatment Fines	0	0	0	0	532
Data Entry Fee - Circuit Court	0	0	0	0	1,284
Courtroom Security Fee	0	0	0	0	41
<u>Criminal Court</u>					
Jail Fees	0	0	0	0	1,914
<u>General Sessions Court</u>					
Fines	0	0	0	0	22,295
Fines for Littering	0	0	0	0	48
Officers Costs	0	0	0	0	34,774
Game and Fish Fines	0	0	0	0	133
Drug Control Fines	0	0	0	0	12,609
Drug Court Fees	0	0	0	0	6,609
Jail Fees	0	0	0	0	32,681
DUI Treatment Fines	0	0	0	0	6,657
Data Entry Fee - General Sessions Court	0	0	0	0	9,308
Courtroom Security Fee	0	0	0	0	71

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	2,827
Officers Costs	0	0	0	0	4,871
Jail Fees	0	0	0	0	71
Data Entry Fee - Juvenile Court	0	0	0	0	1,159
Courtroom Security Fee	0	0	0	0	10
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	356
Data Entry Fee - Chancery Court	0	0	0	0	8,622
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	25,560
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	198,439
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	900
Patient Charges	0	0	0	0	15,753
Work Release Charges for Board	0	0	0	0	21,628
Other General Service Charges	0	0	0	0	3,633
<u>Fees</u>					
Recreation Fees	0	0	0	0	7,015
Copy Fees	0	0	0	0	3,993
Greenbelt Late Application Fee	0	0	0	0	400
Telephone Commissions	0	0	0	0	112,118
Vending Machine Collections	0	0	0	0	277
Constitutional Officers' Fees and Commissions	0	0	0	0	286

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	20,946
Data Processing Fee - Register	0	0	0	0	20,116
Data Processing Fee - Sheriff	0	0	0	0	2,606
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,400
Data Processing Fee - County Clerk	0	0	0	0	5,208
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	1,580
Vehicle Registration Reinstatement Fees	0	0	0	0	1,750
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	226,609
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 97,905	\$ 0	\$ 0	115,907
Lease/Rentals	0	0	0	0	5,700
Commissary Sales	0	0	0	0	19,082
Sale of Gasoline	0	0	0	0	28,968
Sale of Maps	0	0	0	0	59
Sale of Recycled Materials	0	0	0	0	108,131
Miscellaneous Refunds	0	19	0	0	16,537
Expenditure Credits	0	0	0	0	165
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	307,500
Sale of Property	0	0	0	0	4,050
Damages Recovered from Individuals	0	0	0	0	27
Contributions and Gifts	0	0	0	0	1,435

(Continued)

Exhibit J-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Special Debt Service</u>	<u>Education Debt Service</u>	<u>General Capital Projects</u>	<u>Other Capital Projects</u>	
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	65,180
Total Other Local Revenues	\$ 0	\$ 97,924	\$ 0	\$ 0	672,741
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	690,573
Circuit Court Clerk	0	0	0	0	114,014
General Sessions Court Clerk	0	0	0	0	258,019
Clerk and Master	0	0	0	0	230,493
Juvenile Court Clerk	0	0	0	0	40,033
Register	0	0	0	0	297,228
Sheriff	0	0	0	0	16,097
Trustee	0	0	0	0	821,274
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	2,467,731
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	14,960
Aging Programs	0	0	0	0	37,748
Solid Waste Grants	0	0	0	0	33,165
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	52,800
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	377,661

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	41,736
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	25,039
Beer Tax	0	0	0	0	18,369
Vehicle Certificate of Title Fees	0	0	0	0	5,294
Alcoholic Beverage Tax	0	0	0	0	135,881
State Revenue Sharing - Telecommunications	0	0	0	0	76,259
State Shared Sports Gaming Privilege Tax	0	0	0	0	20,177
Prisoner Transportation	0	0	0	0	104
Contracted Prisoner Boarding	0	0	0	0	691,119
Gasoline and Motor Fuel Tax	0	0	0	0	2,769,681
Petroleum Special Tax	0	0	0	0	42,539
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	50,000
Other State Revenues	0	0	100,000	499,931	1,500,480
Total State of Tennessee	\$ 0	\$ 0	\$ 100,000	\$ 499,931	\$ 5,908,176
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	63,230	\$ 0	63,230
Civil Defense Reimbursement	0	0	0	0	41,000
COVID-19 Grant #1	0	0	0	0	27,384
COVID-19 Grant #2	0	0	0	0	10,330
COVID-19 Grant #3	0	0	0	0	2,284
COVID-19 Grant #4	0	0	0	0	847,950

(Continued)

Exhibit J-5

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

	Debt Service Funds		Capital Projects Funds		Total
	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant #5	\$ 0	\$ 0	\$ 0	\$ 0	816
COVID-19 Grant A	0	0	0	0	30,000
COVID-19 Grant B	0	0	0	0	69,444
Other Federal through State	0	0	0	0	21,744
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	2,840
Tax Credit Bond Rebate	0	0	0	0	106,544
Other Direct Federal Revenue	0	0	0	0	61,011
Total Federal Government	\$ 0	\$ 0	\$ 63,230	\$ 0	\$ 1,284,577
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 436,865	\$ 0	\$ 0	927,157
<u>Citizens Groups</u>					
Donations	0	0	0	0	3,167
<u>Other</u>					
Other	0	0	0	0	1,972
Total Other Governments and Citizens Groups	\$ 0	\$ 436,865	\$ 0	\$ 0	\$ 932,296
Total	\$ 351,432	\$ 4,241,849	\$ 740,667	\$ 499,931	\$ 34,101,842

Exhibit J-6

Hawkins County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,411,846	\$ 0	\$ 0	\$ 3,108,240	\$ 0
Trustee's Collections - Prior Year	224,352	0	0	108,778	0
Trustee's Collections - Bankruptcy	445	0	0	196	0
Circuit Clerk/Clerk and Master Collections - Prior Years	142,244	0	0	70,886	0
Interest and Penalty	36,717	0	0	17,787	0
Pickup Taxes	6,991	0	0	2,796	0
Payments in-Lieu-of Taxes - T.V.A.	1,250	0	0	520	0
Payments in-Lieu-of Taxes - Other	56,683	0	0	23,592	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	6,418,225	0	0	0	0
Wheel Tax	201,481	0	0	126,579	0
Mixed Drink Tax	2,411	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	17,289	0	0	8,408	0
Total Local Taxes	<u>\$ 13,519,934</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,467,782</u>	<u>\$ 0</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,774	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	<u>\$ 3,774</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 48,438	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	Internal School
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 39,902	\$ 0	\$ 0
Income from Breakfast	0	0	11,027	0	0
A la Carte Sales	0	0	14,228	0	0
Transportation - Other State Systems	0	0	0	1,714	0
Receipts from Individual Schools	74,183	0	0	9,104	0
Other Charges for Services	5,121	0	90,534	0	0
Total Charges for Current Services	\$ 79,304	\$ 0	\$ 204,129	\$ 10,818	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 90,882	\$ 0	\$ 3,979	\$ 0	\$ 0
Lease/Rentals	43,752	0	0	0	0
Sale of Recycled Materials	107	0	0	0	0
Miscellaneous Refunds	320,579	0	51	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	9,108	0	95	0	0
Sale of Property	84,350	0	0	0	0
Damages Recovered from Individuals	2,619	0	0	0	0
Contributions and Gifts	92,530	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	90	0	0	0	1,860,436
Total Other Local Revenues	\$ 644,017	\$ 0	\$ 4,125	\$ 0	\$ 1,860,436

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 322,869	\$ 0	\$ 0	\$ 0	\$ 0
<u>State Education Funds</u>					
Basic Education Program	37,629,977	0	0	0	0
Early Childhood Education	397,618	0	0	0	0
School Food Service	0	0	33,358	0	0
Driver Education	10,586	0	0	0	0
Other State Education Funds	373,533	0	0	0	0
Coordinated School Health	118,000	0	0	0	0
Family Resource Centers	29,612	0	0	0	0
Statewide Student Management System (SSMS)	9,841	0	0	0	0
Career Ladder Program	98,616	0	0	0	0
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,308,015	0	0	0	0
Safe Schools	289,320	0	0	0	0
Other State Revenues	770,276	0	0	0	0
Total State of Tennessee	\$ 41,358,263	\$ 0	\$ 33,358	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	2,185,436	\$ 0	\$ 0
USDA - Commodities	0	0	328,054	0	0
Breakfast	0	0	840,340	0	0
USDA - Other	0	0	17,450	0	0
Vocational Education - Basic Grants to States	0	156,868	0	0	0

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Title I Grants to Local Education Agencies	\$ 0	\$ 2,088,186	\$ 0	\$ 0	\$ 0
Special Education - Grants to States	0	1,627,220	0	0	0
Special Education Preschool Grants	0	21,471	0	0	0
English Language Acquisition Grants	0	1,823	0	0	0
Education for Homeless Children and Youth	0	18,463	0	0	0
21st Century Community Learning Centers	0	16,751	0	0	0
Eisenhower Professional Development State Grants	0	298,412	0	0	0
COVID-19 Grant #1	519,706	1,390,509	0	0	0
COVID-19 Grant #3	0	100,000	0	0	0
COVID-19 Grant #4	39,204	0	0	0	0
COVID-19 Grant #5	15,713	0	0	0	0
COVID-19 Grant B	0	1,532,711	0	0	0
COVID-19 Grant D	0	109,000	0	0	0
Other Federal through State	232,041	193,998	0	0	0
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	136,367	0	0	0	0
Forest Service	2,840	0	0	0	0
Total Federal Government	<u>\$ 945,871</u>	<u>\$ 7,555,412</u>	<u>\$ 3,371,280</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 2,635,071	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 2,635,071</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 59,186,234</u>	<u>\$ 7,555,412</u>	<u>\$ 3,612,892</u>	<u>\$ 3,478,600</u>	<u>\$ 1,860,436</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 1,184,103	\$ 10,704,189
Trustee's Collections - Prior Year	41,611	374,741
Trustee's Collections - Bankruptcy	30	671
Circuit Clerk/Clerk and Master Collections - Prior Years	29,738	242,868
Interest and Penalty	6,778	61,282
Pickup Taxes	0	9,787
Payments in-Lieu-of Taxes - T.V.A.	198	1,968
Payments in-Lieu-of Taxes - Other	8,992	89,267
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	6,418,225
Wheel Tax	0	328,060
Mixed Drink Tax	0	2,411
<u>Statutory Local Taxes</u>		
Bank Excise Tax	3,205	28,902
Total Local Taxes	<u>\$ 1,274,655</u>	<u>\$ 18,262,371</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 3,774
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 3,774</u>
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Lunch Payments - Children	\$ 0	\$ 48,438

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges (Cont.)</u>		
Lunch Payments - Adults	\$ 0	\$ 39,902
Income from Breakfast	0	11,027
A la Carte Sales	0	14,228
Transportation - Other State Systems	0	1,714
Receipts from Individual Schools	0	83,287
Other Charges for Services	0	95,655
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 294,251</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 94,861
Lease/Rentals	0	43,752
Sale of Recycled Materials	0	107
Miscellaneous Refunds	0	320,630
<u>Nonrecurring Items</u>		
Sale of Equipment	0	9,203
Sale of Property	0	84,350
Damages Recovered from Individuals	0	2,619
Contributions and Gifts	0	92,530
<u>Other Local Revenues</u>		
Other Local Revenues	0	1,860,526
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 2,508,578</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
On-behalf Contributions for OPEB	\$ 0	\$ 322,869
<u>State Education Funds</u>		
Basic Education Program	0	37,629,977
Early Childhood Education	0	397,618
School Food Service	0	33,358
Driver Education	0	10,586
Other State Education Funds	0	373,533
Coordinated School Health	0	118,000
Family Resource Centers	0	29,612
Statewide Student Management System (SSMS)	0	9,841
Career Ladder Program	0	98,616
<u>Other State Revenues</u>		
State Revenue Sharing - T.V.A.	0	1,308,015
Safe Schools	0	289,320
Other State Revenues	0	770,276
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 41,391,621</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 2,185,436
USDA - Commodities	0	328,054
Breakfast	0	840,340
USDA - Other	0	17,450
Vocational Education - Basic Grants to States	0	156,868

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Title I Grants to Local Education Agencies	\$ 0	\$ 2,088,186
Special Education - Grants to States	0	1,627,220
Special Education Preschool Grants	0	21,471
English Language Acquisition Grants	0	1,823
Education for Homeless Children and Youth	0	18,463
21st Century Community Learning Centers	0	16,751
Eisenhower Professional Development State Grants	0	298,412
COVID-19 Grant #1	0	1,910,215
COVID-19 Grant #3	0	100,000
COVID-19 Grant #4	0	39,204
COVID-19 Grant #5	0	15,713
COVID-19 Grant B	0	1,532,711
COVID-19 Grant D	0	109,000
Other Federal through State	0	426,039
<u>Direct Federal Revenue</u>		
ROTC Reimbursement	0	136,367
Forest Service	0	2,840
Total Federal Government	<u>\$ 0</u>	<u>\$ 11,872,563</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 2,635,071
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 2,635,071</u>
Total	<u>\$ 1,274,655</u>	<u>\$ 76,968,229</u>

Exhibit J-7

Hawkins County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	24,000	
Other Per Diem and Fees		11,400	
Social Security		2,708	
Pensions		1,036	
Medical Insurance		47,984	
Audit Services		22,733	
Travel		524	
Tuition		200	
Other Supplies and Materials		966	
Data Processing Equipment		10,025	
Total County Commission	\$		121,576

Board of Equalization

Board and Committee Members Fees	\$	7,270	
Social Security		556	
Total Board of Equalization			7,826

Beer Board

Board and Committee Members Fees	\$	550	
Social Security		42	
Pensions		28	
Other Charges		87	
Total Beer Board			707

Budget and Finance Committee

Board and Committee Members Fees	\$	5,950	
Social Security		455	
Pensions		203	
Total Budget and Finance Committee			6,608

County Mayor/Executive

County Official/Administrative Officer	\$	107,954	
Accountants/Bookkeepers		268,904	
Part-time Personnel		32,862	
Bonus Payments		7,000	
Social Security		27,961	
Pensions		26,800	
Life Insurance		391	
Medical Insurance		50,488	
Unemployment Compensation		189	
Communication		2,721	
Maintenance Agreements		20,617	
Rentals		4,433	
Travel		1,675	
Office Supplies		4,414	
In Service/Staff Development		220	
Data Processing Equipment		2,237	
Office Equipment		770	
Total County Mayor/Executive			559,636

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	27,433	
Bonus Payments		500	
Social Security		1,903	
Pensions		1,955	
Life Insurance		25	
Medical Insurance		6,357	
Unemployment Compensation		21	
Total County Attorney			\$ 38,194

Election Commission

Supervisor/Director	\$	81,666	
Deputy(ies)		54,886	
Part-time Personnel		13,717	
Overtime Pay		8,212	
Bonus Payments		2,500	
Other Salaries and Wages		6,130	
Election Commission		6,390	
Election Workers		70,256	
Social Security		13,170	
Pensions		10,225	
Life Insurance		150	
Medical Insurance		28,544	
Unemployment Compensation		85	
Communication		1,013	
Operating Lease Payments		2,014	
Legal Notices, Recording, and Court Costs		4,037	
Maintenance Agreements		14,050	
Maintenance and Repair Services - Office Equipment		3,775	
Postal Charges		845	
Rentals		4,924	
Travel		1,361	
Other Contracted Services		17,402	
Office Supplies		2,558	
Other Supplies and Materials		316	
Other Charges		51	
Data Processing Equipment		110	
Total Election Commission			348,387

Register of Deeds

County Official/Administrative Officer	\$	90,740
Deputy(ies)		86,280
Part-time Personnel		13,980
Bonus Payments		4,500
Social Security		14,340
Pensions		12,671
Life Insurance		213
Medical Insurance		20,444

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Unemployment Compensation	\$	92	
Communication		1,707	
Dues and Memberships		135	
Rentals		815	
Other Contracted Services		20,037	
Office Supplies		3,139	
Total Register of Deeds			\$ 269,093

Planning

Board and Committee Members Fees	\$	3,000	
Social Security		230	
Contracts with Government Agencies		14,100	
Total Planning			17,330

County Buildings

Supervisor/Director	\$	34,071	
Custodial Personnel		74,408	
Maintenance Personnel		19,969	
Part-time Personnel		1,568	
Overtime Pay		42	
Bonus Payments		5,000	
Other Salaries and Wages		919	
Social Security		9,341	
Pensions		8,913	
Life Insurance		279	
Medical Insurance		28,154	
Unemployment Compensation		145	
Architects		493	
Communication		8,828	
Contracts with Government Agencies		11,385	
Janitorial Services		5,430	
Maintenance Agreements		21,350	
Maintenance and Repair Services - Buildings		52,886	
Maintenance and Repair Services - Vehicles		4,474	
Pest Control		4,130	
Rentals		26,184	
Permits		575	
Other Contracted Services		64,240	
Custodial Supplies		12,978	
Gasoline		1,420	
Office Supplies		24	
Small Tools		708	
Tires and Tubes		28	
Uniforms		364	
Utilities		187,314	
Other Supplies and Materials		15,355	
Other Charges		200	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Building Improvements	\$	90,796	
Other Equipment		190	
Total County Buildings			\$ 692,161

Other General Administration

Advertising	\$	3,200	
Bank Charges		180	
Dues and Memberships		12,247	
Evaluation and Testing		1,860	
Legal Notices, Recording, and Court Costs		3,939	
Postal Charges		45,595	
Rentals		7,133	
Duplicating Supplies		5,554	
Other Supplies and Materials		1,292	
Building and Contents Insurance		6,702	
Liability Insurance		399,219	
Premiums on Corporate Surety Bonds		5,681	
Workers' Compensation Insurance		250,675	
Liability Claims		1,000	
Other Charges		404	
Other Equipment		725	
Total Other General Administration			745,406

Preservation of Records

Communication	\$	1,460	
Electricity		1,870	
Utilities		1,068	
Water and Sewer		264	
Total Preservation of Records			4,662

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	82,121	
Deputy(ies)		207,110	
Bonus Payments		6,000	
Social Security		20,600	
Pensions		20,329	
Life Insurance		314	
Medical Insurance		50,032	
Unemployment Compensation		140	
Communication		4,689	
Data Processing Services		21,877	
Legal Notices, Recording, and Court Costs		130	
Maintenance Agreements		3,000	
Maintenance and Repair Services - Vehicles		1,443	
Rentals		1,635	
Travel		734	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Tuition	\$	25	
Other Contracted Services		19,810	
Gasoline		3,304	
Office Supplies		4,938	
Tires and Tubes		676	
Other Supplies and Materials		6	
Office Equipment		1,572	
Total Property Assessor's Office			\$ 450,485

Reappraisal Program

Supervisor/Director	\$	34,970	
Deputy(ies)		67,474	
Bonus Payments		3,000	
Social Security		7,192	
Pensions		7,381	
Life Insurance		141	
Medical Insurance		17,843	
Unemployment Compensation		51	
Data Processing Services		7,570	
Postal Charges		13,565	
Office Supplies		700	
Total Reappraisal Program			159,887

County Trustee's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		98,760	
Temporary Personnel		7,946	
Part-time Personnel		5,566	
Bonus Payments		3,000	
Social Security		15,170	
Pensions		13,475	
Life Insurance		200	
Medical Insurance		9,972	
Unemployment Compensation		113	
Communication		1,712	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		148	
Maintenance and Repair Services - Office Equipment		19,641	
Rentals		499	
Travel		1,080	
Tuition		100	
Other Contracted Services		7,461	
Office Supplies		2,785	
Data Processing Equipment		5,786	
Other Capital Outlay		256	
Total County Trustee's Office			284,570

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		389,937	
Part-time Personnel		9,544	
Bonus Payments		13,500	
Other Salaries and Wages		8,853	
Social Security		35,708	
Pensions		33,109	
Life Insurance		632	
Medical Insurance		72,509	
Unemployment Compensation		331	
Communication		4,365	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		179	
Maintenance and Repair Services - Office Equipment		30,197	
Rentals		2,144	
Travel		1,865	
Other Contracted Services		9,520	
Office Supplies		7,433	
Other Supplies and Materials		4,388	
Office Equipment		4,799	
Total County Clerk's Office			\$ 719,903

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		315,853	
Part-time Personnel		12,635	
Bonus Payments		11,000	
Other Salaries and Wages		9,202	
Social Security		30,537	
Pensions		29,488	
Life Insurance		580	
Medical Insurance		80,191	
Unemployment Compensation		294	
Communication		2,367	
Legal Notices, Recording, and Court Costs		92	
Maintenance Agreements		46,092	
Rentals		2,502	
Travel		465	
Office Supplies		10,833	
Other Supplies and Materials		20	
Data Processing Equipment		23,370	
Office Equipment		3,024	
Total Circuit Court Clerk			669,285

Criminal Court

Jury and Witness Expense	\$	5,780	
Total Criminal Court			5,780

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	173,945	
Secretary(ies)		32,736	
Clerical Personnel		30,853	
Bonus Payments		2,000	
Social Security		15,001	
Pensions		16,767	
Life Insurance		150	
Medical Insurance		49,745	
Unemployment Compensation		42	
Communication		952	
Dues and Memberships		1,584	
Evaluation and Testing		2,900	
Maintenance and Repair Services - Office Equipment		985	
Rentals		1,260	
Office Supplies		1,194	
Other Supplies and Materials		687	
Total General Sessions Court	\$		330,801

Drug Court

Bonus Payments	\$	1,000	
Other Salaries and Wages		33,037	
Social Security		2,467	
Pensions		2,383	
Life Insurance		50	
Medical Insurance		3,818	
Unemployment Compensation		21	
Communication		491	
Travel		500	
Other Contracted Services		11,295	
Other Supplies and Materials		2,624	
Workers' Compensation Insurance		133	
Other Charges		1,359	
Total Drug Court			59,178

Chancery Court

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		122,490	
Bonus Payments		4,000	
Social Security		14,437	
Pensions		15,206	
Life Insurance		250	
Medical Insurance		61,801	
Unemployment Compensation		126	
Communication		443	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		45	
Maintenance Agreements		24,385	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Maintenance and Repair Services - Office Equipment	\$	300	
Rentals		3,841	
Other Contracted Services		3,912	
Office Supplies		5,499	
Data Processing Equipment		1,108	
Office Equipment		240	
Total Chancery Court			\$ 349,028

Juvenile Court

Judge(s)	\$	69,578	
Secretary(ies)		33,006	
Clerical Personnel		25,328	
Part-time Personnel		520	
Bonus Payments		2,000	
Social Security		9,149	
Pensions		9,094	
Life Insurance		150	
Medical Insurance		22,658	
Unemployment Compensation		44	
Dues and Memberships		225	
Travel		41	
Other Supplies and Materials		257	
In Service/Staff Development		100	
Total Juvenile Court			172,150

Courtroom Security

Deputy(ies)	\$	94,714	
Overtime Pay		1,223	
Bonus Payments		3,000	
Social Security		6,310	
Pensions		6,926	
Life Insurance		150	
Medical Insurance		32,280	
Unemployment Compensation		63	
Other Contracted Services		280	
Law Enforcement Supplies		700	
Liability Insurance		3,251	
Workers' Compensation Insurance		5,458	
Other Equipment		2,081	
Total Courtroom Security			156,436

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	99,813	
Deputy(ies)		1,069,510	
Detective(s)		555,878	
Captain(s)		60,791	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Lieutenant(s)	\$	197,583	
Sergeant(s)		261,078	
Salary Supplements		55,800	
Secretary(ies)		95,821	
Part-time Personnel		13,934	
School Resource Officer		327,983	
Overtime Pay		85,101	
Bonus Payments		67,500	
Other Salaries and Wages		22,486	
Social Security		203,155	
Pensions		196,546	
Life Insurance		3,343	
Medical Insurance		487,806	
Unemployment Compensation		1,456	
Communication		13,857	
Contributions		6,917	
Dues and Memberships		900	
Evaluation and Testing		2,250	
Maintenance Agreements		3,689	
Maintenance and Repair Services - Equipment		315	
Maintenance and Repair Services - Office Equipment		5,625	
Maintenance and Repair Services - Vehicles		111,019	
Rentals		1,375	
Towing Services		2,255	
Travel		184	
Other Contracted Services		3,530	
Data Processing Supplies		194	
Gasoline		146,877	
Law Enforcement Supplies		25,136	
Office Supplies		2,541	
Tires and Tubes		26,314	
Uniforms		23,725	
Other Supplies and Materials		2,613	
Liability Insurance		10,836	
Workers' Compensation Insurance		18,658	
In Service/Staff Development		15,607	
Other Charges		274	
Data Processing Equipment		5,260	
Law Enforcement Equipment		18,483	
Office Equipment		426	
Total Sheriff's Department			\$ 4,254,444
<u>Inmate Telephone Contract Grant</u>			
Software	\$	23,710	
Other Charges		620	
Motor Vehicles		37,056	
Total Special Patrols			61,386

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Salary Supplements	\$	6,000	
Social Security		459	
Pensions		420	
Total Drug Enforcement			\$ 6,879

Administration of the Sexual Offender Registry

Communication	\$	719	
Other Charges		3,700	
Total Administration of the Sexual Offender Registry			4,419

Jail

Lieutenant(s)	\$	48,150	
Guards		1,236,132	
Cafeteria Personnel		71,815	
Part-time Personnel		28,090	
Overtime Pay		26,470	
Bonus Payments		38,500	
Other Salaries and Wages		34,179	
Social Security		105,799	
Pensions		91,614	
Life Insurance		2,180	
Medical Insurance		203,110	
Unemployment Compensation		1,311	
Communication		4,994	
Evaluation and Testing		2,975	
Maintenance Agreements		2,954	
Maintenance and Repair Services - Buildings		11,200	
Maintenance and Repair Services - Equipment		5,277	
Maintenance and Repair Services - Office Equipment		8,041	
Maintenance and Repair Services - Vehicles		8,293	
Medical and Dental Services		334,648	
Postal Charges		2,205	
Other Contracted Services		7,613	
Custodial Supplies		26,418	
Data Processing Supplies		444	
Food Preparation Supplies		19,749	
Food Supplies		314,287	
Office Supplies		2,334	
Prisoners Clothing		4,421	
Small Tools		5,129	
Uniforms		13,353	
Utilities		148,982	
Other Supplies and Materials		32,134	
Medical Claims		124,419	
In Service/Staff Development		5,397	
Other Charges		35	
Building Improvements		8,740	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Data Processing Equipment	\$	415	
Food Service Equipment		7,117	
Law Enforcement Equipment		12,075	
Office Equipment		8,123	
Other Equipment		13,259	
Total Jail			\$ 3,022,381

Juvenile Services

Supervisor/Director	\$	48,578	
Youth Service Officer(s)		38,094	
Bonus Payments		2,000	
Social Security		6,357	
Pensions		6,207	
Life Insurance		100	
Medical Insurance		12,505	
Unemployment Compensation		42	
Communication		2,504	
Contracts with Other Public Agencies		158,045	
Evaluation and Testing		12,580	
Maintenance and Repair Services - Office Equipment		6,523	
Rentals		1,817	
Travel		83	
Office Supplies		2,626	
Other Supplies and Materials		274	
Office Equipment		500	
Total Juvenile Services			298,835

Fire Prevention and Control

Contributions	\$	340,060	
Total Fire Prevention and Control			340,060

Rescue Squad

Contributions	\$	108,000	
Total Rescue Squad			108,000

Other Emergency Management

Supervisor/Director	\$	46,500	
Part-time Personnel		12,492	
Bonus Payments		1,500	
Other Salaries and Wages		2,125	
Social Security		4,427	
Pensions		3,325	
Life Insurance		50	
Medical Insurance		10,251	
Unemployment Compensation		62	
Communication		2,874	
Contributions		182,696	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Dues and Memberships	\$	55	
Operating Lease Payments		19,899	
Maintenance and Repair Services - Equipment		9,585	
Maintenance and Repair Services - Vehicles		2,309	
Rentals		1,251	
Travel		549	
Other Contracted Services		11,500	
Gasoline		2,548	
Office Supplies		365	
Tires and Tubes		999	
Uniforms		466	
Other Supplies and Materials		1,771	
Workers' Compensation Insurance		2,315	
Communication Equipment		3,870	
Data Processing Equipment		745	
Other Equipment		2,861	
Other Capital Outlay		9,999	
Total Other Emergency Management	\$		337,389

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	41,250	
Contracts with Government Agencies		148,999	
Other Charges		9,575	
Total County Coroner/Medical Examiner			199,824

Public Health and Welfare

Local Health Center

Bonus Payments	\$	4,000	
Other Salaries and Wages		133,178	
Social Security		9,232	
Pensions		9,599	
Life Insurance		200	
Medical Insurance		31,710	
Unemployment Compensation		84	
Communication		14,255	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		10,297	
Maintenance and Repair Services - Equipment		2,817	
Pest Control		1,336	
Postal Charges		3,110	
Travel		2,886	
Other Contracted Services		53,722	
Custodial Supplies		6,472	
Office Supplies		5,695	
Other Supplies and Materials		4,400	
Workers' Compensation Insurance		923	
Other Charges		384	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Communication Equipment	\$	19,487	
Furniture and Fixtures		11,926	
Heating and Air Conditioning Equipment		21,475	
Total Local Health Center			\$ 347,563

Ambulance/Emergency Medical Services

Contributions	\$	215,715	
Total Ambulance/Emergency Medical Services			215,715

Other Local Health Services

Bonus Payments	\$	6,500	
Other Salaries and Wages		273,933	
Social Security		19,890	
Pensions		18,514	
Life Insurance		279	
Medical Insurance		42,765	
Unemployment Compensation		153	
Travel		4,907	
Liability Insurance		2,235	
Workers' Compensation Insurance		1,886	
Total Other Local Health Services			371,062

Aid to Dependent Children

Other Charges	\$	1,185	
Total Aid to Dependent Children			1,185

Other Public Health and Welfare

Architects	\$	12,375	
Other Supplies and Materials		1,759	
Building Improvements		287,625	
Total Other Public Health and Welfare			301,759

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	34,476	
Social Workers		17,930	
Bus Drivers		18,204	
Secretary(ies)		25,970	
Bonus Payments		3,500	
Social Security		7,010	
Pensions		5,696	
Life Insurance		150	
Medical Insurance		16,902	
Unemployment Compensation		105	
Communication		4,826	
Contracts with Government Agencies		16,036	
Contributions		46,060	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Maintenance and Repair Services - Vehicles	\$	91	
Rentals		1,050	
Transportation - Other than Students		8,800	
Travel		241	
Other Contracted Services		1,003	
Custodial Supplies		1,000	
Gasoline		574	
Office Supplies		392	
Utilities		6,396	
Other Supplies and Materials		710	
Workers' Compensation Insurance		158	
Other Charges		479	
Total Senior Citizens Assistance			\$ 217,759

Libraries

Contributions	\$	106,860	
Total Libraries			106,860

Parks and Fair Boards

Custodial Personnel	\$	36,293	
Maintenance Personnel		17,758	
Part-time Personnel		26,205	
Overtime Pay		2,185	
Bonus Payments		2,500	
Other Salaries and Wages		2,515	
Social Security		6,290	
Pensions		3,710	
Life Insurance		92	
Medical Insurance		12,767	
Unemployment Compensation		131	
Communication		1,318	
Maintenance and Repair Services - Buildings		220	
Maintenance and Repair Services - Equipment		314	
Maintenance and Repair Services - Vehicles		744	
Rentals		797	
Other Contracted Services		2,815	
Crushed Stone		1,864	
Custodial Supplies		3,585	
Electricity		4,975	
Gasoline		8,020	
Office Supplies		77	
Propane Gas		48	
Tires and Tubes		420	
Water and Sewer		700	
Other Supplies and Materials		6,378	
Other Equipment		660	
Other Capital Outlay		1,141	
Total Parks and Fair Boards			144,522

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	104,771	
Communication		1,375	
Rentals		1,343	
Travel		1,156	
Other Charges		2,352	
Other Equipment		3,000	
Total Agricultural Extension Service			\$ 113,997

Forest Service

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

Soil Conservation

Clerical Personnel	\$	28,938	
Part-time Personnel		17,345	
Bonus Payments		1,500	
Social Security		2,237	
Pensions		2,096	
Life Insurance		50	
Medical Insurance		11,115	
Unemployment Compensation		47	
Contracts with Other Public Agencies		3,920	
Contributions		9,000	
Total Soil Conservation			76,248

Storm Water Management

Part-time Personnel	\$	7,879	
Bonus Payments		500	
Social Security		641	
Unemployment Compensation		21	
Dues and Memberships		300	
Permits		3,960	
Workers' Compensation Insurance		310	
Total Storm Water Management			13,611

Other Operations

Tourism

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

Industrial Development

Secretary(ies)	\$	38,447	
Part-time Personnel		15,431	
Bonus Payments		2,000	
Social Security		4,275	
Pensions		2,761	
Life Insurance		50	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Unemployment Compensation	\$	51	
Accounting Services		4,000	
Communication		417	
Contributions		31,360	
Dues and Memberships		339	
Legal Services		5,753	
Legal Notices, Recording, and Court Costs		3,933	
Maintenance and Repair Services - Buildings		1,758	
Maintenance and Repair Services - Equipment		1,821	
Rentals		1,962	
Travel		2,174	
Other Contracted Services		50,000	
Electricity		13,970	
Gasoline		644	
Office Supplies		1,309	
Water and Sewer		424	
Other Supplies and Materials		2,457	
Workers' Compensation Insurance		1,048	
Other Charges		50	
Maintenance Equipment		430	
Office Equipment		280	
Total Industrial Development			\$ 187,144

Airport

Communication	\$	921	
Maintenance and Repair Services - Buildings		120	
Permits		450	
Other Contracted Services		4,174	
Electricity		4,478	
Gasoline		28,411	
Utilities		1,396	
Water and Sewer		609	
Other Supplies and Materials		2,562	
Airport Improvement		2,582	
Other Capital Outlay		22,686	
Total Airport			68,389

Veterans' Services

Supervisor/Director	\$	4,685	
Secretary(ies)		35,457	
Bonus Payments		1,000	
Social Security		2,935	
Pensions		2,552	
Life Insurance		54	
Medical Insurance		6,073	
Unemployment Compensation		35	
Communication		561	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Rentals	\$	468	
Travel		89	
Other Contracted Services		449	
Office Supplies		741	
Data Processing Equipment		2,805	
Total Veterans' Services	\$		57,904

Contributions to Other Agencies

Contributions	\$	13,720	
Total Contributions to Other Agencies			13,720

Employee Benefits

Medical Insurance	\$	31,741	
Total Employee Benefits			31,741

COVID-19 Grant #1

Election Workers	\$	14,469	
Social Security		76	
Postal Charges		690	
Office Supplies		3,116	
Other Supplies and Materials		5,715	
Other Equipment		1,165	
Total COVID-19 Grant #1			25,231

COVID-19 Grant #2

Other Contracted Services	\$	2,121	
Custodial Supplies		694	
Other Supplies and Materials		155	
Data Processing Equipment		1,119	
Other Equipment		911	
Total COVID-19 Grant #2			5,000

COVID-19 Grant #3

Other Equipment	\$	2,284	
Total COVID-19 Grant #3			2,284

COVID-19 Grant #5

Crushed Stone	\$	816	
Total COVID-19 Grant #5			816

COVID-19 Grant #6

Building Improvements	\$	30,000	
Total COVID-19 Grant #6			30,000

COVID-19 Grant #7

Other Supplies and Materials	\$	92,592	
Total COVID-19 Grant #7			92,592

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Contracts with Other Public Agencies	\$	10,980	
Contributions		30,380	
Operating Lease Payments		1,250	
Legal Services		2,306	
Other Contracted Services		3,900	
Other Supplies and Materials		449	
Trustee's Commission		242,759	
Other Charges		671	
Total Miscellaneous			\$ 292,695

Highways

Litter and Trash Collection

Overtime Pay	\$	42	
Bonus Payments		1,000	
Other Salaries and Wages		21,632	
Social Security		1,525	
Pensions		1,587	
Life Insurance		50	
Medical Insurance		5,444	
Unemployment Compensation		21	
Communication		20	
Contracts with Other Public Agencies		8,000	
Maintenance and Repair Services - Vehicles		1,793	
Gasoline		2,743	
Other Supplies and Materials		88	
Workers' Compensation Insurance		2,935	
Total Litter and Trash Collection			46,880

Total General Fund \$ 17,570,383

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	34,730	
Bonus Payments		1,000	
Social Security		2,315	
Pensions		2,501	
Life Insurance		50	
Medical Insurance		11,657	
Unemployment Compensation		21	
Communication		664	
Dues and Memberships		100	
Evaluation and Testing		470	
Travel		549	
Gasoline		1,198	
Tires and Tubes		477	
Uniforms		120	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Trustee's Commission	\$	23,494	
Workers' Compensation Insurance		1,265	
Total Sanitation Management			\$ 80,611

Waste Pickup

Truck Drivers	\$	132,665	
Overtime Pay		15,872	
Bonus Payments		4,000	
Social Security		10,958	
Pensions		10,678	
Life Insurance		200	
Medical Insurance		16,184	
Unemployment Compensation		84	
Communication		164	
Maintenance and Repair Services - Vehicles		16,064	
Other Contracted Services		22,438	
Gasoline		50,028	
Lubricants		3,657	
Tires and Tubes		15,244	
Uniforms		495	
Vehicle Parts		17,729	
Other Supplies and Materials		757	
Workers' Compensation Insurance		22,217	
Other Charges		105	
Motor Vehicles		317,312	
Total Waste Pickup			656,851

Convenience Centers

Laborers	\$	187,276	
Part-time Personnel		37,900	
Overtime Pay		7,378	
Bonus Payments		11,500	
Other Salaries and Wages		279	
Social Security		15,954	
Pensions		14,393	
Life Insurance		270	
Medical Insurance		40,995	
Unemployment Compensation		300	
Communication		5,132	
Operating Lease Payments		3,100	
Maintenance and Repair Services - Equipment		22,105	
Rentals		11,051	
Other Contracted Services		1,961	
Crushed Stone		1,096	
Uniforms		999	
Utilities		9,016	
Other Supplies and Materials		4,896	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Workers' Compensation Insurance	\$	13,919	
Other Charges		78	
Other Construction		6,850	
Other Capital Outlay		4,105	
Total Convenience Centers			\$ 400,553

Recycling Center

Laborers	\$	55,049	
Part-time Personnel		17,234	
Overtime Pay		348	
Bonus Payments		3,000	
Social Security		5,592	
Pensions		3,495	
Life Insurance		117	
Medical Insurance		7,647	
Unemployment Compensation		130	
Communication		1,011	
Maintenance and Repair Services - Equipment		1,319	
Maintenance and Repair Services - Office Equipment		499	
Maintenance and Repair Services - Vehicles		2,591	
Other Contracted Services		2,155	
Gasoline		5,370	
Propane Gas		492	
Tires and Tubes		1,175	
Uniforms		391	
Utilities		5,049	
Other Supplies and Materials		3,962	
Workers' Compensation Insurance		3,704	
Other Equipment		173	
Total Recycling Center			120,503

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	682,746	
Surcharge		39,222	
Total Landfill Operation and Maintenance			721,968

Other Waste Disposal

Disposal Fees	\$	31,104	
Total Other Waste Disposal			31,104

Total Solid Waste/Sanitation Fund \$ 2,011,590

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	38,186	
Other Fringe Benefits		7,616	

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Communication	\$	3,504	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		769	
Other Contracted Services		2,963	
Animal Food and Supplies		40	
Electricity		856	
Office Supplies		454	
Uniforms		1,250	
Trustee's Commission		326	
Other Charges		146	
Office Equipment		2,681	
Total Drug Enforcement			\$ 66,791

Total Drug Control Fund \$ 66,791

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	20,946	
Total Chancery Court			\$ 20,946

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	286	
Total Sheriff's Department			286

Total Constitutional Officers - Fees Fund 21,232

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	99,813	
Secretary(ies)		65,977	
Bonus Payments		2,000	
Communication		1,758	
Dues and Memberships		4,119	
Laundry Service		2,641	
Legal Notices, Recording, and Court Costs		18	
Maintenance Agreements		6,826	
Maintenance and Repair Services - Vehicles		40	
Printing, Stationery, and Forms		225	
Rentals		1,679	
Other Contracted Services		625	
Custodial Supplies		364	
Electricity		12,864	
Natural Gas		1,833	
Office Supplies		1,813	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Water and Sewer	\$	922	
Other Charges		106	
Office Equipment		547	
Total Administration			\$ 204,170

Highway and Bridge Maintenance

Foremen	\$	39,378	
Equipment Operators		88,823	
Truck Drivers		283,919	
Laborers		382,931	
Temporary Personnel		225,034	
Overtime Pay		38,027	
Bonus Payments		27,500	
Laundry Service		16,905	
Rentals		13,204	
Other Contracted Services		1,174,147	
Asphalt - Hot Mix		38,636	
Asphalt - Liquid		283,994	
Concrete		10	
Crushed Stone		347,776	
Pipe - Metal		66,272	
Road Signs		10,233	
Wood Products		498	
Other Supplies and Materials		4,457	
Other Charges		428	
Total Highway and Bridge Maintenance			3,042,172

Operation and Maintenance of Equipment

Foremen	\$	34,514	
Mechanic(s)		51,597	
Overtime Pay		1,244	
Bonus Payments		3,000	
Laundry Service		4,010	
Maintenance and Repair Services - Equipment		18,442	
Maintenance and Repair Services - Vehicles		18,214	
Rentals		3,611	
Towing Services		205	
Diesel Fuel		67,224	
Equipment and Machinery Parts		83,133	
Garage Supplies		1,782	
Gasoline		50,753	
Lubricants		10,689	
Tires and Tubes		22,601	
Other Supplies and Materials		1,322	
Other Charges		27	
Total Operation and Maintenance of Equipment			372,368

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Bank Charges	\$	180	
Evaluation and Testing		655	
Trustee's Commission		60,193	
Workers' Compensation Insurance		137,468	
Total Other Charges			\$ 198,496

Employee Benefits

Social Security	\$	97,368	
Pensions		79,431	
Life Insurance		1,665	
Medical Insurance		155,747	
Unemployment Compensation		9,971	
Total Employee Benefits			344,182

Capital Outlay

Engineering Services	\$	4,000	
Communication Equipment		2,211	
Highway Equipment		20,481	
Motor Vehicles		10,000	
State Aid Projects		424,691	
Total Capital Outlay			<u>461,383</u>

Total Highway/Public Works Fund \$ 4,622,771

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	710,430	
Total General Government			\$ 710,430

Interest on Debt

General Government

Interest on Bonds	\$	370,371	
Total General Government			370,371

Other Debt Service

General Government

Fiscal Agent Charges	\$	639	
Trustee's Commission		12,312	
Underwriter's Discount		56,611	
Other Debt Issuance Charges		97,883	
Total General Government			<u>167,445</u>

Total General Debt Service Fund 1,248,246

(Continued)

Exhibit J-7

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

Special Debt Service Fund

Principal on Debt

Highways and Streets

Principal on Bonds	\$ 356,784	
Total Highways and Streets		\$ 356,784

Interest on Debt

Highways and Streets

Interest on Bonds	\$ 99,894	
Total Highways and Streets		99,894

Other Debt Service

Highways and Streets

Fiscal Agent Charges	\$ 53	
Trustee's Commission	3,574	
Total Highways and Streets		3,627

Total Special Debt Service Fund		\$ 460,305
---------------------------------	--	------------

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 697,786	
Principal on Other Loans	426,371	
Total Education		\$ 1,124,157

Interest on Debt

Education

Interest on Bonds	\$ 980,215	
Interest on Other Loans	597,326	
Total Education		1,577,541

Other Debt Service

Education

Fiscal Agent Charges	\$ 5,352	
Trustee's Commission	70,500	
Underwriter's Discount	97,754	
Other Debt Issuance Charges	240,769	
Termination Fee - Interest Rate Swap Agreement	1,607,000	
Other Debt Service	32,586	
Total Education		2,053,961

Total Education Debt Service Fund		4,755,659
-----------------------------------	--	-----------

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 22,852	
Building Improvements	194,380	
Total General Administration Projects		\$ 217,232

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects</u>			
Other Contracted Services	\$	13,192	
Motor Vehicles		<u>114,442</u>	
Total Public Safety Projects	\$		127,634
 <u>Other General Government Projects</u>			
Trustee's Commission	\$	<u>11,228</u>	
Total Other General Government Projects			11,228
 <u>Education Capital Projects</u>			
Contributions	\$	<u>2,635,071</u>	
Total Education Capital Projects			<u>2,635,071</u>
Total General Capital Projects Fund			\$ 2,991,165
 <u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Utility Projects</u>			
Other Construction	\$	<u>499,931</u>	
Total Public Utility Projects			<u>\$ 499,931</u>
Total Other Capital Projects Fund			<u>499,931</u>
Total Governmental Funds - Primary Government			<u>\$ 34,248,073</u>

Exhibit J-8

Hawkins County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hawkins County School Department
For the Year Ended June 30, 2021

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	19,072,026	
Career Ladder Program		53,500	
Career Ladder Extended Contracts		19,276	
Homebound Teachers		103,209	
Educational Assistants		902,210	
Bonus Payments		472,371	
Other Salaries and Wages		10,884	
Certified Substitute Teachers		29,780	
Non-certified Substitute Teachers		94,401	
Social Security		1,187,251	
Pensions		1,875,356	
Life Insurance		65,658	
Medical Insurance		3,543,253	
Employer Medicare		280,577	
Other Contracted Services		167,285	
Instructional Supplies and Materials		219,921	
Textbooks - Bound		917,354	
Other Supplies and Materials		1,134	
Fee Waivers		110,498	
Regular Instruction Equipment		45,160	
Total Regular Instruction Program			\$ 29,171,104

Alternative Instruction Program

Teachers	\$	199,910	
Career Ladder Program		1,000	
Educational Assistants		21,703	
Bonus Payments		5,807	
Non-certified Substitute Teachers		1,542	
Social Security		13,134	
Pensions		20,990	
Life Insurance		821	
Medical Insurance		37,816	
Employer Medicare		3,083	
Instructional Supplies and Materials		1,766	
Textbooks - Bound		4,657	
Other Supplies and Materials		3,487	
Other Charges		300	
Other Equipment		499	
Total Alternative Instruction Program			316,515

Special Education Program

Teachers	\$	2,184,775	
Career Ladder Program		8,000	
Homebound Teachers		98,278	
Educational Assistants		446,251	
Speech Pathologist		235,013	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Bonus Payments	\$	19,692	
Certified Substitute Teachers		4,254	
Non-certified Substitute Teachers		28,377	
Social Security		171,695	
Pensions		271,702	
Life Insurance		12,840	
Medical Insurance		592,195	
Employer Medicare		40,368	
Instructional Supplies and Materials		41,429	
Total Special Education Program	\$		4,154,869

Career and Technical Education Program

Teachers	\$	1,139,553	
Bonus Payments		21,149	
Other Salaries and Wages		8,480	
Certified Substitute Teachers		1,466	
Non-certified Substitute Teachers		8,487	
Social Security		68,251	
Pensions		105,445	
Life Insurance		3,622	
Medical Insurance		185,350	
Employer Medicare		16,032	
Other Contracted Services		850	
Instructional Supplies and Materials		12,528	
Other Supplies and Materials		3,076	
In Service/Staff Development		6,217	
Vocational Instruction Equipment		11,207	
Total Career and Technical Education Program			1,591,713

Support Services

Attendance

Supervisor/Director	\$	75,152	
Career Ladder Program		1,000	
Secretary(ies)		27,244	
Bonus Payments		3,291	
Other Salaries and Wages		67,066	
Social Security		10,042	
Pensions		14,738	
Life Insurance		561	
Medical Insurance		25,665	
Employer Medicare		2,348	
Travel		2,424	
Software		45,713	
Other Supplies and Materials		1,101	
In Service/Staff Development		875	
Attendance Equipment		1,037	
Total Attendance			278,257

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Supervisor/Director	\$	100,317	
Medical Personnel		456,264	
Bonus Payments		11,402	
Other Salaries and Wages		46,815	
Social Security		33,847	
Pensions		56,016	
Life Insurance		2,574	
Medical Insurance		169,521	
Employer Medicare		7,937	
Maintenance and Repair Services - Equipment		1,474	
Travel		3,148	
Other Contracted Services		13,000	
Drugs and Medical Supplies		16,215	
Other Supplies and Materials		21,468	
In Service/Staff Development		903	
Other Charges		33,488	
Health Equipment		18,865	
Total Health Services			\$ 993,254

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		1,190,937	
Career Ladder Extended Contracts		6,532	
Secretary(ies)		42,964	
Bonus Payments		27,444	
Other Salaries and Wages		463,688	
Social Security		98,978	
Pensions		154,274	
Life Insurance		5,095	
Medical Insurance		305,664	
Employer Medicare		23,320	
Contracts with Government Agencies		459,544	
Evaluation and Testing		110,622	
Travel		1,077	
Other Contracted Services		46,055	
Other Supplies and Materials		21,574	
Other Charges		13,923	
Other Equipment		2,619	
Total Other Student Support			2,977,310

Regular Instruction Program

Supervisor/Director	\$	304,611	
Career Ladder Program		6,000	
Librarians		608,401	
Educational Assistants		34,363	
Bonus Payments		34,139	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	52,442	
Social Security		60,161	
Pensions		104,124	
Life Insurance		2,776	
Medical Insurance		162,806	
Employer Medicare		14,103	
Travel		9,782	
Library Books/Media		44,206	
Periodicals		2,564	
Other Supplies and Materials		5,874	
In Service/Staff Development		7,909	
Other Equipment		37,457	
Total Regular Instruction Program			\$ 1,491,718

Special Education Program

Supervisor/Director	\$	119,081	
Career Ladder Program		8,000	
Psychological Personnel		115,256	
Medical Personnel		93,810	
Assessment Personnel		47,466	
Secretary(ies)		34,909	
Bonus Payments		5,986	
Other Salaries and Wages		53,775	
In-service Training		1,000	
Social Security		27,491	
Pensions		48,018	
Life Insurance		1,253	
Medical Insurance		82,034	
Employer Medicare		6,429	
Travel		12,364	
Other Supplies and Materials		15,320	
Other Equipment		12,230	
Total Special Education Program			684,422

Career and Technical Education Program

Supervisor/Director	\$	76,004	
Bonus Payments		1,520	
Other Salaries and Wages		151	
Social Security		4,684	
Pensions		7,973	
Life Insurance		144	
Medical Insurance		5,789	
Employer Medicare		1,095	
Travel		336	
In Service/Staff Development		226	
Total Career and Technical Education Program			97,922

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	68,021	
Bonus Payments		6,221	
Other Salaries and Wages		247,260	
Social Security		18,846	
Pensions		22,774	
Life Insurance		1,008	
Medical Insurance		39,198	
Employer Medicare		4,407	
Communication		4,887	
Consultants		10,000	
Maintenance and Repair Services - Equipment		23,474	
Internet Connectivity		143,076	
Travel		127	
Other Contracted Services		75,209	
Office Supplies		423	
Cabling		4,620	
Software		47,473	
Other Supplies and Materials		3,468	
In Service/Staff Development		285	
Other Charges		1,662	
Other Equipment		172,417	
Total Technology			\$ 894,856

Other Programs

On-behalf Payments to OPEB	\$	322,869	
Total Other Programs			322,869

Board of Education

Secretary to Board	\$	2,000	
Other Salaries and Wages		14,000	
Social Security		817	
Pensions		462	
Life Insurance		20,280	
Medical Insurance		427,153	
Unemployment Compensation		34,720	
Employer Medicare		233	
Audit Services		28,500	
Dues and Memberships		15,342	
Legal Services		50,577	
Liability Insurance		412,384	
Trustee's Commission		234,941	
Workers' Compensation Insurance		332,283	
In Service/Staff Development		1,647	
Other Charges		3,091	
Total Board of Education			1,578,430

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	105,000	
Career Ladder Program		1,000	
Secretary(ies)		70,739	
Bonus Payments		3,709	
Other Salaries and Wages		17,632	
Social Security		11,521	
Pensions		13,925	
Life Insurance		423	
Medical Insurance		29,802	
Employer Medicare		2,694	
Communication		165,142	
Postal Charges		4,000	
Travel		1,367	
Other Contracted Services		17,429	
Office Supplies		4,295	
Other Supplies and Materials		1,016	
In Service/Staff Development		1,384	
Other Charges		3,466	
Total Director of Schools			\$ 454,544

Office of the Principal

Principals	\$	1,295,841	
Career Ladder Program		5,985	
Career Ladder Extended Contracts		6,000	
Assistant Principals		673,208	
Secretary(ies)		513,855	
Bonus Payments		53,929	
Other Salaries and Wages		273,734	
Social Security		160,374	
Pensions		265,084	
Life Insurance		9,934	
Medical Insurance		548,812	
Employer Medicare		37,609	
Total Office of the Principal			3,844,365

Fiscal Services

Supervisor/Director	\$	67,273	
Accountants/Bookkeepers		133,568	
Secretary(ies)		27,832	
Bonus Payments		4,576	
Social Security		13,269	
Pensions		16,328	
Life Insurance		864	
Medical Insurance		43,406	
Employer Medicare		3,103	
Travel		202	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Contracted Services	\$	22,674	
Office Supplies		1,172	
In Service/Staff Development		400	
Other Equipment		4,833	
Total Fiscal Services			\$ 339,500

Human Services/Personnel

Supervisor/Director	\$	39,676	
Secretary(ies)		27,244	
Bonus Payments		2,132	
Social Security		4,207	
Pensions		6,183	
Life Insurance		216	
Medical Insurance		2,895	
Employer Medicare		984	
Advertising		749	
Travel		673	
Other Contracted Services		24,131	
Office Supplies		1,328	
Other Supplies and Materials		901	
In Service/Staff Development		109	
Other Charges		11,243	
Total Human Services/Personnel			122,671

Operation of Plant

Custodial Personnel	\$	1,144,691	
Bonus Payments		24,987	
Other Salaries and Wages		58,311	
Social Security		69,234	
Pensions		86,663	
Life Insurance		7,386	
Medical Insurance		243,758	
Employer Medicare		16,474	
Other Contracted Services		397,885	
Custodial Supplies		151,150	
Electricity		1,295,499	
Natural Gas		174,687	
Water and Sewer		175,688	
Other Supplies and Materials		1,123	
Other Charges		350	
Total Operation of Plant			3,847,886

Maintenance of Plant

Supervisor/Director	\$	58,946	
Secretary(ies)		26,654	
Maintenance Personnel		645,624	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Bonus Payments	\$	14,818	
Social Security		43,139	
Pensions		51,699	
Life Insurance		3,103	
Medical Insurance		114,558	
Employer Medicare		10,128	
Communication		9,726	
Maintenance and Repair Services - Equipment		5,120	
Other Contracted Services		186,938	
Other Supplies and Materials		73,331	
Administration Equipment		29,358	
Maintenance Equipment		58,138	
Total Maintenance of Plant			\$ 1,331,280

Transportation

Bus Drivers	\$	79,000	
Other Salaries and Wages		12,980	
Social Security		5,252	
Pensions		6,171	
Employer Medicare		1,303	
Diesel Fuel		10,624	
Total Transportation			115,330

COVID-19 Expenditures

Other Supplies and Materials	\$	692,941	
Total COVID-19 Expenditures			692,941

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	30,195	
Bonus Payments		35,102	
Social Security		3,733	
Pensions		4,682	
Employer Medicare		873	
Total Food Service			74,585

Community Services

Bonus Payments	\$	1,287	
Other Salaries and Wages		49,297	
Social Security		2,657	
Pensions		3,541	
Life Insurance		216	
Medical Insurance		18,518	
Employer Medicare		621	
Communication		294	
Travel		749	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Supplies and Materials	\$	5,380	
In Service/Staff Development		12	
Other Equipment		1,126	
Total Community Services			\$ 83,698

Early Childhood Education

Teachers	\$	172,608	
Clerical Personnel		10,741	
Educational Assistants		53,028	
Other Salaries and Wages		1,500	
Non-certified Substitute Teachers		1,724	
Social Security		13,383	
Pensions		21,235	
Life Insurance		1,218	
Medical Insurance		61,386	
Employer Medicare		3,145	
Instructional Supplies and Materials		32,658	
Other Supplies and Materials		1,015	
In Service/Staff Development		325	
Regular Instruction Equipment		12,337	
Total Early Childhood Education			386,303

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	4,135,899	
Total Regular Capital Outlay			4,135,899

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	436,865	
Total Education			436,865

Total General Purpose School Fund \$ 60,419,106

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	104,514	
Educational Assistants		304,203	
Other Salaries and Wages		110,940	
Non-certified Substitute Teachers		706	
Social Security		28,689	
Pensions		41,557	
Life Insurance		3,254	
Medical Insurance		127,775	
Employer Medicare		6,770	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Contracted Services	\$	8,000	
Instructional Supplies and Materials		529,708	
Software		203,639	
Other Supplies and Materials		83,832	
Other Charges		791	
Regular Instruction Equipment		1,645,474	
Total Regular Instruction Program			\$ 3,199,852

Special Education Program

Teachers	\$	351,839	
Educational Assistants		465,926	
Speech Pathologist		74,444	
Social Security		50,502	
Pensions		73,885	
Life Insurance		6,055	
Medical Insurance		191,026	
Employer Medicare		11,890	
Contracts with Private Agencies		21,483	
Instructional Supplies and Materials		25,761	
Other Supplies and Materials		30,628	
Special Education Equipment		12,367	
Total Special Education Program			1,315,806

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	762	
Instructional Supplies and Materials		9,554	
Other Supplies and Materials		4,109	
Vocational Instruction Equipment		133,757	
Total Career and Technical Education Program			148,182

Support Services

Health Services

Travel	\$	102	
Total Health Services			102

Other Student Support

Other Salaries and Wages	\$	82,860	
Social Security		3,523	
Pensions		5,033	
Employer Medicare		1,163	
Other Supplies and Materials		39,081	
In Service/Staff Development		4,535	
Other Charges		6,613	
Total Other Student Support			142,808

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	75,792	
Education Media Personnel		55,595	
Secretary(ies)		29,262	
Other Salaries and Wages		324,854	
In-service Training		4,315	
Social Security		27,674	
Pensions		45,822	
Life Insurance		1,146	
Medical Insurance		56,208	
Employer Medicare		6,793	
Travel		7,636	
Other Contracted Services		2,628	
Library Books/Media		17,170	
Other Supplies and Materials		31,925	
In Service/Staff Development		61,174	
Other Charges		26,316	
Other Equipment		13,641	
Total Regular Instruction Program	\$		787,951

Special Education Program

Supervisor/Director	\$	31,740	
Medical Personnel		51,661	
Assessment Personnel		55,801	
Other Salaries and Wages		77,908	
In-service Training		500	
Social Security		12,406	
Pensions		21,062	
Life Insurance		547	
Medical Insurance		38,678	
Employer Medicare		2,901	
Maintenance and Repair Services - Equipment		471	
Travel		12,727	
Other Contracted Services		3,697	
Other Supplies and Materials		1,351	
In Service/Staff Development		23,476	
Other Charges		2,550	
Total Special Education Program			337,476

Career and Technical Education Program

Other Supplies and Materials	\$	263	
In Service/Staff Development		100	
Total Career and Technical Education Program			363

Technology

Internet Connectivity	\$	30,597	
Software		37,900	
Other Equipment		62,100	
Total Technology			130,597

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Other Salaries and Wages	\$	5,400	
Social Security		335	
Pensions		467	
Employer Medicare		78	
Travel		521	
Total Office of the Principal			\$ 6,801

Operation of Plant

Other Contracted Services	\$	58,056	
Plant Operation Equipment		18,867	
Total Operation of Plant			76,923

Transportation

Bus Drivers	\$	931	
Social Security		39	
Pensions		45	
Employer Medicare		14	
Contracts with Parents		765	
Total Transportation			1,794

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	2,060	
Teachers		7,231	
Educational Assistants		4,120	
Part-time Personnel		1,080	
Social Security		830	
Pensions		1,237	
Employer Medicare		194	
Total Community Services			16,752

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,366,741	
Total Regular Capital Outlay			1,366,741

Total School Federal Projects Fund \$ 7,532,148

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,092	
Accountants/Bookkeepers		28,612	
Clerical Personnel		51,999	
Cafeteria Personnel		1,097,695	
Other Salaries and Wages		23,087	

(Continued)

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	66,066	
Pensions		87,582	
Life Insurance		13,198	
Medical Insurance		498,576	
Employer Medicare		15,540	
Retirement - Hybrid Stabilization		1,264	
Communication		1,800	
Maintenance and Repair Services - Equipment		39,575	
Travel		866	
Other Contracted Services		181,609	
Food Preparation Supplies		111,893	
Food Supplies		929,329	
Office Supplies		1,098	
Uniforms		4,518	
USDA - Commodities		328,054	
In Service/Staff Development		148	
Food Service Equipment		8,070	
Total Food Service			\$ 3,551,671

Total Central Cafeteria Fund

\$ 3,551,671

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	66,428	
Total Board of Education			\$ 66,428

Transportation

Supervisor/Director	\$	55,871
Mechanic(s)		248,086
Bus Drivers		1,365,808
Clerical Personnel		63,289
Bonus Payments		37,332
Other Salaries and Wages		92,662
Social Security		103,059
Pensions		122,671
Life Insurance		10,469
Medical Insurance		290,725
Employer Medicare		25,365
Retirement - Hybrid Stabilization		8,023
Communication		3,027
Maintenance and Repair Services - Vehicles		11,209
Medical and Dental Services		7,692
Other Contracted Services		80,706
Gasoline		223,925
Lubricants		550

(Continued)

Exhibit J-8

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

<u>School Transportation Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Transportation (Cont.)</u>		
Tires and Tubes	\$ 35,343	
Vehicle Parts	156,869	
Other Supplies and Materials	7,514	
In Service/Staff Development	2,095	
Other Charges	27,984	
Transportation Equipment	189,700	
Total Transportation		<u>\$ 3,169,974</u>
Total School Transportation Fund		\$ 3,236,402
<u>Internal School Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Charges	<u>\$ 1,771,636</u>	
Total Community Services		<u>\$ 1,771,636</u>
Total Internal School Fund		1,771,636
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 8,800	
Trustee's Commission	24,691	
Building Improvements	1,734,412	
Total Education Capital Projects		<u>\$ 1,767,903</u>
Total Education Capital Projects Fund		<u>1,767,903</u>
Total Governmental Funds - Hawkins County School Department		<u>\$ 78,278,866</u>

Exhibit J-9

Hawkins County, Tennessee
Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund	City School ADA - Rogersville Fund	City School ADA - Kingsport Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 602,602	\$ 453,276	\$ 1,055,878
Trustee's Collections - Prior Years	0	21,002	15,804	36,806
Trustee's Collections - Bankruptcy	0	41	32	73
Circuit/Clerk and Master Collections - Prior Year	0	13,348	10,051	23,399
Interest and Penalty	0	3,434	2,586	6,020
Pick-up Taxes	0	647	509	1,156
Local Option Sales Tax	5,919,908	610,369	461,750	6,992,027
Wheel Tax	0	19,136	14,458	33,594
Bank Excise Tax	0	1,657	1,255	2,912
Marriage Licenses	0	358	271	629
Other Local Revenues	0	8	6	14
Total Additions	\$ 5,919,908	\$ 1,272,602	\$ 959,998	\$ 8,152,508
<u>Deductions</u>				
Remittance of Revenues Collected	\$ 5,861,439	\$ 1,259,721	\$ 950,279	\$ 8,071,439
Trustee's Commissions	58,469	12,881	9,719	81,069
Total Deductions	\$ 5,919,908	\$ 1,272,602	\$ 959,998	\$ 8,152,508
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2020	0	0	0	0
Net Position, June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 0

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 29, 2021. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Hawkins County School Department, as described in our report on Hawkins County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hawkins County's internal control over financial reporting (internal control) to determine 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 Hawkins County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hawkins County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and

corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkins County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: 2021-001 and 2021-002.

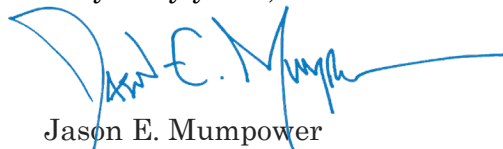
Hawkins County's Responses to the Findings

Hawkins County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Hawkins County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 29, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hawkins County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hawkins County's major federal programs for the year ended June 30, 2021. Hawkins County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hawkins County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hawkins County's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hawkins County's compliance.

Opinion on Each Major Federal Program

In our opinion, Hawkins County complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of Hawkins County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hawkins County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hawkins County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements. We issued our report thereon dated December 29, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 29, 2021

JEM/tg

Hawkins County, Tennessee, and the Hawkins County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9)
For the Year Ended June 30, 2021

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Forest Service Schools and Roads Cluster: (7)			
Schools and Roads - Grants to States	10.665	N/A	\$ 5,680
Passed-through State Department of Education:			
Child Nutrition Cluster: (7)			
School Breakfast Program	10.553	N/A	840,340
National School Lunch Program	10.555	N/A	2,189,835 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	13,051
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (7)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	328,054 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-66971-00	87,244 (6)
Total U.S. Department of Agriculture			<u>\$ 3,464,204</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Community Development Black Grants/State's Program	14.228	N/A	\$ 63,230
Total U.S. Department of Housing and Urban Development			<u>\$ 63,230</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 15,713
Total U.S. Department of Labor			<u>\$ 15,713</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
COVID 19 - Airport Improvement Program	20.106	N/A	\$ 30,000 (5)
Airport Improvement Program	20.106	AERO-0107102	2,582 (5)
Alcohol Open Container Requirements	20.607	(8)	19,163
Total U.S. Department of Transportation			<u>\$ 51,745</u>
U.S. Department of Treasury:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 847,950 (5)
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	139,204 (5)
Total U.S. Department of Treasury			<u>\$ 987,154</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 29,097
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies			
Special Education Cluster: (7)			
Special Education - Grants to States	84.027	N/A	1,627,220
Special Education - Preschool Grants	84.173	N/A	21,471
Career and Technical Education - Basic Grants to States	84.048	N/A	156,869
Education for Homeless Children and Youth	84.196	N/A	18,463
Twenty-First Century Community Learning Centers	84.287	N/A	16,751
Improving Teacher Quality State Grants	84.367	N/A	298,412
Student Support and Academic Enrichment Program	84.424	N/A	164,901
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER I)	84.425D	N/A	\$ 1,499,509 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,532,711 (5)
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	(4)	1,823
Total U.S. Department of Education			<u>\$ 7,456,648</u>

(Continued)

Hawkins County, Tennessee, and the Hawkins County School Department
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(4)	\$ 27,384
Total U.S. Elections Assistance Commission			<u>\$ 27,384</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Aging Cluster: (7)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 18,622 (5)
COVID 19 - Grants for Supportive Services and Senior Centers	93.044	(4)	10,330 (5)
COVID 19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	(4)	2,284
National Family Caregiver Support, Title III, Part E	93.052	(4)	4,512
Family Planning Services	93.217	GG-21-66971-00	10,569 (6)
Medicaid Cluster: (7)			
Medical Assistance Program	93.778	GG-21-66971-00	30,286 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-21-66971-00	6,451 (6)
477 Cluster: (7)			
Temporary Assistance for Needy Families	93.558	(4)	<u>232,041</u>
Total U.S. Department of Health and Human Services			<u>\$ 315,095</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 41,000
Total U.S. Department of Homeland Security			<u>\$ 41,000</u>
Total Expenditures of Federal Awards			<u>\$ 12,422,173</u>
State Grants			
		Contract Number	
Family Resource Center - State Department of Education	N/A	(4)	\$ 29,613
Special Needs Grant - State Department of Health	N/A	GG-21-68807-00	299,999
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,176,739
Coordinated School Health - State Department of Education	N/A	(4)	118,000
Student Management Grant - State Department of Education	N/A	(4)	9,841
Safe Schools Act Grant - State Department of Education	N/A	(4)	79,320
School Resource Office - State Department of Education	N/A	(4)	210,000
Middle School Start-Up and Expansion Grant - State Department of Education	N/A	(4)	13,915
Summer Learning Camps - State Department of Education	N/A	(4)	359,618
Aging Program - State Office on Aging	N/A	(4)	14,614
Airport Maintenance Programs - State Department of Transportation	N/A	(4)	14,960
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(4)	50,000
Litter Program - State Department of Transportation	N/A	(4)	41,736
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	397,618
Drivers Education - State Department of Education	N/A	(4)	10,586
State Aid Program - State Department of Transportation	N/A	(4)	424,691
Health Department Programs - State Department of Health	N/A	GG-21-66971-00	<u>236,511 (6)</u>
Total State Grants			<u>\$ 3,487,761</u>

(Continued)

Hawkins County, Tennessee, and the Hawkins County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (Cont.)

N/A = Not Applicable

FAL = Federal Assistance Listings

Notes:

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hawkins County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Total for FAL No. 10.555, \$2,517,889; FAL No. 20.106, \$32,582; FAL No. 21.019, \$987,154; FAL No. 84.425D, \$3,032,220; FAL No. 93.044, \$28,952.
- (6) Programs with pass-through identifying number GG-21-66971-00 are part of a multi-service contract.
- (7) Forest Service Schools and Roads Cluster total \$5,680; Child Nutrition Cluster total \$3,358,229; Special Education Cluster total \$1,648,691; Aging Cluster total \$28,952; Medicaid Cluster total \$30,286; 477 Cluster total \$232,041.
- (8) Z-20-THS-105 \$18,097; Z-21-THS-126 \$1,066.
- (9) For the year ended June 30, 2021, Hawkins County received donated PPE valued at \$785,533 (\$589,150 federal and \$196,383 state) from the Tennessee Department of Military. These donations were unaudited.

Hawkins County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hawkins County, Tennessee, for the year ended June 30, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
-------------	-------------	----------------	------------------	------------	----------------

OFFICE OF COUNTY MAYOR

2020	236	2020-001	Subsidiary accounting records were not closed and available for audit by August 31, 2020.	N/A	Corrected
------	-----	----------	---	-----	-----------

OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

2020	237	2020-002	Warrants were issued on the School Federal Projects Fund that exceeded cash on deposit with the County Trustee, and the Trustee certified warrants issued on the School Federal Projects Fund that exceeded available funds.	N/A	Corrected
------	-----	----------	--	-----	-----------

Prior-year Federal Awards Findings

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

HAWKINS COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Hawkins County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
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 Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I and ESSER II)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF SHERIFF

FINDING 2021-001

OPERATIONS RELATED TO TELEPHONE AND TEXT MESSAGING SERVICE CONTRACTS HAD DEFICIENCIES

(Noncompliance Under *Government Auditing Standards*)

The sheriff entered two contracts with the vendor Combined Public Communications, one for inmate text messaging service dated March 12, 2020, and one for inmate telephone service dated August 26, 2020. Each contract was for an initial term of four years. The text messaging contract provided for the sheriff's department to receive two cents (\$0.02) for each completed text message, which would be placed into an account for use by the sheriff's department and administered by Combined Public Communications. The telephone contract provided for the sheriff's department to receive a monthly commission based on prepaid talk time and usage. Additionally, the company would provide funding of up to \$40,000 to the sheriff's department over the term of the contract. These contracts were not presented to the county commission for approval and were signed by the sheriff rather than the county mayor.

Through March 31, 2021, the sheriff's department had received \$41,358.78 from the text messaging contract and had submitted invoices totaling \$37,675.50 directly to Combined Public Communications for the purchase of two trucks and other smaller items. The sheriff's department also submitted an invoice for \$23,710 to Combined Public Communications for electronic inmate monitoring devices to be paid from the telephone contract funding. These purchases were made outside of the administrative and budgetary control of the county government.

Chapter 256, Private Acts of 1957, requires the county mayor purchasing department to make all purchases and for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. Since the purchases were made by the company and were not made by the county purchasing department, we were unable to determine if purchases in excess of \$10,000 complied with bid requirements.

The revenues from the contracts, except for the monthly telephone service commissions, were not remitted to the county trustee, and the funds were not appropriated by the county commission as required by state statutes. Section 8-24-103, *Tennessee Code Annotated (TCA)*, requires all fees and commissions earned by the sheriff's department to be remitted to the county monthly. Section 5-9-401, *TCA*, requires that "All funds from whatever source

derived...that are to be used in the operation and respective programs of the various departments... of county governments shall be appropriated to such use by the county legislative body.”

Transactions occurring from July 1, 2020, through March 31, 2021, totaling \$61,386, will be reflected in the operations of the General Fund and will be reflected without a budget in the financial statements of this report.

Revenue received and unspent on March 31, 2021, from the text messaging contract as well as all revenue received from the text messaging and telephone contract after March 31 have been remitted to the county trustee and placed in the General Fund.

These deficiencies are the result management’s failure to comply with county purchasing procedures and state statutes.

RECOMMENDATION

All contracts should be entered in accordance with provisions of Chapter 256, Private Acts of 1957. All purchases for the sheriff’s department should be made by the county purchasing department through the county’s General Fund and in compliance with purchasing requirements. Furthermore, all revenues derived from the jail telephone system and text messaging contracts should be remitted to the county trustee monthly and placed in the General Fund. All expenditures for the sheriff’s department should be appropriated by the county commission, and all vendors should be paid by the county’s finance department.

MANAGEMENT’S RESPONSE – SHERIFF

The Sheriff’s Office concurs with the finding. Corrective action has been implemented. The county commission approved the agreement with Combined Communications for telephones and chirping on May 24, 2021. In regard to purchasing, we will follow the 1957 Purchasing Act which Hawkins County falls under.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

FINDING 2021-002

BIDS WERE NOT SOLICITED FOR THE PURCHASE OF APPAREL FOR FACULTY

(Noncompliance Under *Government Auditing Standards*)

Purchasing procedures for all departments of Hawkins County and the discretely presented Hawkins County School Department are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases, and purchases in excess of \$10,000 to be made after public advertisement and solicitation of competitive bids through newspaper advertisement. As part of our audit procedures to obtain reasonable assurance that bid procedures were properly followed, we selected five purchases that were just below or above the county's \$10,000 bid limit. Our examination revealed that the school department purchased apparel for faculty totaling \$23,165. The school department obtained quotes but did not solicit competitive bids through newspaper advertisement in compliance with the private act for this purchase. This deficiency is the result management’s

failure to comply with the county purchasing procedures. As a result, the best and lowest price may not have been obtained for the purchase of apparel for faculty.

RECOMMENDATION

All purchases should be made in compliance with provisions of Chapter 256, Private Acts of 1957, as amended.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The Hawkins County Mayor's Office concurs with the reported finding. We have taken action to prevent this from occurring in subsequent years.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

In the future, purchases will be made in compliance with provisions of Chapter 256, Private Acts of 1957, as amended.

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, 2021.

Hawkins County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF SHERIFF

2021-001	Operations related to telephone and text messaging service contracts had deficiencies.	249
----------	--	-----

OFFICE OF COUNTY MAYOR

2021-002	Bids were not solicited for the purchase of apparel for faculty.	250
----------	--	-----

OFFICE DIRECTOR OF SCHOOLS

2021-002	Bids were not solicited for the purchase of apparel for faculty.	251
----------	--	-----



Emergency: 911

Hawkins County Sheriff's Office

117 Justice Center Drive
Rogersville, Tennessee 37857-3393

Sheriff Ronnie Lawson



Main: 423-272-4848
Fax: 423-272-7019
Jail: 423-272-6968

Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN THE OPERATIONS RELATED TO TELEPHONE AND TEXT MESSAGING SERVICE CONTRACTS

Response and Corrective Action Plan Prepared by:
Ronnie Lawson, Sheriff

Person Responsible for Implementing the Corrective Action:
Ronnie Lawson, Sheriff

Anticipated Completion Date of Corrective Action:
It was corrected on May 24, 2021

Repeat Finding:
No

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

Planned Corrective Action:
A resolution was approved by County Commission on May 24, 2021. This resolution covered the agreement with Combined Communications for telephones and chirping.

In regards to the purchasing we will following the 1957 purchasing Act which Hawkins County falls under.

Signature: 



Hawkins County Government

Jim Lee
County Mayor

150 E. Washington St, Suite 2
Rogersville, TN 37857

Phone: 423-272-7359
Fax: 423-272-1867
jim.lee@hawkinscountyttn.gov

Corrective Action Plan

FINDING: BIDS WERE NOT SOLICITED FOR THE PURCHASE OF APPAREL FOR FACULTY

Response and Corrective Action Plan Prepared by:
Jim Lee – Hawkins County Mayor

Person Responsible for Implementing the Corrective Action:
Eric Buchanan – Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:
7/1/2021 – 6/30/2022

Repeat Finding:
No

Planned Corrective Action:
Issue was addressed with all involved parties of the Accounting Department. We will continue to monitor all purchase orders in an effort to make sure all purchasing policies are followed to insure the best use of tax payer funds.

Signature: _____

Signature: _____



Hawkins County Schools

200 North Depot Street
Rogersville, TN 37857
(423) 272-7629 Fax (423) 272-2207

Matt Hixson, Director of Schools

School Board Members

Chris Christian, Chairman
Debbie Shedden, Vice-Chairman
McClure Boyd
Jackie Charles
Kathy Cradic
Tecky Hicks
Judy Trent

Corrective Action Plan

FINDING: BIDS WERE NOT SOLICITED FOR THE PURCHASE OF APPAREL FOR FACULTY

Response and Corrective Action Plan Prepared by:
Matt Hixson, Director of Schools

Person(s) Responsible for Implementing the Corrective Action:
Central Office Supervisors and Department Heads

Anticipated Completion Date of Corrective Action:
December 8, 2021

Repeat Finding:
No

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

Planned Corrective Action:
We will train new staff and remind current staff that all purchases must be made in compliance with provisions of Chapter 256, Private Acts of 1957, as amended.

Signature: _____

BEST PRACTICE

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

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

HAWKINS COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

Hawkins County operates under provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make purchases for all departments of Hawkins County, including the discretely presented Hawkins County School Department.

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