



## ANNUAL FINANCIAL REPORT

### Hawkins County, Tennessee

*For the Year Ended June 30, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**HAWKINS COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

*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](http://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	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-27
Other Special Revenue Fund	C-6	28
Highway/Public Works Fund	C-7	29
Fiduciary Funds:		
Statement of Net Position	D-1	30
Statement of Changes in Net Position	D-2	31
Index and Notes to the Financial Statements		32-109
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 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	127-128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	129-130
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	F-3	131
Drug Control Fund	F-4	132
General Debt Service Fund	F-5	133
Special Debt Service Fund	F-6	134
General Capital Projects Fund	F-7	135
Major Governmental Fund:		136
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Education Debt Service Fund	G	137
Fiduciary Funds:		138
Combining Statement of Net Position - Custodial Funds	H-1	139
Combining Statement of Changes in Net Position - Custodial Funds	H-2	140
Component Unit:		
Discretely Presented Hawkins County School Department:		141
Statement of Activities	I-1	142
Balance Sheet – Governmental Funds	I-2	143-146
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	147
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	148-149
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	150

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	151-152
School Federal Projects Fund	I-7	153
Central Cafeteria Fund	I-8	154
School Transportation Fund	I-9	155
Education Capital Projects Fund	I-10	156
Miscellaneous Schedules:		157
Schedule of Changes in Long-term Other Loans and Bonds	J-1	158
Schedule of Long-term Debt Requirements by Year	J-2	159
Schedule of Changes in Lease Obligations – Discretely Presented Hawkins County School Department	J-3	160
Schedule of Lease Requirements by Year	J-4	161
Schedule of Leases Receivable – Discretely Presented Hawkins County School Department	J-5	162
Schedule of Transfers – Primary Government and Discretely Presented Hawkins County School Department	J-6	163
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hawkins County School Department	J-7	164
Schedule of Detailed Revenues – All Governmental Fund Types	J-8	165-178
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-9	179-186
Schedule of Detailed Expenditures – All Governmental Fund Types	J-10	187-210
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hawkins County School Department	J-11	211-224
<u>SINGLE AUDIT SECTION</u>		225
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		226-227
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		228-231
Schedule of Expenditures of Federal Awards and State Grants		232-234
Summary Schedule of Prior-year Findings		235
Schedule of Findings and Questioned Costs		236-239
Management's Corrective Action Plan		240-242
Best Practice		243

## ***Summary of Audit Findings***

Annual Financial Report  
Hawkins County, Tennessee  
For the Year Ended June 30, 2023

### ***Scope***

We have audited the basic financial statements of Hawkins County as of and for the year ended June 30, 2023.

### ***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. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

### ***Finding***

The following are summaries of the audit findings:

#### **OFFICE OF COUNTY MAYOR**

- ◆ Competitive bids were not solicited for Property Assessor's vehicle purchase.

---

#### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The school department paid fraudulent fuel card charges.



# INTRODUCTORY SECTION

## Hawkins County Officials

### June 30, 2023

---

#### **Officials**

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

#### **Board of County Commissioners**

Mark DeWitte, County Mayor, Chairman	Josh Gilliam
Danny Alvis	Tom Kern
Nancy Barker	Joey Maddox
Jeff Barrett	Robbie Palmer
Chad Britton	Jason Roach
Larry Clonce	Charles Thacker
Glenda Davis	Syble Vaughan Trent
John Gibson	

#### **Board of Education**

Chris Christian, Chairman	Alina Gorlova
McClure Boyd	Debbie Shedden
Jackie Charles	Hannah Winegar
Kathy Cradic	

#### **Audit Committee**

Jeff Barrett, Chairman	Joey Maddox
Chad Britton	Charles Thacker
Larry Clonce	Syble Vaughan Trent
Glenda Davis	



## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of June 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Hawkins County School Department, which represent 1.78 percent, 2.29 percent, and 2.62 percent, respectively, of the assets, net position, and revenues of the discretely presented Hawkins County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Hawkins County School Department, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of

Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawkins County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hawkins County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

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

standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the Hawkins County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Requirements by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023, 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

November 9, 2023

JEM/tg

# BASIC FINANCIAL STATEMENTS

## Exhibit A

Hawkins County, Tennessee  
Statement of Net Position  
June 30, 2023

	Primary Governmental Activities	Component Unit Hawkins County School Department
<u>ASSETS</u>		
Cash	\$ 18,794	\$ 1,730,222
Equity in Pooled Cash and Investments	45,900,605	15,934,145
Accounts Receivable	242,383	191,933
Due from Other Governments	1,388,598	4,849,512
Property Taxes Receivable	19,444,406	12,112,399
Allowance for Uncollectible Property Taxes	(606,871)	(373,395)
Prepaid Items	70,083	0
Leases Receivable - Current	0	10,501
Leases Receivable - Long-term	0	383,157
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	941,039
Net Pension Asset - Agent Plan - Legacy	899,460	592,429
Net Pension Asset - Teacher Retirement Plan	0	162,055
Net Pension Asset - Teacher Legacy Pension Plan	0	8,827,388
Capital Assets:		
Assets Not Depreciated:		
Land	1,383,652	1,565,973
Construction in Progress	372,897	1,694,711
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	13,668,853	45,140,277
Infrastructure	27,880,561	0
Other Capital Assets	2,470,441	3,210,076
Intangible Right-to-Use Assets	0	133,603
Total Assets	<u>\$ 113,133,862</u>	<u>\$ 97,106,025</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 981,029	\$ 0
Pension Changes in Experience	723,337	2,015,700
Pension Changes in Assumptions	1,387,372	6,680,910
Pension Changes in Investment Earnings	67,121	266,987
Pension Changes in Proportion	0	17,694
Pension Contributions after Measurement Date	729,964	2,804,865
OPEB Changes in Experience	660,989	1,690,647
OPEB Changes in Assumptions	0	1,208,489
OPEB Changes in Proportion	0	682,732
OPEB Contributions After Measurement Date	0	781,235
Total Deferred Outflows of Resources	<u>\$ 4,549,812</u>	<u>\$ 16,149,259</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Hawkins County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 577,836	\$ 303,893
Accrued Payroll	0	418,056
Payroll Deductions Payable	109,465	5,527
Contracts Payable	0	869,131
Retainage Payable	0	60,815
Accrued Interest Payable	236,559	0
Due to Other Governments	985,515	0
Due to State of Tennessee	763	0
Other Current Liabilities	101,207	1,810,579
Noncurrent Liabilities:		
Due Within One Year - Leases	0	34,789
Due Within One Year - Debt	4,347,343	0
Due Within One Year - Other	780,795	841,082
Due in More Than One Year - Leases	0	97,494
Due in More Than One Year - Debt	54,684,799	0
Due in More Than One Year - Other	6,414,499	15,323,767
Total Liabilities	<u>\$ 68,238,781</u>	<u>\$ 19,765,133</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 18,309,314	\$ 11,418,412
Deferred Leases Receivables	0	383,157
Pension Changes in Experience	173,134	1,707,052
Pension Changes in Proportion	0	146,439
OPEB Changes in Experience	714,504	1,055,933
OPEB Changes in Assumptions	0	2,081,640
OPEB Changes in Proportion	0	1,443,679
Total Deferred Inflows of Resources	<u>\$ 19,196,952</u>	<u>\$ 18,236,312</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 35,448,535	\$ 51,744,640
Restricted for:		
General Government	225,475	0
Finance	167,205	0
Administration of Justice	367,285	0
Public Safety	500,443	0
Public Health and Welfare	294,449	0
Highways	4,887,397	0
Debt Service	11,594,525	0
Education	0	6,696,508
Capital Projects	1,824,630	516,569
Pensions	899,460	10,522,911
Unrestricted	<u>(25,961,463)</u>	<u>5,773,211</u>
Total Net Position	<u>\$ 30,247,941</u>	<u>\$ 75,253,839</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, 2023

					Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
					Total Governmental	Hawkins County School Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 3,784,627	\$ 482,902	\$ 10,289,546	\$ 0	\$ 6,987,821	\$ 0
Finance	2,242,154	1,625,316	0	0	(616,838)	0
Administration of Justice	2,119,697	900,701	65,045	0	(1,153,951)	0
Public Safety	11,666,769	1,141,489	708,132	0	(9,817,148)	0
Public Health and Welfare	3,740,556	112,872	926,150	0	(2,701,534)	0
Social, Cultural, and Recreational Services	1,059,570	2,190	188,171	0	(869,209)	0
Agriculture and Natural Resources	243,874	0	0	0	(243,874)	0
Highways	6,003,868	47,616	2,886,402	444,865	(2,624,985)	0
Education	2,000,000	0	0	0	(2,000,000)	0
Interest on Long-term Debt	1,591,956	0	0	0	(1,591,956)	0
Total Primary Government	\$ 34,453,071	\$ 4,313,086	\$ 15,063,446	\$ 444,865	\$ (14,631,674)	\$ 0
Component Unit:						
Hawkins County School Department	\$ 81,082,374	\$ 1,190,250	\$ 17,839,605	\$ 2,017,950	\$ 0	\$ (60,034,569)
Total Component Unit	\$ 81,082,374	\$ 1,190,250	\$ 17,839,605	\$ 2,017,950	\$ 0	\$ (60,034,569)

(Continued)

## Exhibit B

Hawkins County, Tennessee  
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
					Primary Governmental	Component Unit
					Total Governmental	Hawkins County School Department
		Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	
Functions/Programs						
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 12,994,717	\$ 8,201,764
Property Taxes Levied for Highway/Public Works					1,624,903	0
Property Taxes Levied for Transportation					0	3,381,251
Property Taxes Levied for Capital Projects					0	492,590
Property Taxes Levied for Debt Service					4,249,145	0
Local Option Sales Taxes					1,964,978	7,002,137
Wheel Tax					3,258,653	340,396
Litigation Tax - General					87,963	0
Litigation Tax - Jail, Workhouse, Courthouse					89,458	0
Litigation Tax - Courthouse Security					88,043	0
Litigation Tax - Special					53,354	0
Business Tax					487,584	0
Mineral Severance Tax					71,991	0
Wholesale Beer Tax					91,496	0
Other Local Tax					0	3,819
Grants and Contributions Not Restricted to Specific Programs					1,306,320	43,087,355
Unrestricted Investment Income					1,294,093	61,095
Miscellaneous					2,502	285,311
Gain on Sale of Assets					295,592	5,803
Total General Revenues					\$ 27,960,792	\$ 62,861,521
Change in Net Position					\$ 13,329,118	\$ 2,826,952
Net Position, July 1, 2022					16,918,823	72,426,887
Net Position, June 30, 2023					\$ 30,247,941	\$ 75,253,839

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, 2023

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,794	\$ 18,794
Equity in Pooled Cash and Investments	14,349,619	7,835,092	4,787,326	10,186,780	8,741,788	45,900,605
Accounts Receivable	35,804	37,038	0	2,801	166,740	242,383
Due from Other Governments	497,869	0	511,238	0	379,491	1,388,598
Due from Other Funds	140,750	0	4,500	0	238	145,488
Property Taxes Receivable	13,017,517	0	1,754,687	3,473,017	1,199,185	19,444,406
Allowance for Uncollectible Property Taxes	(407,224)	0	(53,487)	(108,646)	(37,514)	(606,871)
Prepaid Items	0	0	0	70,083	0	70,083
Total Assets	\$ 27,634,335	\$ 7,872,130	\$ 7,004,264	\$ 13,624,035	\$ 10,468,722	\$ 66,603,486
<u>LIABILITIES</u>						
Accounts Payable	\$ 384,678	\$ 2,251	\$ 92,289	\$ 0	\$ 98,618	\$ 577,836
Payroll Deductions Payable	91,734	0	12,107	0	5,624	109,465
Due to Other Funds	4,738	0	0	0	140,750	145,488
Due to State of Tennessee	705	0	0	0	58	763
Due to Other Governments	0	985,515	0	0	0	985,515
Other Current Liabilities	101,207	0	0	0	0	101,207
Total Liabilities	\$ 583,062	\$ 987,766	\$ 104,396	\$ 0	\$ 245,050	\$ 1,920,274
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 12,254,950	\$ 0	\$ 1,655,860	\$ 3,269,568	\$ 1,128,936	\$ 18,309,314
Deferred Delinquent Property Taxes	334,452	0	42,674	89,229	30,811	497,166
Other Deferred/Unavailable Revenue	53,120	0	239,203	0	192,348	484,671
Total Deferred Inflows of Resources	\$ 12,642,522	\$ 0	\$ 1,937,737	\$ 3,358,797	\$ 1,352,095	\$ 19,291,151

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 70,083	\$ 0	\$ 70,083
Restricted:						
Restricted for General Government	168,575	0	0	0	0	168,575
Restricted for Finance	167,205	0	0	0	0	167,205
Restricted for Administration of Justice	367,285	0	0	0	0	367,285
Restricted for Public Safety	55,643	0	0	0	404,101	459,744
Restricted for Public Health and Welfare	294,449	0	0	0	0	294,449
Restricted for Other Operations	56,900	0	0	0	0	56,900
Restricted for Highways/Public Works	0	0	4,666,604	0	0	4,666,604
Restricted for Debt Service	0	0	0	10,195,155	1,454,040	11,649,195
Restricted for Capital Projects	0	0	0	0	1,816,396	1,816,396
Committed:						
Committed for General Government	9,905	0	0	0	0	9,905
Committed for Finance	27,872	0	0	0	0	27,872
Committed for Public Safety	39,042	0	0	0	300,000	339,042
Committed for Public Health and Welfare	249	0	0	0	4,278,201	4,278,450
Committed for Highways/Public Works	0	0	295,527	0	0	295,527
Committed for Debt Service	0	0	0	0	618,839	618,839
Committed for Other Purposes	0	6,884,364	0	0	0	6,884,364
Assigned:						
Assigned for General Government	2,635,930	0	0	0	0	2,635,930
Assigned for Finance	3,332	0	0	0	0	3,332
Assigned for Administration of Justice	2,910	0	0	0	0	2,910
Assigned for Public Safety	184,728	0	0	0	0	184,728
Assigned for Public Health and Welfare	12,217	0	0	0	0	12,217
Assigned for Social, Cultural, and Recreational Services	1,500	0	0	0	0	1,500
Assigned for Agriculture and Natural Resources	500	0	0	0	0	500
Unassigned	10,380,509	0	0	0	0	10,380,509
Total Fund Balances	\$ 14,408,751	\$ 6,884,364	\$ 4,962,131	\$ 10,265,238	\$ 8,871,577	\$ 45,392,061
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,634,335	\$ 7,872,130	\$ 7,004,264	\$ 13,624,035	\$ 10,468,722	\$ 66,603,486

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, 2023

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)		\$	45,392,061
(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: constriction in progress		372,897	
Add: buildings and improvements net of accumulated depreciation		13,668,853	
Add: infrastructure net of accumulated depreciation		27,880,561	
Add: other capital assets net of accumulated depreciation		<u>2,470,441</u>	45,776,404
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(5,962,894)	
Less: bonds payable		(50,185,000)	
Add: deferred amount on refunding		981,029	
Less: unamortized premium on debt		(2,884,248)	
Less: accrued interest on bonds and other loans payable		(236,559)	
Less: compensated absences payable		(1,041,060)	
Less: OPEB liability		<u>(6,154,234)</u>	(65,482,966)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,907,794	
Less: deferred inflows of resources related to pensions		(173,134)	
Add: deferred outflows of resources related to OPEB		660,989	
Less: deferred inflows of resources related to OPEB		<u>(714,504)</u>	2,681,145
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			981,837
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			<u>899,460</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>30,247,941</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, 2023

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 15,543,961	\$ 0	\$ 1,706,264	\$ 3,787,115	\$ 4,080,937	\$ 25,118,277
Licenses and Permits	2,921	0	0	0	171,560	174,481
Fines, Forfeitures, and Penalties	185,453	0	32	0	234,754	420,239
Charges for Current Services	274,897	0	1,374	0	21,101	297,372
Other Local Revenues	189,015	336,407	19,902	815,342	634,521	1,995,187
Fees Received From County Officials	2,513,372	0	0	0	0	2,513,372
State of Tennessee	1,759,350	0	3,340,325	0	165,318	5,264,993
Federal Government	511,563	10,044,500	0	0	156,750	10,712,813
Other Governments and Citizens Groups	727,666	0	0	687,642	0	1,415,308
Total Revenues	\$ 21,708,198	\$ 10,380,907	\$ 5,067,897	\$ 5,290,099	\$ 5,464,941	\$ 47,912,042
<u>Expenditures</u>						
Current:						
General Government	\$ 3,144,244	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,144,244
Finance	1,826,864	0	0	0	0	1,826,864
Administration of Justice	2,072,101	0	0	0	16,770	2,088,871
Public Safety	10,160,870	0	0	0	55,497	10,216,367
Public Health and Welfare	1,385,445	0	0	0	2,480,144	3,865,589
Social, Cultural, and Recreational Services	561,635	0	0	0	0	561,635
Agriculture and Natural Resources	242,534	0	0	0	0	242,534
Other Operations	1,676,448	3,497,049	0	0	0	5,173,497
Highways	60,388	0	4,479,321	0	0	4,539,709
Debt Service:						
Principal on Debt	0	0	0	2,963,001	1,362,518	4,325,519
Interest on Debt	0	0	0	1,364,978	297,604	1,662,582
Other Debt Service	0	0	0	87,054	23,684	110,738

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	Education Debt Service	Other Govern- mental Funds		
<u>Expenditures (Cont.)</u>							
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 172,907	\$	172,907
Total Expenditures	\$ 21,130,529	\$ 3,497,049	\$ 4,479,321	\$ 4,415,033	\$ 4,409,124	\$	37,931,056
Excess (Deficiency) of Revenues Over Expenditures	\$ 577,669	\$ 6,883,858	\$ 588,576	\$ 875,066	\$ 1,055,817	\$	9,980,986
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,410	\$ 0	\$ 29,060	\$ 0	\$ 0	\$	37,470
Transfers In	0	0	0	106,657	300,000		406,657
Transfers Out	(406,657)	0	0	0	0		(406,657)
Total Other Financing Sources (Uses)	\$ (398,247)	\$ 0	\$ 29,060	\$ 106,657	\$ 300,000	\$	37,470
Net Change in Fund Balances	\$ 179,422	\$ 6,883,858	\$ 617,636	\$ 981,723	\$ 1,355,817	\$	10,018,456
Fund Balance, July 1, 2022	14,229,329	506	4,344,495	9,283,515	7,515,760		35,373,605
Fund Balance, June 30, 2023	\$ 14,408,751	\$ 6,884,364	\$ 4,962,131	\$ 10,265,238	\$ 8,871,577	\$	45,392,061

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, 2023

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)		\$ 10,018,456
(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	\$ 1,996,576	
Less: current-year depreciation expense	<u>(2,691,826)</u>	(695,250)
(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		(150,723)
(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, 2023	\$ 981,837	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(930,802)</u>	51,035
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt related items.		
Add: principal payments on bonds	\$ 3,675,000	
Add: principal payments on other loans	650,519	
Add: change in unamortized premium on debt issuances	234,257	
Less: change in deferred amount on refunding debt	<u>(183,166)</u>	4,376,610
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 19,535	
Change in OPEB liability	(168,324)	
Change in compensated absences payable	(158,134)	
Change in net pension asset/liability	(5,684,587)	
Change in deferred outflows related to pensions	114,741	
Change in deferred inflows related to pensions	5,682,766	
Change in deferred outflows related to OPEB	(231,952)	
Change in deferred inflows related to OPEB	<u>154,945</u>	<u>(271,010)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 13,329,118</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 15,543,961	\$ 0	\$ 0	\$ 15,543,961	\$ 14,737,987	\$ 14,777,987	\$ 765,974
Licenses and Permits	2,921	0	0	2,921	2,000	2,000	921
Fines, Forfeitures, and Penalties	185,453	0	0	185,453	134,305	134,305	51,148
Charges for Current Services	274,897	0	0	274,897	174,900	181,849	93,048
Other Local Revenues	189,015	0	0	189,015	54,575	155,358	33,657
Fees Received From County Officials	2,513,372	0	0	2,513,372	2,279,000	2,279,000	234,372
State of Tennessee	1,759,350	0	0	1,759,350	1,241,508	1,516,280	243,070
Federal Government	511,563	0	0	511,563	293,913	1,330,310	(818,747)
Other Governments and Citizens Groups	727,666	0	0	727,666	499,815	502,045	225,621
<b>Total Revenues</b>	<b>\$ 21,708,198</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 21,708,198</b>	<b>\$ 19,418,003</b>	<b>\$ 20,879,134</b>	<b>\$ 829,064</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 80,323	\$ (500)	\$ 0	\$ 79,823	\$ 125,715	\$ 102,715	\$ 22,892
Board of Equalization	4,784	0	0	4,784	8,912	8,912	4,128
Beer Board	1,780	0	0	1,780	3,033	3,033	1,253
Budget and Finance Committee	6,737	0	0	6,737	8,427	8,427	1,690
County Mayor/Executive	633,273	(16,390)	0	616,883	605,249	641,239	24,356
County Attorney	30,975	0	0	30,975	41,213	41,213	10,238
Election Commission	373,045	(500)	0	372,545	430,719	837,359	464,814
Register of Deeds	313,874	0	0	313,874	331,645	341,645	27,771
Planning	18,901	0	0	18,901	20,035	20,035	1,134
County Buildings	853,809	(46,040)	48,814	856,583	914,742	927,064	70,481
Other General Administration	813,248	(5,597)	2,000	809,651	891,220	891,220	81,569
Preservation of Records	13,495	0	0	13,495	10,631	17,580	4,085
<b>Finance</b>							
Property Assessor's Office	532,572	0	0	532,572	521,298	557,613	25,041
Reappraisal Program	157,352	0	0	157,352	179,763	191,493	34,141
County Trustee's Office	320,547	(4,332)	3,332	319,547	340,997	340,997	21,450
County Clerk's Office	816,393	0	0	816,393	858,162	868,162	51,769

(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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 781,065	\$ 0	\$ 0	\$ 781,065	\$ 784,702	\$ 848,684	\$ 67,619
Criminal Court	10,171	0	0	10,171	12,000	15,000	4,829
General Sessions Court	363,861	(410)	0	363,451	373,737	373,737	10,286
Drug Court	81,376	0	0	81,376	93,028	99,228	17,852
Chancery Court	393,541	0	0	393,541	398,370	402,470	8,929
Juvenile Court	243,591	0	0	243,591	195,722	260,518	16,927
Courtroom Security	198,496	0	2,910	201,406	286,579	286,579	85,173
<u>Public Safety</u>							
Sheriff's Department	4,629,777	(230,169)	154,599	4,554,207	5,097,316	5,330,658	776,451
Drug Enforcement	7,402	0	0	7,402	6,879	7,402	0
Administration of the Sexual Offender Registry	4,069	0	0	4,069	5,400	5,400	1,331
Jail	3,397,438	(46,500)	8,649	3,359,587	3,693,344	3,685,914	326,327
Juvenile Services	280,138	(9,773)	0	270,365	338,601	339,201	68,836
Fire Prevention and Control	360,580	0	0	360,580	365,580	365,580	5,000
Rescue Squad	472,000	0	0	472,000	122,000	472,000	0
Disaster Relief	5,999	0	0	5,999	6,000	6,000	1
Other Emergency Management	385,335	(214,133)	21,480	192,682	199,939	199,939	7,257
County Coroner/Medical Examiner	172,270	0	0	172,270	179,984	182,346	10,076
Public Safety Grants Program	0	0	0	0	0	180,456	180,456
Other Public Safety	445,862	0	0	445,862	445,862	445,862	0
<u>Public Health and Welfare</u>							
Local Health Center	273,566	(1,250)	12,217	284,533	392,419	372,419	87,886
Ambulance/Emergency Medical Services	371,000	0	0	371,000	71,000	371,000	0
Alcohol and Drug Programs	400,000	0	0	400,000	0	400,000	0
Other Local Health Services	334,173	0	0	334,173	518,294	590,910	256,737
Other Public Health and Welfare	6,706	0	0	6,706	16,067	16,067	9,361
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	265,680	0	0	265,680	257,644	268,938	3,258
Libraries	113,000	0	0	113,000	113,000	113,000	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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 182,955	\$ (30,391)	\$ 1,500	\$ 154,064	\$ 208,585	\$ 208,585	\$ 54,521
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	141,031	0	0	141,031	142,802	142,802	1,771
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	86,234	0	0	86,234	87,979	87,979	1,745
Flood Control	0	0	0	0	3,000	3,000	3,000
Storm Water Management	13,769	0	500	14,269	17,242	17,242	2,973
<u>Other Operations</u>							
Tourism	1,500	0	0	1,500	1,500	1,500	0
Industrial Development	219,769	0	0	219,769	291,073	283,975	64,206
Airport	256,576	(98,324)	6,045	164,297	179,750	184,060	19,763
Veterans' Services	98,452	0	0	98,452	97,433	99,696	1,244
Contributions to Other Agencies	358,720	0	0	358,720	58,720	358,720	0
Employee Benefits	58,927	0	0	58,927	78,608	70,608	11,681
COVID-19 Grant #8	0	0	0	0	75,000	340,000	340,000
COVID-19 Grant #9	327,744	0	0	327,744	0	344,447	16,703
American Rescue Plan Act Grant A	22,000	0	0	22,000	0	22,000	0
Miscellaneous	332,760	0	0	332,760	325,198	353,198	20,438
<u>Highways</u>							
Litter and Trash Collection	60,388	0	0	60,388	73,267	73,267	12,879
<u>Interest on Debt</u>							
General Government	0	0	0	0	4,000	4,000	4,000
Total Expenditures	\$ 21,130,529	\$ (704,309)	\$ 262,046	\$ 20,688,266	\$ 20,910,885	\$ 24,034,594	\$ 3,346,328
Excess (Deficiency) of Revenues Over Expenditures	\$ 577,669	\$ 704,309	\$ (262,046)	\$ 1,019,932	\$ (1,492,882)	\$ (3,155,460)	\$ 4,175,392
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,410	\$ 0	\$ 0	\$ 8,410	\$ 0	\$ 0	\$ 8,410
Transfers Out	\$ (406,657)	\$ 0	\$ 0	\$ (406,657)	\$ (106,657)	\$ (406,657)	\$ 0
Total Other Financing Sources	\$ (398,247)	\$ 0	\$ 0	\$ (398,247)	\$ (106,657)	\$ (406,657)	\$ 8,410
Net Change in Fund Balance	\$ 179,422	\$ 704,309	\$ (262,046)	\$ 621,685	\$ (1,599,539)	\$ (3,562,117)	\$ 4,183,802
Fund Balance, July 1, 2022	14,229,329	(704,309)	0	13,525,020	12,687,717	12,687,717	837,303
Fund Balance, June 30, 2023	\$ 14,408,751	\$ 0	\$ (262,046)	\$ 14,146,705	\$ 11,088,178	\$ 9,125,600	\$ 5,021,105

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  
Other Special Revenue Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 336,407	\$ 0	\$ 0	\$ 336,407	\$ 0	\$ 0	\$ 336,407
Federal Government	10,044,500	0	0	10,044,500	0	10,221,683	(177,183)
Total Revenues	\$ 10,380,907	\$ 0	\$ 0	\$ 10,380,907	\$ 0	\$ 10,221,683	\$ 159,224
<u>Expenditures</u>							
<u>Other Operations</u>							
American Rescue Plan Act Grant #1	\$ 2,728,533	\$ (275,000)	\$ 379,668	\$ 2,833,201	\$ 0	\$ 6,012,683	\$ 3,179,482
American Rescue Plan Act Grant #2	593,516	0	39,949	633,465	0	634,000	535
American Rescue Plan Act Grant #3	0	0	55,000	55,000	0	505,000	450,000
American Rescue Plan Act Grant #4	175,000	0	125,000	300,000	0	3,070,000	2,770,000
Total Expenditures	\$ 3,497,049	\$ (275,000)	\$ 599,617	\$ 3,821,666	\$ 0	\$ 10,221,683	\$ 6,400,017
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,883,858	\$ 275,000	\$ (599,617)	\$ 6,559,241	\$ 0	\$ 0	\$ 6,559,241
Net Change in Fund Balance	\$ 6,883,858	\$ 275,000	\$ (599,617)	\$ 6,559,241	\$ 0	\$ 0	\$ 6,559,241
Fund Balance, July 1, 2022	506	(275,000)	0	(274,494)	0	0	(274,494)
Fund Balance, June 30, 2023	\$ 6,884,364	\$ 0	\$ (599,617)	\$ 6,284,747	\$ 0	\$ 0	\$ 6,284,747

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

Exhibit C-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,706,264	\$ 0	\$ 0	\$ 1,706,264	\$ 1,645,651	\$ 1,645,651	\$ 60,613
Fines, Forfeitures, and Penalties	32	0	0	32	0	0	32
Charges for Current Services	1,374	0	0	1,374	1,000	1,000	374
Other Local Revenues	19,902	0	0	19,902	750	750	19,152
State of Tennessee	3,340,325	0	0	3,340,325	3,727,582	3,727,582	(387,257)
Total Revenues	\$ 5,067,897	\$ 0	\$ 0	\$ 5,067,897	\$ 5,374,983	\$ 5,374,983	\$ (307,086)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 240,826	\$ 0	\$ 2,445	\$ 243,271	\$ 237,351	\$ 251,125	\$ 7,854
Highway and Bridge Maintenance	2,536,437	(25,000)	854,249	3,365,686	3,731,472	3,718,449	352,763
Operation and Maintenance of Equipment	561,169	0	0	561,169	670,200	673,449	112,280
Other Charges	191,813	0	0	191,813	213,300	213,300	21,487
Employee Benefits	391,728	0	0	391,728	439,500	439,500	47,772
Capital Outlay	557,348	0	9,026	566,374	1,455,500	1,451,500	885,126
Total Expenditures	\$ 4,479,321	\$ (25,000)	\$ 865,720	\$ 5,320,041	\$ 6,747,323	\$ 6,747,323	\$ 1,427,282
Excess (Deficiency) of Revenues Over Expenditures	\$ 588,576	\$ 25,000	\$ (865,720)	\$ (252,144)	\$ (1,372,340)	\$ (1,372,340)	\$ 1,120,196
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,060	\$ 0	\$ 0	\$ 29,060	\$ 0	\$ 0	\$ 29,060
Total Other Financing Sources	\$ 29,060	\$ 0	\$ 0	\$ 29,060	\$ 0	\$ 0	\$ 29,060
Net Change in Fund Balance	\$ 617,636	\$ 25,000	\$ (865,720)	\$ (223,084)	\$ (1,372,340)	\$ (1,372,340)	\$ 1,149,256
Fund Balance, July 1, 2022	4,344,495	(25,000)	0	4,319,495	3,704,720	3,704,720	614,775
Fund Balance, June 30, 2023	\$ 4,962,131	\$ 0	\$ (865,720)	\$ 4,096,411	\$ 2,332,380	\$ 2,332,380	\$ 1,764,031

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, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,982,339
Equity in Pooled Cash and Investments	117,826
Due from Other Governments	1,456,578
Taxes Receivable	968,086
Allowance for Uncollectible Taxes	<u>(35,798)</u>
Total Assets	<u>\$ 4,489,031</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,610,875</u>
Total Liabilities	<u>\$ 1,610,875</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 895,817</u>
Total Deferred Inflows of Resources	<u>\$ 895,817</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,982,339</u>
Total Net Position	<u><u>\$ 1,982,339</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, 2023

Custodial  
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 7,507,330
ADA - Educational Funds Collected for Cities	2,751,490
Fines/Fees and Other Collections	<u>8,801,005</u>
Total Additions	<u>\$ 19,059,825</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 7,507,330
Payments to City School Systems	2,751,490
Payments to State	5,645,464
Payments to Individuals and Others	<u>2,760,087</u>
Total Deductions	<u>\$ 18,664,371</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 395,454
Net Position, July 1, 2022	<u>1,586,885</u>
Net Position, June 30, 2023	<u><u>\$ 1,982,339</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)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	33
B. Government-wide and Fund Financial Statements	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	35
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	38
2. Receivables and Payables	40
3. Prepaid Items	41
4. Restricted Assets	41
5. Capital Assets	41
6. Deferred Outflows/Inflows of Resources	42
7. Compensated Absences	43
8. Long-term Debt, Lease Obligations, and Long-term Obligations	44
9. Net Position and Fund Balance	45
E. Pension Plans	47
F. Other Postemployment Benefit (OPEB) Plans	47
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	48
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	48
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	48
B. Fund Deficit/Budgetary Basis Fund Deficit	50
C. Expenditures Exceeded Appropriations	50
D. Cash Shortage - Prior Year	50
E. Fraudulent Fuel Card Charges	51
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	51
B. Lease Receivable	54
C. Capital Assets	55
D. Construction and Renovation Contract Commitments	58
E. Interfund Receivables, Payables, and Transfers	59
F. Lease Obligations	60
G. Long-term Debt	61
H. Long-term Obligations	64
I. On-behalf Payments	66
<b>V. Other Information</b>	
A. Risk Management	66
B. Accounting Changes	67
C. Contingent Liabilities	68
D. Changes in Administration	68
E. Joint Ventures	68
F. Jointly Governed Organization	70
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	70
2. Deferred Compensation	93
H. Other Postemployment Benefits (OPEB)	94
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, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

Hawkins County is a public municipal corporation governed by an elected 14-member board. In April 2018, Hawkins County's board voted to decrease the number of board members effective for the new term beginning September 1, 2022. Hawkins County was previously governed by an elected 21-member board through August 31, 2022. As required by GAAP, these financial statements present Hawkins County (the primary government) and its component units. The financial statements of the Hawkins County Emergency Communications District, Hawkins County Industrial Development Board, and the Hawkins County Library System, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Hawkins County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hawkins County, and the Hawkins County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county

commission's approval. The financial statements of the Hawkins County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Hawkins County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Hawkins County Industrial Development Board nominates, and the Hawkins County Commission confirms the board members. In a prior year, the county agreed to assume the liability for a note issued by the Industrial Development Board. Due to this financial burden relationship, the board is reported as a discretely presented component unit. The financial statements of the Hawkins County Industrial Development Board were not material to the component units' opinion unit and therefore have been omitted from this report.

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

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

Administrative Offices:

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

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

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

**B. Government-wide and Fund Financial Statements**

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

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

Hawkins County issues all debt for the discretely presented Hawkins County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

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, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Hawkins County reports the following major governmental funds:

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

**Other Special Revenue Fund** – This special revenue fund accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act.

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

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

Additionally, Hawkins County reports the following fund types:

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

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

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

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

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

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

**School Transportation Fund** – This special revenue fund is used to account for transportation operations of the school department. Local

taxes and the state Basic Education Program are the foundational revenues of this fund.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Hawkins County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the debt service funds. Hawkins County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency

obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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

## **2. Receivables and Payables**

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.63 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Lease receivables and deferred inflows of resources are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable and deferred inflow are reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.



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

Retainage payable in the discretely presented school department's School Federal Projects Fund 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 School Federal Projects Fund.

**3. Prepaid Items**

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

**4. Restricted Assets**

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

**5. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangible right-to-use assets (e.g., lease assets) are reported in the

governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<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
Right-to-Use Assets	5

## **6. Deferred Outflows/Inflows of Resources**

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

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

## **7. Compensated Absences**

### **Primary Government**

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

### **Discretely Presented Hawkins County School Department**

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Hawkins County Board of Education has adopted policies allowing all 12-month employees who 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 2022-2023 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, Lease Obligations, and Long-term Obligations**

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

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds and other loans payable and lease obligations, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, pension liabilities, 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 \$20,760,869 of restricted net position for the primary government, of which \$1,446,335 is restricted by enabling legislation.

As of June 30, 2023, Hawkins County had \$46,539,653 in outstanding debt for capital purposes for the discretely presented Hawkins County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Rogersville School System and the City of Kingsport School System) based on an average daily attendance proration. This debt is a liability of Hawkins County, but the capital assets acquired are reported in the financial statements of the school department, the City of Rogersville School System, and the City of Kingsport School System. Therefore, Hawkins County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund includes amounts appropriated for use in the 2023-2024 budget (\$2,452,681), encumbrances (\$262,046), employee vacation pay (\$25,000), and unclaimed property refunds (\$107,434). Assigned fund balance in the school department's General Purpose School Fund includes encumbrances (\$79,054), fund balance assigned for textbooks (\$146,360), and fund balance appropriated for use in the 2023-2024 budget (\$2,376,987).

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

that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Hawkins County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

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

**Discretely Presented Hawkins County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Hawkins County School Department. For this purpose,

the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plans are not administered through a trust.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

#### **Primary Government**

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

#### **Discretely Presented Hawkins County School Department**

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

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

#### **Primary Government**

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

#### **Discretely Presented Hawkins County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

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



primary government’s Other Capital Projects Fund which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2023, Hawkins County and the Hawkins County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 262,046
Other Special Revenue	599,617
Highway/Public Works	865,720
Nonmajor Governmental Funds	54,052
School Department:	
Major Funds:	
General Purpose School	79,054
School Federal Projects	4,309,713
Central Cafeteria	15,368
School Transportation	254,455
Education Capital Projects Fund	562,892

**B. Fund Deficit/Budgetary Basis Fund Deficit**

The School Federal Projects Fund of the discretely presented school department had a deficit unassigned fund balance of \$70,969 at June 30, 2023. This deficit occurred due to a delay in processing a grant reimbursement request submitted by school department personnel. The fund deficit was liquidated when the grant funds were received after year end.

The School Federal Projects Fund also reported a budgetary basis deficit of \$3,380,682 at June 30, 2023. This resulted from the recognition of budgeted expenditures for outstanding encumbrances in the amount of \$4,309,713. These encumbrances were recorded to reflect outstanding commitments which will be funded by federal grants in the subsequent fiscal year.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the Other Debt Service major appropriations category (the legal level of control) of the Education Debt Service Fund by \$1,954 and the Transfers Out major appropriations category (the legal level of control) of the General Purpose School Fund by \$10,159. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the Education Debt Service Fund and by available fund balance in the General Purpose School Fund.

**D. 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. During the current year, the Hawkins County Board of Education voted to write off the cash shortage due to the uncertainty of collection. Any restitution collected will be reported as revenue when received.

**E. Fraudulent Fuel Card Charges**

A school department internal review found fraudulent charges totaling \$48,388 on the school transportation department's Fuelman cards. An insurance recovery totaling \$39,738 was received in April 2023 related to the charges and Fuelman credited the school department with \$8,156, resulting in a net loss of \$494 to the school department. These fraudulent charges are further discussed in the schedule of findings and questioned costs in the Single Audit section of this report.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is

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

### **Investments**

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

the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

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, 2023.

### **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, 2023, the Hawkins County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 291,722
Developed Market International Equity	N/A	N/A	131,745
Emerging Market International Equity	N/A	N/A	37,642
U.S. Fixed Income	N/A	N/A	188,208
Real Estate	N/A	N/A	94,104
Short-term Securities	N/A	N/A	9,410
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>188,208</u>
Total			<u>\$ 941,039</u>

Of the total amount above, \$179,988 represents amounts held for the Hybrid Pension Plan and \$761,051 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/2022/ag21066.pdf>.

## **B. Lease Receivable**

On January 31, 2013, Hawkins County School Department entered into a lease agreement for the use of solar facilities. The lease is for twenty and a half years, and the county will receive annual payments of \$42,878. An initial lease receivable was recorded in the amount of \$466,748 in the prior fiscal year. In the current year a school building with one of the solar facility sites was sold resulting in a remeasurement and \$16,445 deduction of the lease receivable. Hawkins County School Department recognized \$33,706 in lease revenue and \$9,172 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 2.27%. As of June 30, 2023, the long-term lease receivable balance was \$383,157. Leases receivable – current, in the amount of \$10,501, is reported for the amount earned and due at June 30, 2023.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2023, was as follows:

**Primary Government**

**Governmental Activities**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,383,652	\$ 0	\$ 0	\$ 1,383,652
Construction in Progress	356,308	278,977	262,388	372,897
Total Capital Assets Not Depreciated	\$ 1,739,960	\$ 278,977	\$ 262,388	\$ 1,756,549
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,754,327	\$ 718,622	\$ 0	\$ 23,472,949
Infrastructure	59,447,476	0	0	59,447,476
Other Capital Assets	11,908,509	1,261,365	671,821	12,498,053
Total Capital Assets Depreciated	\$ 94,110,312	\$ 1,979,987	\$ 671,821	\$ 95,418,478
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,183,241	\$ 620,855	\$ 0	\$ 9,804,096
Infrastructure	30,097,662	1,469,253	0	31,566,915
Other Capital Assets	9,946,992	601,718	521,098	10,027,612
Total Accumulated Depreciation	\$ 49,227,895	\$ 2,691,826	\$ 521,098	\$ 51,398,623
Total Capital Assets Depreciated, Net	\$ 44,882,417	\$ (711,839)	\$ 150,723	\$ 44,019,855
Governmental Activities Capital Assets, Net	\$ 46,622,377	\$ (432,862)	\$ 413,111	\$ 45,776,404

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

**Governmental Activities:**

General Government	\$ 229,687
Finance	7,511
Administration of Justice	6,234
Public Safety	590,114
Public Health and Welfare	281,187
Social, Cultural, and Recreational Services	8,899
Highway/Public Works	<u>1,568,194</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,691,826</u></u>

**Net Investment in Capital Assets**

---

Capital Assets	\$ 45,776,404
Less:	
Outstanding principal of capital debt and other capital borrowings	(9,608,241)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(719,628)</u>
Net Investment in Capital Assets	<u><u>\$ 35,448,535</u></u>



## **Discretely Presented Hawkins County School Department**

### **Governmental Activities:**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,570,973	\$ 0	\$ 5,000	\$ 1,565,973
Construction in Progress	6,166,445	2,274,713	6,746,447	1,694,711
Total Capital Assets Not Depreciated	<u>\$ 7,737,418</u>	<u>\$ 2,274,713</u>	<u>\$ 6,751,447</u>	<u>\$ 3,260,684</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 108,049,037	\$ 7,169,072	\$ 532,366	\$ 114,685,743
Other Capital Assets	11,061,812	658,188	642,190	11,077,810
Total Capital Assets Depreciated	<u>\$ 119,110,849</u>	<u>\$ 7,827,260</u>	<u>\$ 1,174,556</u>	<u>\$ 125,763,553</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 66,263,872	\$ 3,646,039	\$ 364,445	\$ 69,545,466
Other Capital Assets	7,890,997	599,275	622,538	7,867,734
Total Accumulated Depreciation	<u>\$ 74,154,869</u>	<u>\$ 4,245,314</u>	<u>\$ 986,983</u>	<u>\$ 77,413,200</u>
Total Capital Assets Depreciated, Net	<u>\$ 44,955,980</u>	<u>\$ 3,581,946</u>	<u>\$ 187,573</u>	<u>\$ 48,350,353</u>
Intangible Right-to-Use Assets:				
Leased Vehicles	\$ 63,449	\$ 112,282	\$ 0	\$ 175,731
Less: Accumulated Amortization	11,971	30,157	0	42,128
Net Intangible Right-to-Use Assets	<u>\$ 51,478</u>	<u>\$ 82,125</u>	<u>\$ 0</u>	<u>\$ 133,603</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 52,744,876</u></u>	<u><u>\$ 5,938,784</u></u>	<u><u>\$ 6,939,020</u></u>	<u><u>\$ 51,744,640</u></u>

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

**Governmental Activities:**

Instruction	\$ 3,633,657
Support Services	587,034
Operation of Non-instructional Services	<u>54,780</u>
Total Depreciation amd Amortization Expense - Governmental Activities	<u><u>\$ 4,275,471</u></u>

**D. Construction and Renovation Contract Commitments**

**Primary Government**

At June 30, 2023, the Other Special Revenue Fund had uncompleted construction contracts of approximately \$142,668 for architectural fees for renovations at the Justice Center. Funding for these future expenditures has been provided by federal revenues.

At June 30, 2023, the General Capital Projects Fund had uncompleted construction contracts of approximately \$46,900 related to communication systems improvements and \$2,512 for a barge project. Funding for these future expenditures is expected to be provided from future grant revenues as well as available fund balance.

**Discretely Presented Hawkins County School Department**

At June 30, 2023, the School Federal Projects fund had uncompleted renovation contracts of approximately \$4,233,258 for HVAC upgrades and other facility improvements. The Education Capital Projects Fund had uncompleted construction contracts of approximately \$562,892 for other facility improvements. Funding for future expenditures of the School Federal Projects Fund is expected to be provided from future grant revenues. Funding has been provided for the future expenditures of the Education Capital Projects Fund. During the year, the primary government contributed \$2,000,000 of American Rescue Plan Act funds to the school department's Education Capital Projects Fund.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, is as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 140,750
Highway	General	4,500
Nonmajor governmental	"	238
Discretely Presented School		
Department:		
General Purpose School	School Federal Projects	94
School Federal Projects	General Purpose School	21,500
Central Cafeteria	"	10,159
School Transportation	"	359

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		Purpose
	Education Debt Service Fund	Nonmajor Governmental Fund	
General Fund	\$ 106,657	\$ 0	Qualified School Construction Bond (QSCB) rebate
"	0	300,000	Drug operations
Total	<u>\$ 106,657</u>	<u>\$ 300,000</u>	

## Discretely Presented Hawkins County School Department

Transfer Out	Transfer In	
	Central Cafeteria Fund	Purpose
General Purpose School Fund	\$ 10,159	Operations

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

### F. Lease Obligations

On March 1, 2021, Hawkins County School Department entered into two 60-month agreements as lessee for the use of vehicles. In the current year, the school department entered into three additional 60-month agreements as lessee for the use of vehicles and recognized lease proceeds of \$112,282 related to those agreements. All outstanding leases have an annual interest rate of 2.27%. As of June 30, 2023, the present value of the total lease liability for all vehicles was \$132,283. The lease vehicles and accumulated amortization of the right-to-use assets are outlined in Note IV.C.

The future lease payments on these vehicle leases include:

Year Ending June 30	Vehicle Leases		
	Principal	Interest	Total
2024	\$ 34,789	\$ 2,643	\$ 37,432
2025	35,588	1,843	37,431
2026	32,468	1,036	33,504
2027	22,820	431	23,251
2028	6,618	29	6,647
Total	\$ 132,283	\$ 5,982	\$ 138,265

### Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2023, was as follows:

### **Discretely Presented Hawkins County School Department**

#### **Governmental Activities:**

	<u>Leases</u>
Balance, July 1, 2022	\$ 50,576
Additions	112,282
Reductions	<u>(30,575)</u>
Balance, June 30, 2023	<u>\$ 132,283</u>
Balance Due Within One Year	<u>\$ 34,789</u>

#### Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2023	\$ 132,283
Less: Balance Due Within One Year - Leases	<u>(34,789)</u>
Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A	<u>\$ 97,494</u>

### **G. Long-term Debt**

#### **Primary Government**

##### General Obligation Bonds and Other Loans

General Obligation Bonds - Hawkins County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans and bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 19 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, 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 and other capital outlay purchases, such as equipment, for the primary

government and the discretely presented school department. Other loans are direct obligations and pledge the full faith and credit of the government. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2023, will be retired from the Education Debt Service fund.

General obligation bonds and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds -				
Refunding	2 to 5 %	6-1-38	\$ 61,526,353	\$ 50,185,000
Direct Borrowing and				
Direct Placement:				
Other Loans - Qualified School				
Construction Bonds	0 to 1.51	9-15-27	4,973,000	1,136,300
Other Loans - Energy Efficient				
Schools Initiative	.5 to 0.75	4-1-38	5,410,748	4,826,594

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, including interest payments are presented in the tables below.

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2029-2033	16,705,000	3,595,487	20,300,487
2034-2038	17,175,000	1,411,300	18,586,300
Total	\$ 50,185,000	\$ 10,796,950	\$ 60,981,950

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 652,343	\$ 176,740	\$ 829,083
2025	654,155	174,928	829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028	346,886	27,488	374,374
2029-2033	1,566,154	57,984	1,624,138
2034-2038	1,548,217	18,459	1,566,676
Total	<u>\$ 5,962,894</u>	<u>\$ 763,308</u>	<u>\$ 6,726,202</u>

There is \$12,338,117 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$885, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premium totaled \$1,041, based on the 2020 federal census.

During the year, the school department contributed \$687,642 to the primary government's Education Debt Service Fund to be applied toward the retirement of school related debt.

#### Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Other	
	Bonds	Loans - Direct Placement
Balance, July 1, 2022	\$ 53,860,000	\$ 6,613,413
Reductions	<u>(3,675,000)</u>	<u>(650,519)</u>
Balance, June 30, 2023	<u>\$ 50,185,000</u>	<u>\$ 5,962,894</u>
Balance Due Within One Year	<u>\$ 3,695,000</u>	<u>\$ 652,343</u>

#### Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 56,147,894
Less: Balance Due Within One Year - Debt	(4,347,343)
Add: Unamortized Premium on Debt	<u>2,884,248</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 54,684,799</u>

## H. Long-term Obligations

### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

#### **Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 882,926	\$ 5,985,910
Additions	928,899	603,061
Reductions	(770,765)	(434,737)
Balance, June 30, 2023	<u>\$ 1,041,060</u>	<u>\$ 6,154,234</u>
Balance Due Within One Year	<u>\$ 780,795</u>	<u>\$ 0</u>

#### Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 7,195,294
Less: Balance Due Within One Year - Other	<u>(780,795)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 6,414,499</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, 2023, was as follows:

#### **Governmental Activities:**

	Compensated Absences	Termination Benefits
Balance, July 1, 2022	\$ 1,965,912	\$ 470,165
Additions	599,718	142,871
Reductions	(706,910)	(104,895)
	<u>1,858,720</u>	<u>508,141</u>
Balance, June 30, 2023	\$ 1,858,720	\$ 508,141
	<u>1,858,720</u>	<u>508,141</u>
Balance Due Within One Year	\$ 683,140	\$ 142,871
	<u>683,140</u>	<u>142,871</u>
	Retirement Honorarium	Other Postemployment Benefits
Balance, July 1, 2022	\$ 38,754	\$ 14,262,664
Additions	10,765	2,501,943
Reductions	(4,306)	(3,032,414)
	<u>45,213</u>	<u>13,732,193</u>
Balance, June 30, 2023	\$ 45,213	\$ 13,732,193
	<u>45,213</u>	<u>13,732,193</u>
Balance Due Within One Year	\$ 15,071	\$ 0
	<u>15,071</u>	<u>0</u>
	Net Pension Liability - Hybrid Agent Plan *	
Balance, July 1, 2022	\$ (117,710)	
Additions	249,536	
Reductions	(111,244)	
	<u>20,582</u>	
Balance, June 30, 2023	\$ 20,582	
	<u>20,582</u>	
Balance Due Within One Year	\$ 0	
	<u>0</u>	

\* The hybrid agent plan had a net pension asset as of July 1, 2022.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 16,164,849
Less: Balance Due Within One Year - Other	<u>(841,082)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 15,323,767</u>

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

**I. On-Behalf Payments**

**Discretely Presented Hawkins County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hawkins County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2023, were \$297,678 and \$94,790, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

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

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

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

### **Discretely Presented Hawkins County School Department**

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

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

## **B. Accounting Changes**

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform

guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**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**

On August 31, 2022, Jim Lee left the Office of County Mayor and was succeeded by Mark DeWitte, Lowell Bean left the Office of Road Superintendent and was succeeded by Danny Jones, and David Pearson left the Office of Property Assessor and was succeeded by Michael Gillespie.

**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, 2023.

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

### **Discretely Presented Hawkins County School Department**

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

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

#### **Administrative Offices:**

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

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

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

**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.

In prior years, Hawkins County participated in the joint governance of the Alliance for Business and Training (AB&T) which administered funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. AB&T's contracts with the Tennessee Department of Labor for the administration of the funds terminated at June 30, 2022, and AB&T was dissolved in January 2023.

**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 60.29 percent, the non-certified employees of the discretely presented school department comprise 39.71 percent of the plan based on contribution data. The TCRS was created by state statute under

*Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	487
Inactive Employees Entitled to But Not Yet Receiving Benefits	648
Active Employees	494
Total	<u><u>1,629</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. 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, 2023, the employer contribution for Hawkins County was \$1,133,033 based on a rate of seven percent of covered payroll. The minimum rate established by the Board of Trustees was 6.02 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hawkins County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability (Asset)**

Hawkins County's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.



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

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

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

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 71,419,142	\$ 82,121,429	\$ (10,702,287)
Changes for the Year:			
Service Cost	\$ 1,551,404	\$ 0	\$ 1,551,404
Interest	4,806,563	0	4,806,563
Differences Between Expected and Actual Experience	1,599,683	0	1,599,683
Contributions-Employer	0	1,111,302	(1,111,302)
Contributions-Employees	0	794,571	(794,571)
Net Investment Income	0	(3,109,758)	3,109,758
Benefit Payments, Including Refunds of Employee Contributions	(3,524,420)	(3,524,420)	0
Administrative Expense	0	(48,863)	48,863
Net Changes	\$ 4,433,230	\$ (4,777,168)	\$ 9,210,398
Balance, June 30, 2022	\$ 75,852,372	\$ 77,344,261	\$ (1,491,889)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.29%	\$ 45,731,395	\$ 46,630,855	\$ (899,460)
School Department	39.71%	30,120,977	30,713,406	(592,429)
Total		\$ 75,852,372	\$ 77,344,261	\$ (1,491,889)

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

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

Net Pension Liability (Asset)      \$ 8,107,786    \$ (1,491,889)    \$ (9,499,747)

**Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, Hawkins County recognized pension expense (negative pension expense) of \$929,666.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 1,199,762	\$ 287,169
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	111,331	0
Changes in Assumptions	2,301,164	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,133,033	N/A
Total	<u>\$ 4,745,290</u>	<u>\$ 287,169</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,907,794	\$ 173,134
School Department	1,837,496	114,035
Total	<u>\$ 4,745,290</u>	<u>\$ 287,169</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
2024	\$ 942,010
2025	987,682
2026	(323,934)
2027	1,719,336
2028	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, 2023, Hawkins County reported a payable of \$62,852 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

**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 60.29 percent and the non-certified employees of the discretely presented school department comprise 39.71 percent of the plan based on contribution data.

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

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

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	140
Active Employees	234
Total	<u><u>375</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. 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, 2023, to the Retirement Plan were \$135,004, which is 3.04 percent of covered payroll. In addition, employer contributions of \$31,350 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* The school department's net pension liability (asset) was measured at June 30, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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



### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 842,216	\$ 959,926	\$ (117,710)
Changes for the Year:			
Service Cost	\$ 248,774	\$ 0	\$ 248,774
Interest	73,177	0	73,177
Differences Between Expected and Actual Experience	49,148	0	49,148
Contributions-Employer	0	103,181	(103,181)
Contributions-Employees	0	192,350	(192,350)
Net Investment Income	0	(41,710)	41,710
Benefit Payments, Including Refunds of Employee Contributions	(13,768)	(13,768)	0
Administrative Expense	0	(21,014)	21,014
Net Changes	\$ 357,331	\$ 219,039	\$ 138,292
Balance, June 30, 2022	\$ 1,199,547	\$ 1,178,965	\$ 20,582

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 272,391	\$ 20,582	\$ (175,664)

**Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense of \$96,827.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 78,341	\$ 2,997
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	20,753	0
Changes in Assumptions	47,346	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	<u>135,004</u>	<u>N/A</u>
Total	<u>\$ 281,444</u>	<u>\$ 2,997</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

Year Ending June 30	Amount
2024	\$ 20,155
2025	20,276
2026	18,696
2027	43,416
2028	20,355
Thereafter	20,553

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$319,687, which is 2.87 percent of covered payroll. In addition, employer contributions of \$118,276, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$162,055) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .534966 percent. The proportion as of June 30, 2021, was .492433 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$225,147.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 8,861	\$ 98,459
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	51,080	0
Changes in Assumptions	189,839	0
Changes in Proportion of Net Pension Liability (Asset)	4,485	44,494
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	319,687	N/A
Total	<u>\$ 573,952</u>	<u>\$ 142,953</u>

The school department's employer contributions of \$319,687, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ (158)
2025	363
2026	(8,031)
2027	80,939
2028	5,508
Thereafter	32,691

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability

(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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

Net Pension Liability (Asset)	\$ 850,693	\$ (162,055)	\$ (901,672)
-------------------------------	------------	--------------	--------------

*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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hawkins County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$1,947,105, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$8,827,388) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .719777 percent. The proportion measured at June 30, 2021, was .716752 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$28,402.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,452,073	\$ 1,491,561
Changes in Assumptions	5,529,933	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	150,944	0
Changes in Proportion of Net Pension Liability (Asset)	13,209	101,945
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>1,947,105</u>	<u>N/A</u>
Total	<u>\$ 9,093,264</u>	<u>\$ 1,593,506</u>

The school department's employer contributions of \$1,947,105 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 844,153
2025	1,600,559
2026	(1,551,146)
2027	4,659,088
2028	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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset)    \$    17,484,013    \$    (8,827,388)    \$    (30,743,038)

*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 \$549,026 and teachers contributed \$577,733 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 \$228,067 and employees contributed \$127,741 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, 2021, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2023.

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	183
Total	<u>192</u>

### **Total OPEB Liability**

The plan's total OPEB liability of \$6,154,234 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021, and updated to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Discount Rate	3.65%
Healthcare Cost Trend Rates	4.5%
Retirees share of Benefit-related Cost	Discussed under Benefits Provided

The discount rate of 3.65 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2023.

Mortality rates were based on the 2021 PPA Mortality Table (RP-2014 Mortality, base year 2006, adjusted to 2021 with Mortality Improvement Scale MP-2019).

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, 2022	<u>\$ 5,985,910</u>
Changes for the Year:	
Service Cost	\$ 377,786
Interest	225,275
Difference between Expected and Actuarial Experience	(31,637)
Benefit Payments	(76,431)
Implicit Rate Subsidy	<u>(326,669)</u>
Net Changes	<u>\$ 168,324</u>
Balance June 30, 2023	<u><u>\$ 6,154,234</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the county recognized OPEB expense of \$648,431. At June 30, 2023, 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	<u>\$ 660,989</u>	<u>\$ 714,504</u>
Total	<u><u>\$ 660,989</u></u>	<u><u>\$ 714,504</u></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>
2024	\$ 45,370
2025	28,294
2026	(119,578)
2027	(67,233)
2028	29,038
Thereafter	30,595



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>		Current Discount Rate 3.65%	
	1% Decrease 2.65%		1% Increase 4.65%
Total OPEB Liability	\$ 6,628,745	\$ 6,154,234	\$ 5,731,961

*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>		Current Trend Rate (4.5%)	
	1% Decrease (3.5%)		1% Increase (5.5%)
Total OPEB Liability	\$ 5,571,112	\$ 6,154,234	\$ 6,828,364

#### **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, 2022, the following employees were covered by the benefit terms. Management does not believe there was any material change in the number of covered employees as of the measurement date of June 30, 2023.

Inactive Employees or Beneficiaries Currently Receiving Benefits	164
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	1,063
Total	<u>1,227</u>

### **Total OPEB Liability**

The plan's total OPEB liability of \$681,653 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022, 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	3.65%
Life Insurance Cost Trend Rates	0% for all years
Retirees share of Benefit-related Cost	None

The discount rate of 3.65 percent is based on the Bond Buyer's 20-Bond GO Index as of June 30, 2023.

The mortality assumption is based on RP-2014, base year 2006, adjusted to 2022 with Mortality Improvement Scale MP-2020.

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, 2022	\$ 717,319
Changes for the Year:	
Service Cost	\$ 9,575
Interest	24,626
Difference between Expected and Actuarial Experience	(39,015)
Benefit Payments	(19,128)
Implicit Rate Subsidy	(11,724)
Net Changes	<u>\$ (35,666)</u>
Balance June 30, 2023	<u>\$ 681,653</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$49,168. At June 30, 2023, 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	\$ 106,187	\$ 129,573
Total	<u>\$ 106,187</u>	<u>\$ 129,573</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>
2024	\$ 14,967
2025	14,967
2026	(8,125)
2027	(10,677)
2028	(22,142)
Thereafter	(12,375)

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>		Current Discount Rate	
	1% Decrease 2.65%		1% Increase 4.65%
<hr/>			
Total OPEB Liability	\$ 757,974	\$ 681,653	\$ 617,068

### **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, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting 8.37% for pre-65 retirees in the 2022 calendar year, and gradually decreasing over a 7 year period to an ultimate trend rate of 4.5% TN-M: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

*Changes in Assumptions.* The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption decreased the OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 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 \$147 to \$681 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 \$359 to \$1,015 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	70
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	632
Total	<u>703</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 \$694,773 to the LEP for OPEB benefits as they came due.

### Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		<u>Total OPEB Liability</u>
	<u>Hawkins County School Department</u>	<u>State of TN</u>	
	69.4266%	30.5734%	
Balance July 1, 2021	\$ 11,461,093	\$ 4,708,529	\$ 16,169,622
Changes for the Year:			
Service Cost	\$ 582,259	\$ 256,409	\$ 838,668
Interest	249,591	109,912	359,503
Difference between Expected and Actuarial Experience	762,324	335,705	1,098,029
Changes in Proportion	(235,073)	235,073	0
Changes in Assumption and Other Inputs	(1,048,960)	(461,931)	(1,510,891)
Benefit Payments	(509,017)	(224,156)	(733,173)
Net Changes	<u>\$ (198,877)</u>	<u>\$ 251,013</u>	<u>\$ 52,136</u>
Balance June 30, 2022	<u>\$ 11,262,216</u>	<u>\$ 4,959,542</u>	<u>\$ 16,221,758</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 recognized \$421,696 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 69.4266 percent and the State of Tennessee's share was 30.5734 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$1,236,763 which includes expenses funded by nonemployer contributing entities. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,413,389	\$ 626,376
Changes of Assumptions/Inputs	933,054	1,523,684
Changes in Proportion	450,647	780,822
Benefits Paid After the Measurement Date of June 30, 2022	<u>694,773</u>	<u>0</u>
Total	<u>\$ 3,491,863</u>	<u>\$ 2,930,882</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
2024	\$ (16,783)
2025	(16,783)
2026	(16,783)
2027	(16,782)
2028	34,952
Thereafter	(101,613)



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

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

<u>Discount Rate</u>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 12,045,363	\$ 11,262,216	\$ 10,518,650
--	---------------	---------------	---------------

*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 7.37 to 3.5%	Curent Rate 8.37 to 4.5%	1% Increase 9.37 to 5.5%
-----------------------------------	--------------------------------	--------------------------------	--------------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 10,205,053	\$ 11,262,216	\$ 12,483,081
--	---------------	---------------	---------------

#### **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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	160
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	89
Active Employees Eligible for Benefits	686
Total	<u>935</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, 2023, the school department paid \$86,462 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	State of	Total OPEB
	School Department	TN	
	47.7024%	52.2976%	Liability
Balance July 1, 2021	\$ 2,084,252	\$ 2,424,149	\$ 4,508,401
Changes for the Year:			
Service Cost	\$ 35,522	\$ 38,943	\$ 74,465
Interest	46,308	50,769	97,077
Difference between			
Expected and Actuarial			
Experience	(18,901)	(20,721)	(39,622)
Changes in Proportion	66,364	(66,364)	0
Changes in Assumption			
and Other Inputs	(340,265)	(373,043)	(713,308)
Benefit Payments	(84,956)	(93,139)	(178,095)
Net Changes	\$ (295,928)	\$ (463,555)	\$ (759,483)
Balance June 30, 2022	\$ 1,788,324	\$ 1,960,594	\$ 3,748,918

The Hawkins County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Hawkins County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized revenues of \$76,778 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 47.7024 percent and the State of Tennessee's share was 52.2976 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense (negative OPEB expense) of (\$24,327), which includes expenses funded by nonemployer contributing entities.

At June 30, 2023, 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	\$ 171,071	\$ 299,984
Changes of Assumptions/Inputs	275,435	557,956
Changes in Proportion	232,085	662,857
Benefits Paid After the Measurement Date of June 30, 2022	86,462	0
Total	<u>\$ 765,053</u>	<u>\$ 1,520,797</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>
2024	\$ (182,935)
2025	(182,935)
2026	(182,935)
2027	(95,025)
2028	(124,901)
Thereafter	(73,475)

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 2,025,804	\$ 1,788,324	\$ 1,590,937
--	--------------	--------------	--------------

*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, 22 retirees participated in the program. The estimated cost of the cash payments reported in the government-wide Statement of Net Position is \$508,141. The school department determined this liability by calculating the total cash payments due over the next seven years. Of that amount, \$142,871 is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers a retirement honorarium payment. Under the plan certified employees with a minimum of 30 years of service with the Hawkins County School Department will receive a benefit of \$2,000. As of June 30, 2023, 21 employees met the requirement of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$45,213, of which \$15,071 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$4,306 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 \$25,000 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	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 1,292,383	\$ 1,388,131	\$ 1,370,544	\$ 1,372,583	\$ 1,373,076	\$ 1,333,026	\$ 1,281,085	\$ 1,336,245	\$ 1,551,404
Interest	3,618,616	3,735,883	3,893,700	4,077,560	4,195,156	4,317,167	4,485,475	4,664,516	4,806,563
Differences Between Actual and Expected Experience	(879,835)	(328,471)	15,277	(381,698)	(750,034)	(69,712)	(87,207)	(530,736)	1,599,683
Changes in Assumptions	0	0	0	1,369,345	0	0	0	4,602,330	0
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)	(3,524,420)
Net Change in Total Pension Liability	\$ 1,478,695	\$ 2,221,311	\$ 2,506,308	\$ 3,550,803	\$ 1,822,138	\$ 2,386,075	\$ 2,459,641	\$ 6,762,114	\$ 4,433,230
Total Pension Liability, Beginning	48,232,057	49,710,752	51,932,063	54,438,371	57,989,174	59,811,312	62,197,387	64,657,028	71,419,142
Total Pension Liability, Ending (a)	\$ 49,710,752	\$ 51,932,063	\$ 54,438,371	\$ 57,989,174	\$ 59,811,312	\$ 62,197,387	\$ 64,657,028	\$ 71,419,142	\$ 75,852,372
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 1,073,390	\$ 1,100,416	\$ 1,111,302
Contributions - Employee	766,561	783,114	775,293	819,476	763,520	760,623	767,560	786,353	794,571
Net Investment Income	7,260,957	1,554,198	1,364,232	5,914,668	4,750,506	4,534,860	3,181,045	16,991,189	(3,109,758)
Benefit Payments, Including Refunds of Employee Contributions	(2,552,469)	(2,574,232)	(2,773,213)	(2,886,987)	(2,996,060)	(3,194,406)	(3,219,712)	(3,310,241)	(3,524,420)
Administrative Expense	(28,022)	(37,272)	(51,442)	(53,513)	(57,156)	(49,779)	(48,348)	(46,581)	(48,863)
Other	0	0	0	0	5	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,850,743	\$ 1,081,960	\$ 660,775	\$ 5,136,643	\$ 3,778,974	\$ 3,350,669	\$ 1,753,935	\$ 15,521,136	\$ (4,777,168)
Plan Fiduciary Net Position, Beginning	43,986,594	50,837,337	51,919,297	52,580,072	57,716,715	61,495,689	64,846,358	66,600,293	82,121,429
Plan Fiduciary Net Position, Ending (b)	\$ 50,837,337	\$ 51,919,297	\$ 52,580,072	\$ 57,716,715	\$ 61,495,689	\$ 64,846,358	\$ 66,600,293	\$ 82,121,429	\$ 77,344,261
Net Pension Liability (Asset), Ending (a - b)	\$ (1,126,585)	\$ 12,766	\$ 1,858,299	\$ 272,459	\$ (1,684,377)	\$ (2,648,971)	\$ (1,943,265)	\$ (10,702,287)	\$ (1,491,889)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.27%	99.98%	96.59%	99.53%	102.82%	104.26%	103.01%	114.99%	101.97%
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971	\$ 15,864,327
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.38)%	0.08%	11.98%	1.76%	(11.09)%	(17.7)%	(12.78)%	(68.44)%	(9.40)%

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

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	2022	2023
Actuarially Determined Contribution	\$ 1,403,716	\$ 1,356,152	\$ 1,345,905	\$ 1,342,999	\$ 1,318,159	\$ 1,299,371	\$ 870,980	\$ 892,909	\$ 901,742	\$ 974,409
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)	(1,100,416)	(1,111,302)	(1,133,033)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (202,410)	\$ (207,507)	\$ (209,560)	\$ (158,624)
Covered Payroll	\$ 15,274,403	\$ 15,627,211	\$ 15,507,487	\$ 15,472,328	\$ 15,186,162	\$ 14,969,701	\$ 15,205,124	\$ 15,636,971	\$ 15,864,327	\$ 16,186,192
Contributions as a Percentage of Covered Payroll	9.19%	8.68%	8.68%	8.68%	8.68%	8.68%	7.06%	7.04%	7.01%	7.00%

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

Exhibit E-4

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

	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 5,780	\$ 10,483	\$ 22,886	\$ 44,592	\$ 59,341	\$ 76,722	\$ 103,181	\$ 135,004
Less: Contributions in Relation to the Actuarially Determined Contribution	(11,561)	(37,107)	(58,503)	(44,592)	(59,341)	(76,722)	(103,181)	(135,004)
Contribution Deficiency (Excess)	<u>\$ (5,781)</u>	<u>\$ (26,624)</u>	<u>\$ (35,617)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 289,018	\$ 927,661	\$ 1,462,581	\$ 2,074,029	\$ 2,453,905	\$ 3,044,523	\$ 3,842,852	\$ 4,440,945
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	2.15%	2.42%	2.52%	2.69%	3.04%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.  
2019: Pension - 2.15%, SRT - 1.85%  
2020: Pension - 2.42%, SRT - 1.58%  
2021: Pension - 2.52%, SRT - 1.48%  
2022: Pension - 2.69%, SRT - 1.31%  
2023: Pension - 3.04%, SRT - 0.96%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 29,900	\$ 73,046	\$ 119,156	\$ 162,926	\$ 98,179	\$ 128,842	\$ 143,559	\$ 183,626	\$ 319,687
Less: Contributions in Relation to the Contractually Required Contribution	(29,900)	(73,046)	(119,156)	(162,926)	(98,179)	(128,842)	(143,559)	(183,626)	(319,687)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386	\$ 9,135,623	\$ 11,092,173
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.00%	2.01%	2.87%

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%  
2022: Pension - 2.01%, SRT - 1.99%  
2023: Pension - 2.87%, SRT - 1.13%

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	2022	2023
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	\$ 2,439,805	\$ 1,947,105
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)	(2,439,805)	(1,947,105)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 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	\$ 23,687,424	\$ 22,406,263
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit E-7

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.359770%	0.415032%	0.453865%	0.466100%	0.478240%	0.502955%	0.492433%	0.534966%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,473)	\$ (43,206)	\$ (119,745)	\$ (211,389)	\$ (269,960)	\$ (286,001)	\$ (533,409)	\$ (162,055)
Covered Payroll	\$ 747,512	\$ 1,826,147	\$ 2,976,280	\$ 4,073,139	\$ 5,063,973	\$ 6,346,841	\$ 7,194,386	\$ 9,135,623
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.41)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.717381%	0.729000%	0.723435%	0.722764%	0.710748%	0.715696%	0.697785%	0.716752%	0.719777%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (116,571)	\$ 298,623	\$ 4,521,070	\$ (236,476)	\$ (2,501,062)	\$ (7,358,648)	\$ (5,321,127)	\$ (30,915,226)	\$ (8,827,388)
Covered Payroll	\$ 28,157,151	\$ 27,290,132	\$ 26,114,561	\$ 25,552,000	\$ 24,888,086	\$ 23,997,025	\$ 23,224,091	\$ 23,525,033	\$ 23,687,424
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

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

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

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

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

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

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

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

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



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

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

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

Note 2: Changes in assumptions.

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

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

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

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

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	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 208,059	\$ 171,994	\$ 113,256	\$ 159,363	\$ 84,727	\$ 74,465
Interest	187,101	214,221	180,560	208,686	113,051	97,077
Changes in Benefit Terms	0	(267,040)	0	(1,549,290)	0	0
Differences Between Actual and Expected Experience	0	(873,709)	685,387	(211,017)	(163,504)	(39,622)
Changes in Assumptions or Other Inputs	(580,688)	(42,554)	112,759	823,349	(462,276)	(713,308)
Benefit Payments	(164,100)	(173,016)	(176,067)	(184,875)	(187,548)	(178,095)
Net Change in Total OPEB Liability	\$ (349,628)	\$ (970,104)	\$ 915,895	\$ (753,784)	\$ (615,550)	\$ (759,483)
Total OPEB Liability, Beginning	6,281,572	5,931,944	4,961,840	5,877,735	5,123,951	4,508,401
Total OPEB Liability, Ending	<u>\$ 5,931,944</u>	<u>\$ 4,961,840</u>	<u>\$ 5,877,735</u>	<u>\$ 5,123,951</u>	<u>\$ 4,508,401</u>	<u>\$ 3,748,918</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,421,004	\$ 2,186,805	\$ 2,267,301	\$ 2,710,001	\$ 2,424,149	\$ 1,960,594
Employer Proportionate Share of the Total OPEB Liability	3,510,940	2,775,035	3,610,434	2,413,950	2,084,252	1,788,324
Covered Employee Payroll	N/A	N/A	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	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%
2021	2.16%
2022	3.54%

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, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

# Nonmajor Governmental Funds

## Special Revenue Funds

---

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

---

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

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

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 Fund

---

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

---

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

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

## Exhibit F-1

Hawkins County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<b>ASSETS</b>					
Cash	\$ 0	\$ 0	\$ 18,794	\$ 18,794	\$ 0
Equity in Pooled Cash and Investments	4,143,762	704,176	0	4,847,938	1,565,234
Accounts Receivable	44,271	0	121,956	166,227	513
Due from Other Governments	379,491	0	0	379,491	0
Due from Other Funds	238	0	0	238	0
Property Taxes Receivable	0	0	0	0	878,749
Allowance for Uncollectible Property Taxes	0	0	0	0	(27,490)
<b>Total Assets</b>	<b>\$ 4,567,762</b>	<b>\$ 704,176</b>	<b>\$ 140,750</b>	<b>\$ 5,412,688</b>	<b>\$ 2,417,006</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 91,531	\$ 75	\$ 0	\$ 91,606	\$ 0
Payroll Deductions Payable	5,624	0	0	5,624	0
Due to Other Funds	0	0	140,750	140,750	0
Due to State of Tennessee	58	0	0	58	0
<b>Total Liabilities</b>	<b>\$ 97,213</b>	<b>\$ 75</b>	<b>\$ 140,750</b>	<b>\$ 238,038</b>	<b>\$ 0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 827,272
Deferred Delinquent Property Taxes	0	0	0	0	22,577
Other Deferred/Unavailable Revenue	192,348	0	0	192,348	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 192,348</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 192,348</b>	<b>\$ 849,849</b>
<b>FUND BALANCES</b>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 404,101	\$ 0	\$ 404,101	\$ 0
Restricted for Debt Service	0	0	0	0	948,318
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Safety	0	300,000	0	300,000	0
Committed for Public Health and Welfare	4,278,201	0	0	4,278,201	0
Committed for Debt Service	0	0	0	0	618,839
<b>Total Fund Balances</b>	<b>\$ 4,278,201</b>	<b>\$ 704,101</b>	<b>\$ 0</b>	<b>\$ 4,982,302</b>	<b>\$ 1,567,157</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,567,762</b>	<b>\$ 704,176</b>	<b>\$ 140,750</b>	<b>\$ 5,412,688</b>	<b>\$ 2,417,006</b>

(Continued)

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

	Debt Service Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 18,794
Equity in Pooled Cash and Investments	505,722	2,070,956	1,822,894	8,741,788
Accounts Receivable	0	513	0	166,740
Due from Other Governments	0	0	0	379,491
Due from Other Funds	0	0	0	238
Property Taxes Receivable	0	878,749	320,436	1,199,185
Allowance for Uncollectible Property Taxes	0	(27,490)	(10,024)	(37,514)
Total Assets	\$ 505,722	\$ 2,922,728	\$ 2,133,306	\$ 10,468,722
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	7,012	\$ 98,618
Payroll Deductions Payable	0	0	0	5,624
Due to Other Funds	0	0	0	140,750
Due to State of Tennessee	0	0	0	58
Total Liabilities	\$ 0	\$ 0	\$ 7,012	\$ 245,050
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 827,272	\$ 301,664	\$ 1,128,936
Deferred Delinquent Property Taxes	0	22,577	8,234	30,811
Other Deferred/Unavailable Revenue	0	0	0	192,348
Total Deferred Inflows of Resources	\$ 0	\$ 849,849	\$ 309,898	\$ 1,352,095
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 404,101
Restricted for Debt Service	505,722	1,454,040	0	1,454,040
Restricted for Capital Projects	0	0	1,816,396	1,816,396
Committed:				
Committed for Public Safety	0	0	0	300,000
Committed for Public Health and Welfare	0	0	0	4,278,201
Committed for Debt Service	0	618,839	0	618,839
Total Fund Balances	\$ 505,722	\$ 2,072,879	\$ 1,816,396	\$ 8,871,577
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 505,722	\$ 2,922,728	\$ 2,133,306	\$ 10,468,722



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, 2023

	Special Revenue Funds				Debt Service Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 2,441,750	\$ 0	\$ 0	\$ 2,441,750	\$ 939,996
Licenses and Permits	171,560	0	0	171,560	0
Fines, Forfeitures, and Penalties	0	234,754	0	234,754	0
Charges for Current Services	3,792	0	17,309	21,101	0
Other Local Revenues	489,990	2,187	0	492,177	142,344
State of Tennessee	165,318	0	0	165,318	0
Federal Government	0	19,173	0	19,173	0
Total Revenues	\$ 3,272,410	\$ 256,114	\$ 17,309	\$ 3,545,833	\$ 1,082,340
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 16,770	\$ 16,770	\$ 0
Public Safety	0	54,958	539	55,497	0
Public Health and Welfare	2,480,144	0	0	2,480,144	0
Debt Service:					
Principal on Debt	0	0	0	0	965,766
Interest on Debt	0	0	0	0	234,502
Other Debt Service	0	0	0	0	19,916
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 2,480,144	\$ 54,958	\$ 17,309	\$ 2,552,411	\$ 1,220,184
Excess (Deficiency) of Revenues Over Expenditures	\$ 792,266	\$ 201,156	\$ 0	\$ 993,422	\$ (137,844)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Net Change in Fund Balances	\$ 792,266	\$ 501,156	\$ 0	\$ 1,293,422	\$ (137,844)
Fund Balance, July 1, 2022	3,485,935	202,945	0	3,688,880	1,705,001
Fund Balance, June 30, 2023	\$ 4,278,201	\$ 704,101	\$ 0	\$ 4,982,302	\$ 1,567,157

(Continued)

Exhibit F-2

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

	Debt Service Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Special Debt Service	Total	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 369,880	\$ 1,309,876	\$ 329,311	\$ 0	\$ 329,311	\$ 4,080,937
Licenses and Permits	0	0	0	0	0	171,560
Fines, Forfeitures, and Penalties	0	0	0	0	0	234,754
Charges for Current Services	0	0	0	0	0	21,101
Other Local Revenues	0	142,344	0	0	0	634,521
State of Tennessee	0	0	0	0	0	165,318
Federal Government	0	0	0	137,577	137,577	156,750
Total Revenues	\$ 369,880	\$ 1,452,220	\$ 329,311	\$ 137,577	\$ 466,888	\$ 5,464,941
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,770
Public Safety	0	0	0	0	0	55,497
Public Health and Welfare	0	0	0	0	0	2,480,144
Debt Service:						
Principal on Debt	396,752	1,362,518	0	0	0	1,362,518
Interest on Debt	63,102	297,604	0	0	0	297,604
Other Debt Service	3,768	23,684	0	0	0	23,684
Capital Projects	0	0	35,330	137,577	172,907	172,907
Total Expenditures	\$ 463,622	\$ 1,683,806	\$ 35,330	\$ 137,577	\$ 172,907	\$ 4,409,124
Excess (Deficiency) of Revenues Over Expenditures	\$ (93,742)	\$ (231,586)	\$ 293,981	\$ 0	\$ 293,981	\$ 1,055,817
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000
Net Change in Fund Balances	\$ (93,742)	\$ (231,586)	\$ 293,981	\$ 0	\$ 293,981	\$ 1,355,817
Fund Balance, July 1, 2022	599,464	2,304,465	1,522,415	0	1,522,415	7,515,760
Fund Balance, June 30, 2023	\$ 505,722	\$ 2,072,879	\$ 1,816,396	\$ 0	\$ 1,816,396	\$ 8,871,577

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,441,750	\$ 0	\$ 0	\$ 2,441,750	\$ 1,850,000	\$ 1,901,100	\$ 540,650
Licenses and Permits	171,560	0	0	171,560	150,000	150,000	21,560
Charges for Current Services	3,792	0	0	3,792	1,250	1,250	2,542
Other Local Revenues	489,990	0	0	489,990	400,500	406,500	83,490
State of Tennessee	165,318	0	0	165,318	153,000	153,000	12,318
Total Revenues	\$ 3,272,410	\$ 0	\$ 0	\$ 3,272,410	\$ 2,554,750	\$ 2,611,850	\$ 660,560
<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	88,722	0	0	88,722	97,344	97,344	8,622
Waste Pickup	813,686	0	0	813,686	791,178	829,678	15,992
Convenience Centers	472,518	(9,288)	3,640	466,870	544,197	544,197	77,327
Recycling Center	164,750	0	1,000	165,750	234,918	238,518	72,768
Landfill Operation and Maintenance	860,427	0	0	860,427	872,123	872,123	11,696
Other Waste Disposal	80,041	0	0	80,041	70,000	85,000	4,959
<u>Interest on Debt</u>							
General Government	0	0	0	0	1,000	1,000	1,000
Total Expenditures	\$ 2,480,144	\$ (9,288)	\$ 4,640	\$ 2,475,496	\$ 2,616,945	\$ 2,674,045	\$ 198,549
Excess (Deficiency) of Revenues Over Expenditures	\$ 792,266	\$ 9,288	\$ (4,640)	\$ 796,914	\$ (62,195)	\$ (62,195)	\$ 859,109
Net Change in Fund Balance	\$ 792,266	\$ 9,288	\$ (4,640)	\$ 796,914	\$ (62,195)	\$ (62,195)	\$ 859,109
Fund Balance, July 1, 2022	3,485,935	(9,288)	0	3,476,647	3,130,029	3,130,029	346,618
Fund Balance, June 30, 2023	\$ 4,278,201	\$ 0	\$ (4,640)	\$ 4,273,561	\$ 3,067,834	\$ 3,067,834	\$ 1,205,727

## 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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 234,754	\$ 14,000	\$ 14,000	\$ 220,754
Other Local Revenues	2,187	0	0	2,187
Federal Government	19,173	25,000	25,000	(5,827)
Total Revenues	<u>\$ 256,114</u>	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ 217,114</u>
<u>Expenditures</u>				
Public Safety				
Drug Enforcement	\$ 54,958	\$ 86,830	\$ 86,830	\$ 31,872
Total Expenditures	<u>\$ 54,958</u>	<u>\$ 86,830</u>	<u>\$ 86,830</u>	<u>\$ 31,872</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 201,156</u>	<u>\$ (47,830)</u>	<u>\$ (47,830)</u>	<u>\$ 248,986</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Total Other Financing Sources	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 501,156	\$ (47,830)	\$ 252,170	\$ 248,986
Fund Balance, July 1, 2022	<u>202,945</u>	<u>182,030</u>	<u>182,030</u>	<u>20,915</u>
Fund Balance, June 30, 2023	<u><u>\$ 704,101</u></u>	<u><u>\$ 134,200</u></u>	<u><u>\$ 434,200</u></u>	<u><u>\$ 269,901</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 939,996	\$ 891,781	\$ 895,781	\$ 44,215
Other Local Revenues	142,344	16,500	16,500	125,844
Total Revenues	<u>\$ 1,082,340</u>	<u>\$ 908,281</u>	<u>\$ 912,281</u>	<u>\$ 170,059</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 965,766	\$ 965,767	\$ 965,767	\$ 1
<u>Interest on Debt</u>				
General Government	234,502	234,503	234,503	1
<u>Other Debt Service</u>				
General Government	19,916	16,600	20,600	684
Total Expenditures	<u>\$ 1,220,184</u>	<u>\$ 1,216,870</u>	<u>\$ 1,220,870</u>	<u>\$ 686</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (137,844)</u>	<u>\$ (308,589)</u>	<u>\$ (308,589)</u>	<u>\$ 170,745</u>
Net Change in Fund Balance	\$ (137,844)	\$ (308,589)	\$ (308,589)	\$ 170,745
Fund Balance, July 1, 2022	<u>1,705,001</u>	<u>1,696,712</u>	<u>1,696,712</u>	<u>8,289</u>
Fund Balance, June 30, 2023	<u><u>\$ 1,567,157</u></u>	<u><u>\$ 1,388,123</u></u>	<u><u>\$ 1,388,123</u></u>	<u><u>\$ 179,034</u></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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 369,880	\$ 342,000	\$ 342,000	\$ 27,880
Total Revenues	\$ 369,880	\$ 342,000	\$ 342,000	\$ 27,880
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 396,752	\$ 396,753	\$ 396,753	\$ 1
<u>Interest on Debt</u>				
Highways and Streets	63,102	63,103	63,103	1
<u>Other Debt Service</u>				
Highways and Streets	3,768	3,900	3,900	132
Total Expenditures	\$ 463,622	\$ 463,756	\$ 463,756	\$ 134
Excess (Deficiency) of Revenues Over Expenditures	\$ (93,742)	\$ (121,756)	\$ (121,756)	\$ 28,014
Net Change in Fund Balance	\$ (93,742)	\$ (121,756)	\$ (121,756)	\$ 28,014
Fund Balance, July 1, 2022	599,464	583,643	583,643	15,821
Fund Balance, June 30, 2023	\$ 505,722	\$ 461,887	\$ 461,887	\$ 43,835

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 329,311	\$ 0	\$ 0	\$ 329,311	\$ 307,351	\$ 307,351	\$ 21,960
Total Revenues	\$ 329,311	\$ 0	\$ 0	\$ 329,311	\$ 307,351	\$ 307,351	\$ 21,960
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,000	\$ 55,000
Public Safety Projects	1,609	(48,509)	46,900	0	0	181,311	181,311
Other General Government Projects	33,721	0	2,512	36,233	12,000	42,000	5,767
Total Expenditures	\$ 35,330	\$ (48,509)	\$ 49,412	\$ 36,233	\$ 12,000	\$ 278,311	\$ 242,078
Excess (Deficiency) of Revenues Over Expenditures	\$ 293,981	\$ 48,509	\$ (49,412)	\$ 293,078	\$ 295,351	\$ 29,040	\$ 264,038
Net Change in Fund Balance	\$ 293,981	\$ 48,509	\$ (49,412)	\$ 293,078	\$ 295,351	\$ 29,040	\$ 264,038
Fund Balance, July 1, 2022	1,522,415	(48,509)	0	1,473,906	1,395,018	1,395,018	78,888
Fund Balance, June 30, 2023	\$ 1,816,396	\$ 0	\$ (49,412)	\$ 1,766,984	\$ 1,690,369	\$ 1,424,058	\$ 342,926

# **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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,787,115	\$ 3,622,212	\$ 3,624,212	\$ 162,903
Other Local Revenues	815,342	92,000	92,000	723,342
Other Governments and Citizens Groups	687,642	691,933	691,933	(4,291)
Total Revenues	<u>\$ 5,290,099</u>	<u>\$ 4,406,145</u>	<u>\$ 4,408,145</u>	<u>\$ 881,954</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 2,963,001	\$ 2,963,005	\$ 2,963,005	\$ 4
<u>Interest on Debt</u>				
Education	1,364,978	1,366,550	1,366,550	1,572
<u>Other Debt Service</u>				
Education	87,054	83,100	85,100	(1,954)
Total Expenditures	<u>\$ 4,415,033</u>	<u>\$ 4,412,655</u>	<u>\$ 4,414,655</u>	<u>\$ (378)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 875,066</u>	<u>\$ (6,510)</u>	<u>\$ (6,510)</u>	<u>\$ 881,576</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 106,657	\$ 106,657	\$ 106,657	\$ 0
Total Other Financing Sources	<u>\$ 106,657</u>	<u>\$ 106,657</u>	<u>\$ 106,657</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 981,723	\$ 100,147	\$ 100,147	\$ 881,576
Fund Balance, July 1, 2022	<u>9,283,515</u>	<u>9,274,364</u>	<u>9,274,364</u>	<u>9,151</u>
Fund Balance, June 30, 2023	<u><u>\$ 10,265,238</u></u>	<u><u>\$ 9,374,511</u></u>	<u><u>\$ 9,374,511</u></u>	<u><u>\$ 890,727</u></u>

# Custodial Funds

---

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

---

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

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

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

Exhibit H-1

Hawkins County, Tennessee  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2023

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Rogersville	City School ADA - Kingsport	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,982,339	\$ 1,982,339
Equity in Pooled Cash and Investments	0	61,827	55,999	0	117,826
Due from Other Governments	1,228,234	124,741	103,603	0	1,456,578
Property Taxes Receivable	0	528,849	439,237	0	968,086
Allowance for Uncollectible Property Taxes	0	(19,556)	(16,242)	0	(35,798)
Total Assets	\$ 1,228,234	\$ 695,861	\$ 582,597	\$ 1,982,339	\$ 4,489,031
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,228,234	\$ 206,491	\$ 176,150	\$ 0	\$ 1,610,875
Total Liabilities	\$ 1,228,234	\$ 206,491	\$ 176,150	\$ 0	\$ 1,610,875
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 489,370	\$ 406,447	\$ 0	\$ 895,817
Total Deferred Inflows of Resources	\$ 0	\$ 489,370	\$ 406,447	\$ 0	\$ 895,817
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 1,982,339	\$ 1,982,339
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 1,982,339	\$ 1,982,339

## Exhibit H-2

Hawkins County, Tennessee  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

	Custodial Funds				
	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	\$ 7,507,330	\$ 0	\$ 0	\$ 0	\$ 7,507,330
ADA - Educational Funds Collected for Cities	0	1,496,269	1,255,221	0	2,751,490
Fines/Fees and Other Collections	0	0	0	8,801,005	8,801,005
Total Additions	\$ 7,507,330	\$ 1,496,269	\$ 1,255,221	\$ 8,801,005	\$ 19,059,825
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 7,507,330	\$ 0	\$ 0	\$ 0	\$ 7,507,330
Payments to City School Systems	0	1,496,269	1,255,221	0	2,751,490
Payments to State	0	0	0	5,645,464	5,645,464
Payments to Individuals and Others	0	0	0	2,760,087	2,760,087
Total Deductions	\$ 7,507,330	\$ 1,496,269	\$ 1,255,221	\$ 8,405,551	\$ 18,664,371
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 395,454	\$ 395,454
Net Position July 1, 2022	0	0	0	1,586,885	1,586,885
Net Position June 30, 2023	\$ 0	\$ 0	\$ 0	\$ 1,982,339	\$ 1,982,339

# 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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 45,904,142	\$ 55,875	\$ 8,497,806	\$ 2,017,950	\$ (35,332,511)
Support Services	28,206,036	186,016	2,341,911	0	(25,678,109)
Operation of Non-instructional Services	6,972,196	948,359	6,999,888	0	976,051
Total Governmental Activities	\$ 81,082,374	\$ 1,190,250	\$ 17,839,605	\$ 2,017,950	\$ (60,034,569)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,201,764
Property Taxes Levied for Transportation					3,381,251
Property Taxes Levied for Education Capital Projects					492,590
Local Option Sales Taxes					7,002,137
Wheel Tax					340,396
Other Local Tax					3,819
Grants and Contributions Not Restricted for Specific Programs					43,087,355
Unrestricted Investment Income					61,095
Miscellaneous					285,311
Gain on Sale of Assets					5,803
Total General Revenues					\$ 62,861,521
Change in Net Position					\$ 2,826,952
Net Position, July 1, 2022					72,426,887
Net Position, June 30, 2023					\$ 75,253,839

## Exhibit I-2

Hawkins County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented Hawkins County School Department  
 June 30, 2023

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 2,884	\$ 0	\$ 0
Equity in Pooled Cash and Investments	8,048,184	171,871	4,445,623	534,798	2,733,669
Accounts Receivable	165,970	0	20,093	5,870	0
Due from Other Governments	3,128,126	1,683,242	38,144	0	0
Due from Other Funds	94	21,500	10,159	359	0
Property Taxes Receivable	5,658,697	0	0	4,836,879	1,616,823
Allowance for Uncollectible Property Taxes	(209,246)	0	0	(130,625)	(33,524)
Leases Receivable - Current	10,501	0	0	0	0
Restricted Assets	941,039	0	0	0	0
Leases Receivable - Long-term	383,157	0	0	0	0
Total Assets	<u>\$ 18,126,522</u>	<u>\$ 1,876,613</u>	<u>\$ 4,516,903</u>	<u>\$ 5,247,281</u>	<u>\$ 4,316,968</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 250,670	\$ 43,640	\$ 284	\$ 6,814	\$ 0
Accrued Payroll	336,050	65,534	11,570	4,902	0
Payroll Deductions Payable	5,187	0	340	0	0
Contracts Payable	0	705,936	0	0	163,195
Retainage Payable	0	60,815	0	0	0
Due to Other Funds	32,018	94	0	0	0
Other Current Liabilities	1,810,579	0	0	0	0
Total Liabilities	<u>\$ 2,434,504</u>	<u>\$ 876,019</u>	<u>\$ 12,194</u>	<u>\$ 11,716</u>	<u>\$ 163,195</u>

(Continued)

Exhibit I-2

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

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Education Capital Projects
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,236,269	\$ 0	\$ 0	\$ 4,611,908	\$ 1,570,235
Deferred Delinquent Property Taxes	200,649	0	0	88,799	12,296
Deferred Leases Receivable	383,157	0	0	0	0
Other Deferred/Unavailable Revenue	628,683	71,563	0	0	0
Total Deferred Inflows of Resources	<u>\$ 6,448,758</u>	<u>\$ 71,563</u>	<u>\$ 0</u>	<u>\$ 4,700,707</u>	<u>\$ 1,582,531</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 52,013	\$ 0	\$ 4,504,709	\$ 254,571	\$ 0
Restricted for Capital Projects	0	0	0	0	504,273
Restricted for Hybrid Retirement Stabilization Funds	941,039	0	0	0	0
Committed:					
Committed for Education	0	1,000,000	0	280,287	0
Committed for Capital Projects	0	0	0	0	2,066,969
Assigned:					
Assigned for Education	2,602,401	0	0	0	0
Unassigned	5,647,807	(70,969)	0	0	0
Total Fund Balances	<u>\$ 9,243,260</u>	<u>\$ 929,031</u>	<u>\$ 4,504,709</u>	<u>\$ 534,858</u>	<u>\$ 2,571,242</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,126,522</u>	<u>\$ 1,876,613</u>	<u>\$ 4,516,903</u>	<u>\$ 5,247,281</u>	<u>\$ 4,316,968</u>

(Continued)



Exhibit I-2

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

	Nonmajor Fund	Total Governmental Funds
	Internal School	
<u>ASSETS</u>		
Cash	\$ 1,727,338	\$ 1,730,222
Equity in Pooled Cash and Investments	0	15,934,145
Accounts Receivable	0	191,933
Due from Other Governments	0	4,849,512
Due from Other Funds	0	32,112
Property Taxes Receivable	0	12,112,399
Allowance for Uncollectible Property Taxes	0	(373,395)
Leases Receivable - Current	0	10,501
Restricted Assets	0	941,039
Leases Receivable - Long-term	0	383,157
Total Assets	<u>\$ 1,727,338</u>	<u>\$ 35,811,625</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,485	\$ 303,893
Accrued Payroll	0	418,056
Payroll Deductions Payable	0	5,527
Contracts Payable	0	869,131
Retainage Payable	0	60,815
Due to Other Funds	0	32,112
Other Current Liabilities	0	1,810,579
Total Liabilities	<u>\$ 2,485</u>	<u>\$ 3,500,113</u>

(Continued)

Exhibit I-2

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

	Nonmajor Fund	Total Governmental Funds
	Internal School	
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 11,418,412
Deferred Delinquent Property Taxes	0	301,744
Deferred Leases Receivable	0	383,157
Other Deferred/Unavailable Revenue	0	700,246
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 12,803,559</u>
<u>FUND BALANCES</u>		
Restricted:		
Restricted for Education	\$ 1,724,853	\$ 6,536,146
Restricted for Capital Projects	0	504,273
Restricted for Hybrid Retirement Stabilization Funds	0	941,039
Committed:		
Committed for Education	0	1,280,287
Committed for Capital Projects	0	2,066,969
Assigned:		
Assigned for Education	0	2,602,401
Unassigned	0	5,576,838
Total Fund Balances	<u>\$ 1,724,853</u>	<u>\$ 19,507,953</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,727,338</u>	<u>\$ 35,811,625</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, 2023

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)		\$	19,507,953
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,565,973	
Add: construction in progress		1,694,711	
Add: building and improvements net of accumulated depreciation		45,140,277	
Add: other capital assets net of accumulated depreciation		3,210,076	
Add: intangible right-to-use assets net of accumulated amortization		<u>133,603</u>	51,744,640
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: leases payable	\$	(132,283)	
Less: compensated absences payable		(1,858,720)	
Less: termination benefits payable		(508,141)	
Less: retirement honorarium payable		(45,213)	
Less: pension liability - hybrid agent plan		(20,582)	
Less: OPEB liability		<u>(13,732,193)</u>	(16,297,132)
(3) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			1,001,990
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.			
Add: deferred outflows of resources related to pensions	\$	11,786,156	
Less: deferred inflows of resources related to pensions		(1,853,491)	
Add: deferred outflows of resources related to OPEB		4,363,103	
Less: deferred inflows of resources related to OPEB		<u>(4,581,252)</u>	9,714,516
(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	\$	592,429	
Add: net pension asset - teacher retirement plan		162,055	
Add: net pension asset - teacher legacy pension plan		<u>8,827,388</u>	<u>9,581,872</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>75,253,839</u></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, 2023

	Major Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 15,407,068	\$ 0	\$ 0	\$ 3,532,377	\$ 513,057
Licenses and Permits	3,323	0	0	0	0
Charges for Current Services	80,272	0	901,269	91,461	0
Other Local Revenues	623,161	0	62,135	108,124	56,000
State of Tennessee	43,027,924	0	33,862	0	0
Federal Government	349,646	10,819,844	3,884,370	0	0
Other Governments and Citizens Groups	0	0	0	0	2,000,000
Total Revenues	\$ 59,491,394	\$ 10,819,844	\$ 4,881,636	\$ 3,731,962	\$ 2,569,057
<u>Expenditures</u>					
Current:					
Instruction	\$ 36,685,635	\$ 5,880,749	\$ 0	\$ 0	\$ 0
Support Services	21,793,788	2,830,058	0	4,273,872	0
Operation of Non-Instructional Services	504,519	65,816	4,492,621	0	0
Capital Outlay	48,946	2,114,190	0	0	0
Debt Service:					
Other Debt Service	687,642	0	0	0	0
Capital Projects	0	0	0	0	1,238,625
Total Expenditures	\$ 59,720,530	\$ 10,890,813	\$ 4,492,621	\$ 4,273,872	\$ 1,238,625
Excess (Deficiency) of Revenues Over Expenditures	\$ (229,136)	\$ (70,969)	\$ 389,015	\$ (541,910)	\$ 1,330,432
<u>Other Financing Sources (Uses)</u>					
Leases Issued	\$ 112,282	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	341,318	0	0	82,089	0
Transfers In	0	0	10,159	0	0
Transfers Out	(10,159)	0	0	0	0
Total Other Financing Sources (Uses)	\$ 443,441	\$ 0	\$ 10,159	\$ 82,089	\$ 0
Net Change in Fund Balances	\$ 214,305	\$ (70,969)	\$ 399,174	\$ (459,821)	\$ 1,330,432
Fund Balance, July 1, 2022	9,028,955	1,000,000	4,105,535	994,679	1,240,810
Fund Balance, June 30, 2023	\$ 9,243,260	\$ 929,031	\$ 4,504,709	\$ 534,858	\$ 2,571,242

(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.)

	Nonmajor Fund		Internal School	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$	0	\$	19,452,502
Licenses and Permits		0		3,323
Charges for Current Services		0		1,073,002
Other Local Revenues		2,201,480		3,050,900
State of Tennessee		0		43,061,786
Federal Government		0		15,053,860
Other Governments and Citizens Groups		0		2,000,000
Total Revenues	\$	2,201,480	\$	83,695,373
<u>Expenditures</u>				
Current:				
Instruction	\$	0	\$	42,566,384
Support Services		0		28,897,718
Operation of Non-Instructional Services		2,129,305		7,192,261
Capital Outlay		0		2,163,136
Debt Service:				
Other Debt Service		0		687,642
Capital Projects		0		1,238,625
Total Expenditures	\$	2,129,305	\$	82,745,766
Excess (Deficiency) of Revenues Over Expenditures	\$	72,175	\$	949,607
<u>Other Financing Sources (Uses)</u>				
Leases Issued	\$	0	\$	112,282
Insurance Recovery		0		423,407
Transfers In		0		10,159
Transfers Out		0		(10,159)
Total Other Financing Sources (Uses)	\$	0	\$	535,689
Net Change in Fund Balances	\$	72,175	\$	1,485,296
Fund Balance, July 1, 2022		1,652,678		18,022,657
Fund Balance, June 30, 2023	\$	1,724,853	\$	19,507,953

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, 2023

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)		\$ 1,485,296
(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	\$ 3,355,526	
Add: right-to-use lease assets acquired in the current period	112,282	
Less: current-year depreciation expense	(4,245,314)	
Less: current-year amortization expense	<u>(30,157)</u>	(807,663)
(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		(192,573)
(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, 2023	\$ 1,001,990	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(830,794)</u>	171,196
(4) The issuance of lease obligations provides current financial resources to governmental funds, while the payment of principal of leases consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of lease obligations.		
Less: leases issued	\$ (112,282)	
Add: principal payments on lease obligations	<u>30,575</u>	(81,707)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 107,192	
Change in termination benefits payable	(37,976)	
Change in retirement honorarium payable	(6,459)	
Change in OPEB liability	530,471	
Change in net pension asset/liability	(26,123,295)	
Change in deferred outflows related to pensions	(1,406,296)	
Change in deferred inflows related to pensions	29,670,281	
Change in deferred outflows related to OPEB	306,959	
Change in deferred inflows related to OPEB	<u>(788,474)</u>	2,252,403
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,826,952</u>

Exhibit I-6

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,407,068	\$ 0	\$ 0	\$ 15,407,068	\$ 13,045,349	\$ 13,045,349	\$ 2,361,719
Licenses and Permits	3,323	0	0	3,323	4,000	4,000	(677)
Charges for Current Services	80,272	0	0	80,272	85,000	85,000	(4,728)
Other Local Revenues	623,161	0	0	623,161	423,713	1,022,344	(399,183)
State of Tennessee	43,027,924	0	0	43,027,924	41,941,147	47,502,572	(4,474,648)
Federal Government	349,646	0	0	349,646	130,000	130,000	219,646
Total Revenues	\$ 59,491,394	\$ 0	\$ 0	\$ 59,491,394	\$ 55,629,209	\$ 61,789,265	\$ (2,297,871)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 29,831,004	\$ (4,474)	\$ 0	\$ 29,826,530	\$ 30,132,284	\$ 30,838,388	\$ 1,011,858
Alternative Instruction Program	323,011	0	0	323,011	342,951	345,407	22,396
Special Education Program	4,540,710	0	0	4,540,710	4,958,720	4,958,720	418,010
Career and Technical Education Program	1,990,910	0	0	1,990,910	1,995,635	6,113,773	4,122,863
<u>Support Services</u>							
Attendance	352,988	0	0	352,988	345,104	355,972	2,984
Health Services	1,120,996	(1,351)	0	1,119,645	1,129,523	1,157,695	38,050
Other Student Support	3,299,678	0	12,000	3,311,678	3,344,959	3,419,890	108,212
Regular Instruction Program	1,696,238	0	0	1,696,238	1,803,605	1,806,544	110,306
Special Education Program	634,049	0	0	634,049	723,120	723,120	89,071
Career and Technical Education Program	101,912	0	0	101,912	104,077	104,252	2,340
Technology	981,239	(34,548)	4,092	950,783	1,207,155	1,207,155	256,372
Other Programs	392,468	0	0	392,468	0	392,468	0
Board of Education	1,683,753	(29,500)	29,500	1,683,753	1,778,006	1,828,006	144,253
Director of Schools	434,507	(4,800)	4,800	434,507	456,351	456,351	21,844
Office of the Principal	4,057,195	0	0	4,057,195	4,042,557	4,088,051	30,856
Fiscal Services	461,952	0	0	461,952	421,857	468,850	6,898
Human Services/Personnel	179,918	0	0	179,918	177,437	188,400	8,482
Operation of Plant	4,185,359	(525)	28,662	4,213,496	4,309,442	4,682,588	469,092

(Continued)

Exhibit I-6

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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 2,094,039	\$ (33,471)	\$ 0	\$ 2,060,568	\$ 1,922,847	\$ 2,166,116	\$ 105,548
Transportation	117,497	0	0	117,497	42,662	154,769	37,272
<u>Operation of Non-Instructional Services</u>							
Food Service	19,631	0	0	19,631	0	39,950	20,319
Community Services	99,883	0	0	99,883	106,622	117,611	17,728
Early Childhood Education	385,005	(559)	0	384,446	399,696	399,695	15,249
<u>Capital Outlay</u>							
Regular Capital Outlay	48,946	0	0	48,946	42,100	549,587	500,641
<u>Other Debt Service</u>							
Education	687,642	0	0	687,642	727,160	780,871	93,229
Total Expenditures	\$ 59,720,530	\$ (109,228)	\$ 79,054	\$ 59,690,356	\$ 60,513,870	\$ 67,344,229	\$ 7,653,873
Excess (Deficiency) of Revenues Over Expenditures	\$ (229,136)	\$ 109,228	\$ (79,054)	\$ (198,962)	\$ (4,884,661)	\$ (5,554,964)	\$ 5,356,002
<u>Other Financing Sources (Uses)</u>							
Leases Issued	\$ 112,282	\$ 0	\$ 0	\$ 112,282	\$ 0	\$ 112,282	\$ 0
Insurance Recovery	341,318	0	0	341,318	0	341,318	0
Transfers Out	(10,159)	0	0	(10,159)	0	0	(10,159)
Total Other Financing Sources	\$ 443,441	\$ 0	\$ 0	\$ 443,441	\$ 0	\$ 453,600	\$ (10,159)
Net Change in Fund Balance	\$ 214,305	\$ 109,228	\$ (79,054)	\$ 244,479	\$ (4,884,661)	\$ (5,101,364)	\$ 5,345,843
Fund Balance, July 1, 2022	9,028,955	(109,228)	0	8,919,727	8,282,194	8,282,194	637,533
Fund Balance, June 30, 2023	\$ 9,243,260	\$ 0	\$ (79,054)	\$ 9,164,206	\$ 3,397,533	\$ 3,180,830	\$ 5,983,376



## Exhibit I-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 10,819,844	\$ 0	\$ 0	\$ 10,819,844	\$ 4,764,605	\$ 23,653,462	\$ (12,833,618)
Total Revenues	\$ 10,819,844	\$ 0	\$ 0	\$ 10,819,844	\$ 4,764,605	\$ 23,653,462	\$ (12,833,618)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,802,955	\$ 0	\$ 0	\$ 3,802,955	\$ 1,368,607	\$ 6,911,068	\$ 3,108,113
Special Education Program	1,880,839	0	3,460	1,884,299	1,506,529	2,592,539	708,240
Career and Technical Education Program	196,955	0	0	196,955	114,764	306,203	109,248
<u>Support Services</u>							
Attendance	35,914	0	0	35,914	0	73,672	37,758
Health Services	11,972	0	0	11,972	12,000	60,570	48,598
Other Student Support	422,026	0	0	422,026	307,073	903,602	481,576
Regular Instruction Program	1,616,639	0	71,250	1,687,889	993,664	2,858,341	1,170,452
Special Education Program	489,475	0	1,745	491,220	328,706	911,015	419,795
Career and Technical Education Program	4,676	0	0	4,676	4,950	5,711	1,035
Technology	126,106	0	0	126,106	0	350,236	224,130
Director of Schools	0	0	0	0	0	1,774	1,774
Office of the Principal	1,144	0	0	1,144	0	73,650	72,506
Fiscal Services	34,050	0	0	34,050	0	61,519	27,469
Operation of Plant	72,437	0	0	72,437	121,812	133,942	61,505
Transportation	15,619	0	0	15,619	6,500	177,206	161,587
<u>Operation of Non-Instructional Services</u>							
Food Service	3,670	0	0	3,670	0	96,290	92,620
Community Services	62,146	0	0	62,146	0	68,565	6,419
<u>Capital Outlay</u>							
Regular Capital Outlay	2,114,190	(519,502)	4,233,258	5,827,946	0	8,067,562	2,239,616
Total Expenditures	\$ 10,890,813	\$ (519,502)	\$ 4,309,713	\$ 14,681,024	\$ 4,764,605	\$ 23,653,465	\$ 8,972,441
Excess (Deficiency) of Revenues Over Expenditures	\$ (70,969)	\$ 519,502	\$ (4,309,713)	\$ (3,861,180)	\$ 0	\$ (3)	\$ (3,861,177)
Net Change in Fund Balance	\$ (70,969)	\$ 519,502	\$ (4,309,713)	\$ (3,861,180)	\$ 0	\$ (3)	\$ (3,861,177)
Fund Balance, July 1, 2022	1,000,000	(519,502)	0	480,498	500,000	500,000	(19,502)
Fund Balance, June 30, 2023	\$ 929,031	\$ 0	\$ (4,309,713)	\$ (3,380,682)	\$ 500,000	\$ 499,997	\$ (3,880,679)

## Exhibit I-8

Hawkins County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Hawkins County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 901,269	\$ 0	\$ 0	\$ 901,269	\$ 845,000	\$ 845,000	\$ 56,269
Other Local Revenues	62,135	0	0	62,135	5,000	5,000	57,135
State of Tennessee	33,862	0	0	33,862	37,000	37,000	(3,138)
Federal Government	3,884,370	0	0	3,884,370	3,500,414	3,500,414	383,956
Total Revenues	\$ 4,881,636	\$ 0	\$ 0	\$ 4,881,636	\$ 4,387,414	\$ 4,387,414	\$ 494,222
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 4,492,621	\$ (7,605)	\$ 15,368	\$ 4,500,384	\$ 5,017,087	\$ 5,017,087	\$ 516,703
Total Expenditures	\$ 4,492,621	\$ (7,605)	\$ 15,368	\$ 4,500,384	\$ 5,017,087	\$ 5,017,087	\$ 516,703
Excess (Deficiency) of Revenues Over Expenditures	\$ 389,015	\$ 7,605	\$ (15,368)	\$ 381,252	\$ (629,673)	\$ (629,673)	\$ 1,010,925
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 10,159	\$ 0	\$ 0	\$ 10,159	\$ 0	\$ 0	\$ 10,159
Total Other Financing Sources	\$ 10,159	\$ 0	\$ 0	\$ 10,159	\$ 0	\$ 0	\$ 10,159
Net Change in Fund Balance	\$ 399,174	\$ 7,605	\$ (15,368)	\$ 391,411	\$ (629,673)	\$ (629,673)	\$ 1,021,084
Fund Balance, July 1, 2022	4,105,535	(7,605)	0	4,097,930	3,990,147	3,990,147	107,783
Fund Balance, June 30, 2023	\$ 4,504,709	\$ 0	\$ (15,368)	\$ 4,489,341	\$ 3,360,474	\$ 3,360,474	\$ 1,128,867

Exhibit I-9

Hawkins County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Hawkins County School Department  
School Transportation Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,532,377	\$ 0	\$ 0	\$ 3,532,377	\$ 3,381,277	\$ 3,381,277	\$ 151,100
Charges for Current Services	91,461	0	0	91,461	30,000	76,074	15,387
Other Local Revenues	108,124	0	0	108,124	10,000	10,000	98,124
Total Revenues	\$ 3,731,962	\$ 0	\$ 0	\$ 3,731,962	\$ 3,421,277	\$ 3,467,351	\$ 264,611
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 67,267	\$ 0	\$ 0	\$ 67,267	\$ 80,000	\$ 80,000	\$ 12,733
Transportation	4,206,605	(500,926)	254,455	3,960,134	4,035,108	4,156,117	195,983
Total Expenditures	\$ 4,273,872	\$ (500,926)	\$ 254,455	\$ 4,027,401	\$ 4,115,108	\$ 4,236,117	\$ 208,716
Excess (Deficiency) of Revenues Over Expenditures	\$ (541,910)	\$ 500,926	\$ (254,455)	\$ (295,439)	\$ (693,831)	\$ (768,766)	\$ 473,327
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 82,089	\$ 0	\$ 0	\$ 82,089	\$ 0	\$ 74,934	\$ 7,155
Total Other Financing Sources	\$ 82,089	\$ 0	\$ 0	\$ 82,089	\$ 0	\$ 74,934	\$ 7,155
Net Change in Fund Balance	\$ (459,821)	\$ 500,926	\$ (254,455)	\$ (213,350)	\$ (693,831)	\$ (693,832)	\$ 480,482
Fund Balance, July 1, 2022	994,679	(500,926)	0	493,753	704,321	704,321	(210,568)
Fund Balance, June 30, 2023	\$ 534,858	\$ 0	\$ (254,455)	\$ 280,403	\$ 10,490	\$ 10,489	\$ 269,914

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  
Education Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 513,057	\$ 0	\$ 0	\$ 513,057	\$ 511,554	\$ 511,554	\$ 1,503
Other Local Revenues	56,000	0	0	56,000	0	56,000	0
Other Governments and Citizens Groups	2,000,000	0	0	2,000,000	0	2,000,000	0
Total Revenues	<u>\$ 2,569,057</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,569,057</u>	<u>\$ 511,554</u>	<u>\$ 2,567,554</u>	<u>\$ 1,503</u>
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 1,238,625	\$ (464,846)	\$ 562,892	\$ 1,336,671	\$ 511,554	\$ 3,331,000	\$ 1,994,329
Total Expenditures	<u>\$ 1,238,625</u>	<u>\$ (464,846)</u>	<u>\$ 562,892</u>	<u>\$ 1,336,671</u>	<u>\$ 511,554</u>	<u>\$ 3,331,000</u>	<u>\$ 1,994,329</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,330,432</u>	<u>\$ 464,846</u>	<u>\$ (562,892)</u>	<u>\$ 1,232,386</u>	<u>\$ 0</u>	<u>\$ (763,446)</u>	<u>\$ 1,995,832</u>
Net Change in Fund Balance	\$ 1,330,432	\$ 464,846	\$ (562,892)	\$ 1,232,386	\$ 0	\$ (763,446)	\$ 1,995,832
Fund Balance, July 1, 2022	1,240,810	(464,846)	0	775,964	705,062	1,468,508	(692,544)
Fund Balance, June 30, 2023	<u><u>\$ 2,571,242</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (562,892)</u></u>	<u><u>\$ 2,008,350</u></u>	<u><u>\$ 705,062</u></u>	<u><u>\$ 705,062</u></u>	<u><u>\$ 1,303,288</u></u>

## MISCELLANEOUS SCHEDULES

Exhibit J-1

Hawkins County, Tennessee  
Schedule of Changes in Long-term Other Loans and Bonds  
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<b><u>OTHER LOANS PAYABLE</u></b>								
<b><u>Payable through Education Debt Service Fund</u></b>								
Qualified School Construction Bonds	\$ 2,640,000	1.51	%	12-17-09	7-1-26	\$ 690,675	\$ 164,732	\$ 525,943
Qualified School Construction Bonds	2,333,000	0		10-1-10	9-15-27	755,932	145,575	610,357
Energy Efficient Schools Initiative	158,556	0.75		6-28-16	7-1-28	82,140	13,248	68,892
Energy Efficient Schools Initiative	266,859	0.75		9-16-16	12-1-27	149,235	26,676	122,559
Energy Efficient Schools Initiative	4,985,333	0.5		4-15-21	4-1-38	4,935,431	300,288	4,635,143
Total Other Loans Payable						<u>\$ 6,613,413</u>	<u>\$ 650,519</u>	<u>\$ 5,962,894</u>
<b><u>BONDS PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
General Obligation Refunding Bonds, Series 2016	1,660,204	2		5-26-16	6-1-25	\$ 1,579,490	\$ 519,490	\$ 1,060,000
General Obligation Refunding Bonds, Series 2019	1,555,476	5		6-28-19	6-1-25	104,234	31,276	72,958
General Obligation Refunding Bonds, Series 2021B	8,440,000	2 to 3		4-30-21	3-1-36	8,025,000	415,000	7,610,000
Total Payable through General Debt Service Fund						<u>\$ 9,708,724</u>	<u>\$ 965,766</u>	<u>\$ 8,742,958</u>
<b><u>Payable through Special Debt Service Fund</u></b>								
General Obligation Refunding Bonds, Series 2019	2,345,911	5		6-28-19	6-1-25	\$ 1,262,035	\$ 396,752	\$ 865,283
Total Payable through Special Debt Service Fund						<u>\$ 1,262,035</u>	<u>\$ 396,752</u>	<u>\$ 865,283</u>
<b><u>Payable through Education Debt Service Fund</u></b>								
General Obligation Refunding Bonds, Series 2016	7,416,149	2 to 2.5		5-26-16	6-30-33	\$ 5,155,510	\$ 460,510	\$ 4,695,000
General Obligation Refunding Bonds, Series 2019	17,468,613	3 to 5		6-28-19	6-1-38	16,893,731	196,972	16,696,759
General Obligation Refunding Bonds, Series 2021A	13,925,000	2 to 3		3-31-21	3-1-35	13,000,000	1,000,000	12,000,000
General Obligation Refunding Bonds, Series 2021C	8,715,000	2 to 3		5-28-21	6-1-36	7,840,000	655,000	7,185,000
Total Payable through Education Debt Service Fund						<u>\$ 42,889,241</u>	<u>\$ 2,312,482</u>	<u>\$ 40,576,759</u>
Total Bonds Payable						<u>\$ 53,860,000</u>	<u>\$ 3,675,000</u>	<u>\$ 50,185,000</u>

Exhibit J-2

Hawkins County, Tennessee

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 652,343	\$ 176,740	\$ 829,083
2025	654,155	174,928	829,083
2026	672,195	173,104	845,299
2027	522,944	134,605	657,549
2028	346,887	27,488	374,375
2029	312,837	14,724	327,561
2030	310,980	13,164	324,144
2031	312,540	11,604	324,144
2032	314,112	10,032	324,144
2033	315,684	8,460	324,144
2034	317,268	6,876	324,144
2035	318,852	5,292	324,144
2036	320,448	3,696	324,144
2037	322,056	2,088	324,144
2038	269,593	507	270,100
Total	\$ 5,962,894	\$ 763,308	\$ 6,726,202

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 50,185,000	\$ 10,796,950	\$ 60,981,950

Exhibit J-3

Hawkins County, Tennessee  
Schedule of Changes in Leases Obligations  
Discretely Presented Hawkins County School Department  
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
<u>DISCRETELY PRESENTED HAWKINS</u>								
<u>COUNTY SCHOOL DEPARTMENT</u>								
<u>Payable through General Purpose School Fund</u>								
Enterprise 2021 GMC Van	\$ 28,986	2.27 %	3-1-21	3-1-26	\$ 21,389	\$ 0	\$ 5,552	\$ 15,837
Enterprise 2020 RAM 2500	41,211	2.27	3-1-21	3-1-26	29,187	0	7,615	21,572
Enterprise 2022 Silverado	34,398	2.27	8-1-22	8-1-27	0	34,398	6,251	28,147
Enterprise 2022 Colorado	30,146	2.27	10-1-22	10-1-27	0	30,146	4,452	25,694
Enterprise 2021 Silverado	47,738	2.27	11-1-22	11-1-27	0	47,738	6,705	41,033
Total Leases Payable					<u>\$ 50,576</u>	<u>\$ 112,282</u>	<u>\$ 30,575</u>	<u>\$ 132,283</u>



Exhibit J-4

Hawkins County, Tennessee  
Schedule of Lease Requirements by Year

Year Ending June 30	Leases		
	Principal	Interest	Total
2024	\$ 34,789	\$ 2,643	\$ 37,432
2025	35,588	1,843	37,431
2026	32,468	1,036	33,504
2027	22,820	431	23,251
2028	6,618	29	6,647
Total	<u>\$ 132,283</u>	<u>\$ 5,982</u>	<u>\$ 138,265</u>

Hawkins County, Tennessee  
Schedule of Leases Receivable  
Discretely Presented Hawkins County School Department  
June 30, 2023

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate		Balance 7-1-22	Deductions	Balance 6-30-23
<u>DISCRETELY PRESENTED HAWKINS</u>									
<u>COUNTY SCHOOL DEPARTMENT</u>									
<u>General Purpose School Fund</u>									
Solar Facilities	Distributed Solar Holdings LLC	\$ 715,563	1-31-13	8-1-33	2.27	%	<u>\$ 433,308</u>	<u>\$ 50,151</u>	<u>\$ 383,157</u>
Total Leases Receivable							<u>\$ 433,308</u>	<u>\$ 50,151</u>	<u>\$ 383,157</u>

Exhibit J-6

Hawkins County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Hawkins County School Department

For the Year Ended June 30, 2023

<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	\$ 106,657
"	Drug Control	Operations	<u>300,000</u>
Total Transfers Primary Government			<u><u>\$ 406,657</u></u>
<u>DISCRETELY PRESENTED HAWKINS COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	<u>\$ 10,159</u>
Total Transfers Discretely Presented Hawkins County School Department			<u><u>\$ 10,159</u></u>

Hawkins County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Hawkins County School Department  
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
<b>County Mayor - Jim Lee (7/1/22-8/31/22)</b>	Section 8-24-102, TCA	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 19,233		
<b>County Mayor - Mark DeWitte (9/1/22-6/30/23)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 96,163		
Total County Mayor Compensation	\$ 115,396		
<b>Road Superintendent - Lowell Bean (7/1/22-8/31/22)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 22,026		
<b>Road Superintendent - Danny Jones (9/1/22-6/30/23)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 84,875		
Total Road Superintendent Compensation	\$ 106,901		
<b>Director of Schools</b>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 125,000		
Travel allowance	7,200		
Chief executive officer training supplement	1,000		
Total compensation	\$ 133,200		
<b>Trustee</b>	Section 8-24-102, TCA	2,627,843	Liberty Mutual Insurance Company
Base salary/Total compensation	\$ 97,183		
<b>Assessor of Property - David Pearson (7/1/22-8/31/22)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 16,197		
<b>Assessor of Property - Michael Gillespie (9/1/22-6/30/23)</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 80,986		
Total Assessor of Property Compensation	\$ 97,183		
<b>County Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 97,183		
<b>Circuit and General Sessions Courts Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 97,183		
<b>Clerk and Master</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary	\$ 97,183		
Special commissioner fees	16,770		
Total compensation	\$ 113,953		
<b>Register of Deeds</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 97,183		
<b>Sheriff</b>	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary	\$ 106,901		
Superintendent of workhouse	3,000		
Law enforcement training supplement	800		
Total compensation	\$ 110,701		
Employee Blanket Bonds:			
Employee Fidelity - County Departments	400,000		Local Government Property and Casualty Fund
Employee Fidelity - School Department	400,000		Tennessee Risk Management Trust

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

Exhibit J-8

Hawkins County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 11,985,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,529,256
Trustee's Collections - Prior Year	264,268	0	0	0	0	40,200
Trustee's Collections - Bankruptcy	430	0	0	0	0	71
Circuit Clerk/Clerk and Master Collections - Prior Years	258,550	0	0	0	0	39,070
Interest and Penalty	47,961	0	0	0	0	7,043
Pickup Taxes	12,949	0	0	0	0	1,738
Payments in-Lieu-of Taxes - T.V.A.	1,833	0	0	0	0	234
Payments in-Lieu-of Taxes - Other	102,626	0	0	0	0	13,095
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,954,166	0	0	0	0
Wheel Tax	2,518,893	0	0	0	0	0
Litigation Tax - General	87,963	0	0	0	0	0
Litigation Tax - Special Purpose	53,354	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	88,043	0	0	0	0	0
Business Tax	0	487,584	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	71,991
<u>Statutory Local Taxes</u>						
Bank Excise Tax	30,006	0	0	0	0	3,566
Wholesale Beer Tax	91,496	0	0	0	0	0
Total Local Taxes	\$ 15,543,961	\$ 2,441,750	\$ 0	\$ 0	\$ 0	\$ 1,706,264
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 171,560	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,971	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	950	0	0	0	0	0
Total Licenses and Permits	\$ 2,921	\$ 171,560	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,514	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,250	0	0	0	0	0
Drug Control Fines	11,488	0	4,899	0	0	0
Drug Court Fees	627	0	0	0	0	0
DUI Treatment Fines	1,282	0	0	0	0	0
Data Entry Fee - Circuit Court	1,487	0	0	0	0	0
Courtroom Security Fee	73	0	0	0	0	0
<u>Criminal Court</u>						
Jail Fees	2,329	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	24,907	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	30,739	0	0	0	0	0
Game and Fish Fines	92	0	0	0	0	0
Drug Control Fines	690	0	9,414	0	0	0
Drug Court Fees	6,946	0	0	0	0	0
Jail Fees	31,010	0	0	0	0	0
DUI Treatment Fines	8,438	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,814	0	0	0	0	0
Courtroom Security Fee	39	0	0	0	0	0

(Continued)

Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 3,452	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,779	0	0	0	0	0
Jail Fees	143	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,356	0	0	0	0	0
Courtroom Security Fee	42	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	266	0	0	0	0	0
Data Entry Fee - Chancery Court	9,480	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	21,162	0	220,441	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	32
Total Fines, Forfeitures, and Penalties	\$ 185,453	\$ 0	\$ 234,754	\$ 0	\$ 0	32
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 3,792	\$ 0	\$ 0	\$ 0	0
Patient Charges	14,090	0	0	0	0	0
Work Release Charges for Board	20,287	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	1,374
<u>Fees</u>						
Recreation Fees	2,190	0	0	0	0	0
Copy Fees	3,530	0	0	0	0	0
Archives and Records Management Fee	6,950	0	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0	0
Telephone Commissions	141,621	0	0	0	0	0

(Continued)

## Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vending Machine Collections	\$ 201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Additional Fees - Titling and Registration	47,284	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	539	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	16,770	0
Data Processing Fee - Register	16,226	0	0	0	0	0
Data Processing Fee - Sheriff	2,885	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	10,050	0	0	0	0	0
Data Processing Fee - County Clerk	5,253	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	1,880	0	0	0	0	0
Vehicle Registration Reinstatement Fees	2,150	0	0	0	0	0
Total Charges for Current Services	\$ 274,897	\$ 3,792	\$ 0	\$ 0	\$ 17,309	\$ 1,374
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 336,407	\$ 0	\$ 0
Lease/Rentals	7,000	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	125
Commissary Sales	20,129	0	0	0	0	0
Sale of Gasoline	28,880	0	0	0	0	0
Sale of Maps	36	0	0	0	0	0
Sale of Recycled Materials	0	94,990	245	0	0	3,360
Miscellaneous Refunds	21,933	0	0	0	0	15,251
<u>Nonrecurring Items</u>						
Sale of Equipment	105,202	395,000	1,942	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	1,166

(Continued)



## Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 5,835	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 189,015	\$ 489,990	\$ 2,187	\$ 336,407	\$ 0	\$ 19,902
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 658,759	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	118,121	0	0	0	0	0
General Sessions Court Clerk	251,517	0	0	0	0	0
Clerk and Master	279,289	0	0	0	0	0
Juvenile Court Clerk	54,488	0	0	0	0	0
Register	238,105	0	0	0	0	0
Sheriff	17,242	0	0	0	0	0
Trustee	895,851	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,513,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 2,824	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	50,594	0	0	0	0	0
Solid Waste Grants	0	30,683	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	48,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	340,524	0	0	0	0	0

(Continued)

## Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	444,865
Litter Program	53,143	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	5,239	0	0	0	0	0
Alcoholic Beverage Tax	0	134,635	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	289,570	0	0	0	0	0
State Revenue Sharing - Telecommunications	67,270	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	60,995	0	0	0	0	0
Prisoner Transportation	201	0	0	0	0	0
Contracted Prisoner Boarding	684,946	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,857,878
Petroleum Special Tax	0	0	0	0	0	37,582
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	120,545	0	0	0	0	0
Other State Revenues	1,135	0	0	0	0	0
Total State of Tennessee	\$ 1,759,350	\$ 165,318	\$ 0	\$ 0	\$ 0	3,340,325
<u>Federal Government</u>						
<u>Federal Through State</u>						
COVID-19 Grant D	\$ 97,842	\$ 0	\$ 0	\$ 0	\$ 0	0
American Rescue Plan Act Grant #1	21,693	0	0	0	0	0
Other Federal through State	276,771	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	106,657	0	0	0	0	0

(Continued)

## Exhibit J-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
American Rescue Plan Act Grant #6	\$ 0	\$ 0	\$ 0	\$ 10,044,500	\$ 0	\$ 0
Other Direct Federal Revenue	8,600	0	19,173	0	0	0
Total Federal Government	<u>\$ 511,563</u>	<u>\$ 0</u>	<u>\$ 19,173</u>	<u>\$ 10,044,500</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 511,819	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	500	0	0	0	0	0
<u>Other</u>						
Other	3,117	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	212,230	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 727,666</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 21,708,198</u>	<u>\$ 3,272,410</u>	<u>\$ 256,114</u>	<u>\$ 10,380,907</u>	<u>\$ 17,309</u>	<u>\$ 5,067,897</u>

(Continued)

## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 809,095	\$ 0	\$ 3,197,654	\$ 295,009	\$ 0	\$ 17,816,603
Trustee's Collections - Prior Year	14,495	0	84,058	14,529	0	417,550
Trustee's Collections - Bankruptcy	40	0	148	1	0	690
Circuit Clerk/Clerk and Master Collections - Prior Years	14,319	0	81,689	13,851	0	407,479
Interest and Penalty	2,763	0	14,728	2,325	0	74,820
Pickup Taxes	888	0	3,633	337	0	19,545
Payments in-Lieu-of Taxes - T.V.A.	124	0	489	45	0	2,725
Payments in-Lieu-of Taxes - Other	6,928	0	27,380	2,526	0	152,555
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	1,954,166
Wheel Tax	0	369,880	369,880	0	0	3,258,653
Litigation Tax - General	0	0	0	0	0	87,963
Litigation Tax - Special Purpose	0	0	0	0	0	53,354
Litigation Tax - Jail, Workhouse, or Courthouse	89,458	0	0	0	0	89,458
Litigation Tax - Courthouse Security	0	0	0	0	0	88,043
Business Tax	0	0	0	0	0	487,584
Mineral Severance Tax	0	0	0	0	0	71,991
<u>Statutory Local Taxes</u>						
Bank Excise Tax	1,886	0	7,456	688	0	43,602
Wholesale Beer Tax	0	0	0	0	0	91,496
Total Local Taxes	\$ 939,996	\$ 369,880	\$ 3,787,115	\$ 329,311	\$ 0	\$ 25,118,277
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 171,560

(Continued)

## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,971
Other Permits	0	0	0	0	0	950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	174,481
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,514
Officers Costs	0	0	0	0	0	7,250
Drug Control Fines	0	0	0	0	0	16,387
Drug Court Fees	0	0	0	0	0	627
DUI Treatment Fines	0	0	0	0	0	1,282
Data Entry Fee - Circuit Court	0	0	0	0	0	1,487
Courtroom Security Fee	0	0	0	0	0	73
<u>Criminal Court</u>						
Jail Fees	0	0	0	0	0	2,329
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	24,907
Fines for Littering	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	30,739
Game and Fish Fines	0	0	0	0	0	92
Drug Control Fines	0	0	0	0	0	10,104
Drug Court Fees	0	0	0	0	0	6,946
Jail Fees	0	0	0	0	0	31,010
DUI Treatment Fines	0	0	0	0	0	8,438
Data Entry Fee - General Sessions Court	0	0	0	0	0	10,814
Courtroom Security Fee	0	0	0	0	0	39

(Continued)

## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,452
Officers Costs	0	0	0	0	0	6,779
Jail Fees	0	0	0	0	0	143
Data Entry Fee - Juvenile Court	0	0	0	0	0	1,356
Courtroom Security Fee	0	0	0	0	0	42
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	266
Data Entry Fee - Chancery Court	0	0	0	0	0	9,480
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	241,603
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	32
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	420,239
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,792
Patient Charges	0	0	0	0	0	14,090
Work Release Charges for Board	0	0	0	0	0	20,287
Other General Service Charges	0	0	0	0	0	1,374
<u>Fees</u>						
Recreation Fees	0	0	0	0	0	2,190
Copy Fees	0	0	0	0	0	3,530
Archives and Records Management Fee	0	0	0	0	0	6,950
Greenbelt Late Application Fee	0	0	0	0	0	300
Telephone Commissions	0	0	0	0	0	141,621

(Continued)

## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vending Machine Collections	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	201
Additional Fees - Titling and Registration	0	0	0	0	0	47,284
Constitutional Officers' Fees and Commissions	0	0	0	0	0	539
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	16,770
Data Processing Fee - Register	0	0	0	0	0	16,226
Data Processing Fee - Sheriff	0	0	0	0	0	2,885
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	10,050
Data Processing Fee - County Clerk	0	0	0	0	0	5,253
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	0	1,880
Vehicle Registration Reinstatement Fees	0	0	0	0	0	2,150
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	297,372
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 142,344	\$ 0	\$ 815,342	\$ 0	\$ 0	1,294,093
Lease/Rentals	0	0	0	0	0	7,000
Sale of Materials and Supplies	0	0	0	0	0	125
Commissary Sales	0	0	0	0	0	20,129
Sale of Gasoline	0	0	0	0	0	28,880
Sale of Maps	0	0	0	0	0	36
Sale of Recycled Materials	0	0	0	0	0	98,595
Miscellaneous Refunds	0	0	0	0	0	37,184
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	502,144
Damages Recovered from Individuals	0	0	0	0	0	1,166

(Continued)

## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,835
Total Other Local Revenues	\$ 142,344	\$ 0	\$ 815,342	\$ 0	\$ 0	\$ 1,995,187
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 658,759
Circuit Court Clerk	0	0	0	0	0	118,121
General Sessions Court Clerk	0	0	0	0	0	251,517
Clerk and Master	0	0	0	0	0	279,289
Juvenile Court Clerk	0	0	0	0	0	54,488
Register	0	0	0	0	0	238,105
Sheriff	0	0	0	0	0	17,242
Trustee	0	0	0	0	0	895,851
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,513,372
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Airport Maintenance Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,824
Aging Programs	0	0	0	0	0	50,594
Solid Waste Grants	0	0	0	0	0	30,683
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	48,000
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	0	0	0	0	0	340,524

(Continued)



## Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	444,865
Litter Program	0	0	0	0	0	53,143
<u>Other State Revenues</u>						
Beer Tax	0	0	0	0	0	19,200
Vehicle Certificate of Title Fees	0	0	0	0	0	5,239
Alcoholic Beverage Tax	0	0	0	0	0	134,635
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0	289,570
State Revenue Sharing - Telecommunications	0	0	0	0	0	67,270
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	60,995
Prisoner Transportation	0	0	0	0	0	201
Contracted Prisoner Boarding	0	0	0	0	0	684,946
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,857,878
Petroleum Special Tax	0	0	0	0	0	37,582
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	120,545
Other State Revenues	0	0	0	0	0	1,135
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,264,993
<u>Federal Government</u>						
<u>Federal Through State</u>						
COVID-19 Grant D	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	97,842
American Rescue Plan Act Grant #1	0	0	0	0	0	21,693
Other Federal through State	0	0	0	0	137,577	414,348
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	106,657

(Continued)

Exhibit J-8

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

	Debt Service Funds			Capital Projects Funds		
	General Debt Service	Special Debt Service	Education Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
American Rescue Plan Act Grant #6	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,044,500
Other Direct Federal Revenue	0	0	0	0	0	27,773
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>137,577</u>	<u>\$ 10,712,813</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	687,642	\$ 0	\$ 0	1,199,461
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	500
<u>Other</u>						
Other	0	0	0	0	0	3,117
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	212,230
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>687,642</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,415,308</u>
Total	<u>\$ 1,082,340</u>	<u>\$ 369,880</u>	<u>\$ 5,290,099</u>	<u>\$ 329,311</u>	<u>\$ 137,577</u>	<u>\$ 47,912,042</u>

## Exhibit J-9

Hawkins County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hawkins County School Department  
For the Year Ended June 30, 2023

	Special Revenue Funds				
	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	\$ 7,183,484	\$ 0	\$ 0	\$ 3,178,774	\$ 0
Trustee's Collections - Prior Year	760,885	0	0	87,073	0
Trustee's Collections - Bankruptcy	388	0	0	155	0
Circuit Clerk/Clerk and Master Collections - Prior Years	167,395	0	0	81,296	0
Interest and Penalty	30,653	0	0	14,659	0
Pickup Taxes	8,216	0	0	3,637	0
Payments in-Lieu-of Taxes - T.V.A.	1,288	0	0	487	0
Payments in-Lieu-of Taxes - Other	72,102	0	0	27,248	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	6,953,306	0	0	0	0
Wheel Tax	208,767	0	0	131,629	0
Mixed Drink Tax	3,819	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	16,765	0	0	7,419	0
Total Local Taxes	\$ 15,407,068	\$ 0	\$ 0	\$ 3,532,377	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,323	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 3,323	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 551,566	\$ 0	\$ 0

(Continued)

## Exhibit J-9

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	\$ 59,661	\$ 0	\$ 0
Income from Breakfast	0	0	65,396	0	0
A la Carte Sales	0	0	26,105	0	0
Transportation - Other State Systems	0	0	0	46,074	0
Receipts from Individual Schools	76,060	0	0	45,387	0
Other Charges for Services	4,212	0	198,541	0	0
Total Charges for Current Services	\$ 80,272	\$ 0	\$ 901,269	\$ 91,461	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 55,875	\$ 0	\$ 61,095	\$ 0	\$ 0
Lease/Rentals	42,878	0	0	0	0
Sale of Recycled Materials	14,793	0	0	3,702	0
Miscellaneous Refunds	262,206	0	12	15,452	0
<u>Nonrecurring Items</u>					
Sale of Equipment	8,789	0	328	16,885	0
Sale of Property	5,000	0	0	0	0
Damages Recovered from Individuals	7,556	0	0	85	0
Contributions and Gifts	225,831	0	700	72,000	0
<u>Other Local Revenues</u>					
Other Local Revenues	233	0	0	0	2,201,480
Total Other Local Revenues	\$ 623,161	\$ 0	\$ 62,135	\$ 108,124	\$ 2,201,480

(Continued)

## Exhibit J-9

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>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 392,468	\$ 0	\$ 0	\$ 0	\$ 0
<u>State Education Funds</u>					
Basic Education Program	39,248,012	0	0	0	0
Early Childhood Education	385,863	0	0	0	0
School Food Service	0	0	33,862	0	0
Driver Education	14,610	0	0	0	0
Other State Education Funds	432,101	0	0	0	0
Coordinated School Health	122,199	0	0	0	0
Family Resource Centers	29,612	0	0	0	0
Career Ladder Program	80,777	0	0	0	0
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,429,246	0	0	0	0
Other State Grants	47,859	0	0	0	0
Safe Schools	246,170	0	0	0	0
Other State Revenues	599,007	0	0	0	0
Total State of Tennessee	\$ 43,027,924	\$ 0	\$ 33,862	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,398,689	\$ 0	\$ 0
USDA - Commodities	0	0	331,896	0	0
Breakfast	0	0	836,308	0	0
USDA - Other	0	0	317,477	0	0
Vocational Education - Basic Grants to States	0	177,755	0	0	0

(Continued)

Exhibit J-9

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>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Title I Grants to Local Education Agencies	\$ 0	\$ 2,276,596	\$ 0	\$ 0	\$ 0
Special Education - Grants to States	0	1,883,413	0	0	0
Special Education Preschool Grants	0	27,768	0	0	0
English Language Acquisition Grants	0	3,174	0	0	0
Education for Homeless Children and Youth	0	23,384	0	0	0
21st Century Community Learning Centers	0	62,146	0	0	0
Eisenhower Professional Development State Grants	0	315,808	0	0	0
COVID-19 Grant B	0	3,539,271	0	0	0
COVID-19 Grant D	0	127,000	0	0	0
American Rescue Plan Act Grant #1	0	1,732,745	0	0	0
American Rescue Plan Act Grant #2	0	262,571	0	0	0
American Rescue Plan Act Grant #3	0	18,664	0	0	0
American Rescue Plan Act Grant #4	0	46,111	0	0	0
Other Federal through State	227,268	323,438	0	0	0
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	122,378	0	0	0	0
Total Federal Government	\$ 349,646	\$ 10,819,844	\$ 3,884,370	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 59,491,394	\$ 10,819,844	\$ 4,881,636	\$ 3,731,962	\$ 2,201,480

(Continued)

## Exhibit J-9

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

	Capital Projects Fund	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 439,241	\$ 10,801,499
Trustee's Collections - Prior Year	33,178	881,136
Trustee's Collections - Bankruptcy	3	546
Circuit Clerk/Clerk and Master Collections - Prior Years	30,282	278,973
Interest and Penalty	4,919	50,231
Pickup Taxes	565	12,418
Payments in-Lieu-of Taxes - T.V.A.	67	1,842
Payments in-Lieu-of Taxes - Other	3,775	103,125
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	6,953,306
Wheel Tax	0	340,396
Mixed Drink Tax	0	3,819
<u>Statutory Local Taxes</u>		
Bank Excise Tax	1,027	25,211
Total Local Taxes	\$ 513,057	\$ 19,452,502
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 3,323
Total Licenses and Permits	\$ 0	\$ 3,323
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Lunch Payments - Children	\$ 0	\$ 551,566

(Continued)

## Exhibit J-9

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

	Capital Projects Fund	
	Education Capital Projects	Total
<hr/>		
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges (Cont.)</u>		
Lunch Payments - Adults	\$ 0	\$ 59,661
Income from Breakfast	0	65,396
A la Carte Sales	0	26,105
Transportation - Other State Systems	0	46,074
Receipts from Individual Schools	0	121,447
Other Charges for Services	0	202,753
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 1,073,002</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 116,970
Lease/Rentals	0	42,878
Sale of Recycled Materials	0	18,495
Miscellaneous Refunds	0	277,670
<u>Nonrecurring Items</u>		
Sale of Equipment	0	26,002
Sale of Property	56,000	61,000
Damages Recovered from Individuals	0	7,641
Contributions and Gifts	0	298,531
<u>Other Local Revenues</u>		
Other Local Revenues	0	2,201,713
Total Other Local Revenues	<u>\$ 56,000</u>	<u>\$ 3,050,900</u>

(Continued)



## Exhibit J-9

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

	Capital Projects Fund	
	Education Capital Projects	Total
<u>State of Tennessee</u>		
General Government Grants		
On-behalf Contributions for OPEB	\$ 0	\$ 392,468
<u>State Education Funds</u>		
Basic Education Program	0	39,248,012
Early Childhood Education	0	385,863
School Food Service	0	33,862
Driver Education	0	14,610
Other State Education Funds	0	432,101
Coordinated School Health	0	122,199
Family Resource Centers	0	29,612
Career Ladder Program	0	80,777
<u>Other State Revenues</u>		
State Revenue Sharing - T.V.A.	0	1,429,246
Other State Grants	0	47,859
Safe Schools	0	246,170
Other State Revenues	0	599,007
Total State of Tennessee	\$ 0	\$ 43,061,786
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 2,398,689
USDA - Commodities	0	331,896
Breakfast	0	836,308
USDA - Other	0	317,477
Vocational Education - Basic Grants to States	0	177,755

(Continued)

## Exhibit J-9

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

	Capital Projects Fund	
	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Title I Grants to Local Education Agencies	\$ 0	\$ 2,276,596
Special Education - Grants to States	0	1,883,413
Special Education Preschool Grants	0	27,768
English Language Acquisition Grants	0	3,174
Education for Homeless Children and Youth	0	23,384
21st Century Community Learning Centers	0	62,146
Eisenhower Professional Development State Grants	0	315,808
COVID-19 Grant B	0	3,539,271
COVID-19 Grant D	0	127,000
American Rescue Plan Act Grant #1	0	1,732,745
American Rescue Plan Act Grant #2	0	262,571
American Rescue Plan Act Grant #3	0	18,664
American Rescue Plan Act Grant #4	0	46,111
Other Federal through State	0	550,706
<u>Direct Federal Revenue</u>		
ROTC Reimbursement	0	122,378
Total Federal Government	\$ 0	\$ 15,053,860
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 2,000,000	\$ 2,000,000
Total Other Governments and Citizens Groups	\$ 2,000,000	\$ 2,000,000
Total	\$ 2,569,057	\$ 83,695,373

Hawkins County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	19,200	
Other Per Diem and Fees		7,350	
Social Security		2,031	
Pensions		966	
Medical Insurance		15,810	
Audit Services		23,823	
Travel		9,941	
Tuition		800	
Other Supplies and Materials		402	
Total County Commission			\$ 80,323

Board of Equalization

Board and Committee Members Fees	\$	4,446	
Social Security		338	
Total Board of Equalization			4,784

Beer Board

Board and Committee Members Fees	\$	1,400	
Social Security		107	
Pensions		70	
Other Charges		203	
Total Beer Board			1,780

Budget and Finance Committee

Board and Committee Members Fees	\$	6,050	
Social Security		463	
Pensions		224	
Total Budget and Finance Committee			6,737

County Mayor/Executive

County Official/Administrative Officer	\$	115,396	
Accountants/Bookkeepers		286,265	
Part-time Personnel		52,042	
Overtime Pay		16	
Other Salaries and Wages		490	
Social Security		30,389	
Pensions		27,489	
Life Insurance		350	
Medical Insurance		62,277	
Unemployment Compensation		204	
Communication		3,196	
Maintenance Agreements		23,790	
Rentals		3,541	
Travel		2,672	
Office Supplies		9,577	
In Service/Staff Development		575	
Data Processing Equipment		12,672	
Office Equipment		2,332	
Total County Mayor/Executive			633,273

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	21,946	
Social Security		1,463	
Pensions		1,536	
Life Insurance		22	
Medical Insurance		5,987	
Unemployment Compensation		21	
Total County Attorney			\$ 30,975

Election Commission

Supervisor/Director	\$	87,465	
Deputy(ies)		53,843	
Part-time Personnel		9,182	
Overtime Pay		5,694	
Other Salaries and Wages		8,579	
Election Commission		9,210	
Election Workers		83,160	
Social Security		15,142	
Pensions		10,290	
Life Insurance		163	
Medical Insurance		19,312	
Unemployment Compensation		83	
Communication		968	
Lease Payments		2,002	
Legal Notices, Recording, and Court Costs		12,837	
Maintenance Agreements		17,550	
Maintenance and Repair Services - Office Equipment		250	
Postal Charges		535	
Rentals		6,492	
Travel		4,404	
Other Contracted Services		16,423	
Office Supplies		2,218	
Other Supplies and Materials		983	
In Service/Staff Development		800	
Other Charges		71	
Data Processing Equipment		5,389	
Total Election Commission			373,045

Register of Deeds

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		131,155	
Part-time Personnel		540	
Social Security		16,489	
Pensions		15,984	
Life Insurance		252	
Medical Insurance		18,974	
Unemployment Compensation		86	
Communication		1,713	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Dues and Memberships	\$	135	
Maintenance Agreements		725	
Rentals		975	
Other Contracted Services		16,205	
Office Supplies		3,026	
Office Equipment		10,432	
Total Register of Deeds			\$ 313,874

Planning

Board and Committee Members Fees	\$	3,150	
Social Security		241	
Contracts with Government Agencies		15,510	
Total Planning			18,901

County Buildings

Supervisor/Director	\$	37,375	
Custodial Personnel		74,152	
Maintenance Personnel		32,695	
Part-time Personnel		25,953	
Other Salaries and Wages		1,582	
Social Security		11,950	
Pensions		9,714	
Life Insurance		247	
Medical Insurance		32,780	
Unemployment Compensation		164	
Architects		5,079	
Communication		12,221	
Contracts with Government Agencies		12,631	
Janitorial Services		4,993	
Maintenance and Repair Services - Buildings		34,786	
Maintenance and Repair Services - Equipment		14,037	
Maintenance and Repair Services - Vehicles		349	
Pest Control		4,133	
Rentals		33,696	
Travel		157	
Permits		525	
Other Contracted Services		93,409	
Custodial Supplies		13,352	
Gasoline		2,812	
Office Supplies		304	
Small Tools		998	
Uniforms		574	
Utilities		233,943	
Other Supplies and Materials		21,039	
Other Charges		61	
Building Improvements		114,888	
Furniture and Fixtures		2,207	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Equipment	\$	15,900	
Other Capital Outlay		<u>5,103</u>	
Total County Buildings			\$ 853,809

Other General Administration

Bank Charges	\$	180	
Dues and Memberships		10,493	
Evaluation and Testing		3,877	
Legal Notices, Recording, and Court Costs		1,660	
Postal Charges		74,746	
Rentals		7,149	
Other Contracted Services		737	
Duplicating Supplies		6,041	
Other Supplies and Materials		1,457	
Building and Contents Insurance		6,766	
Liability Insurance		437,095	
Premiums on Corporate Surety Bonds		5,164	
Workers' Compensation Insurance		246,614	
Liability Claims		11,128	
Other Charges		<u>141</u>	
Total Other General Administration			813,248

Preservation of Records

Communication	\$	1,351	
Electricity		2,324	
Natural Gas		1,409	
Water and Sewer		342	
Data Processing Equipment		<u>8,069</u>	
Total Preservation of Records			13,495

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		241,894	
Other Salaries and Wages		8,314	
Social Security		24,060	
Pensions		23,592	
Life Insurance		344	
Medical Insurance		67,745	
Unemployment Compensation		153	
Communication		3,838	
Data Processing Services		22,295	
Dues and Memberships		20	
Legal Notices, Recording, and Court Costs		112	
Maintenance Agreements		3,030	
Maintenance and Repair Services - Vehicles		3,251	
Rentals		1,592	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Towing Services	\$	95	
Travel		2,836	
Tuition		700	
Other Contracted Services		20,120	
Gasoline		3,660	
Office Supplies		4,415	
Tires and Tubes		502	
Other Charges		20	
Office Equipment		2,801	
Total Property Assessor's Office			\$ 532,572

Reappraisal Program

Supervisor/Director	\$	28,306	
Deputy(ies)		76,548	
Social Security		6,979	
Pensions		7,340	
Life Insurance		163	
Medical Insurance		26,783	
Unemployment Compensation		63	
Data Processing Services		7,630	
Postal Charges		1,869	
Other Contracted Services		988	
Office Supplies		683	
Total Reappraisal Program			157,352

County Trustee's Office

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		122,157	
Temporary Personnel		11,375	
Part-time Personnel		3,998	
Social Security		17,158	
Pensions		15,354	
Life Insurance		217	
Medical Insurance		15,051	
Unemployment Compensation		96	
Communication		1,619	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		225	
Maintenance and Repair Services - Office Equipment		19,088	
Rentals		499	
Travel		1,312	
Tuition		100	
Other Contracted Services		8,064	
Office Supplies		2,639	
Other Charges		50	
Data Processing Equipment		4,095	
Other Capital Outlay		107	
Total County Trustee's Office			320,547

(Continued)

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	\$	97,183	
Deputy(ies)		468,234	
Part-time Personnel		8,371	
Other Salaries and Wages		144	
Social Security		40,221	
Pensions		39,589	
Life Insurance		759	
Medical Insurance		77,538	
Unemployment Compensation		304	
Communication		4,511	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		260	
Maintenance and Repair Services - Office Equipment		33,378	
Rentals		2,144	
Travel		1,179	
Other Contracted Services		17,518	
Office Supplies		7,009	
Other Supplies and Materials		4,722	
Office Equipment		13,179	
Total County Clerk's Office			\$ 816,393

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		376,734	
Part-time Personnel		9,652	
Other Salaries and Wages		9,535	
Social Security		32,940	
Pensions		32,189	
Life Insurance		608	
Medical Insurance		116,584	
Unemployment Compensation		266	
Communication		2,557	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		291	
Maintenance Agreements		59,606	
Rentals		2,047	
Travel		1,062	
Other Contracted Services		184	
Office Supplies		11,854	
Data Processing Equipment		27,568	
Total Circuit Court Clerk			781,065

Criminal Court

Jury and Witness Expense	\$	10,171	
Total Criminal Court			10,171

(Continued)



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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	185,763	
Secretary(ies)		38,274	
Clerical Personnel		38,274	
Social Security		16,516	
Pensions		18,362	
Life Insurance		163	
Medical Insurance		56,500	
Unemployment Compensation		42	
Communication		931	
Dues and Memberships		993	
Evaluation and Testing		2,800	
Maintenance and Repair Services - Office Equipment		850	
Rentals		810	
Travel		2,379	
Office Supplies		621	
Other Supplies and Materials		67	
Office Equipment		516	
Total General Sessions Court			\$ 363,861

Drug Court

Other Salaries and Wages	\$	39,333	
Social Security		2,555	
Pensions		2,028	
Life Insurance		45	
Medical Insurance		12,546	
Unemployment Compensation		42	
Communication		702	
Evaluation and Testing		230	
Maintenance and Repair Services - Vehicles		210	
Travel		3,431	
Other Contracted Services		16,968	
Other Supplies and Materials		109	
Workers' Compensation Insurance		133	
In Service/Staff Development		945	
Other Charges		2,099	
Total Drug Court			81,376

Chancery Court

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		144,980	
Social Security		15,825	
Pensions		16,951	
Life Insurance		271	
Medical Insurance		75,968	
Unemployment Compensation		105	
Communication		448	
Dues and Memberships		205	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	37	
Maintenance Agreements		26,469	
Maintenance and Repair Services - Office Equipment		435	
Rentals		3,841	
Travel		683	
Tuition		300	
Other Contracted Services		3,636	
Office Supplies		3,998	
Other Supplies and Materials		350	
Data Processing Equipment		475	
Office Equipment		1,381	
Total Chancery Court			\$ 393,541

Juvenile Court

Judge(s)	\$	130,035	
Secretary(ies)		38,274	
Clerical Personnel		15,566	
Overtime Pay		2,167	
Other Salaries and Wages		2,699	
Social Security		13,421	
Pensions		12,362	
Life Insurance		136	
Medical Insurance		27,776	
Unemployment Compensation		42	
Dues and Memberships		150	
Travel		363	
Other Supplies and Materials		327	
In Service/Staff Development		273	
Total Juvenile Court			243,591

Courtroom Security

Deputy(ies)	\$	141,227	
Overtime Pay		1,122	
Other Salaries and Wages		1,934	
Social Security		10,254	
Pensions		9,461	
Life Insurance		218	
Medical Insurance		21,535	
Unemployment Compensation		130	
Uniforms		1,206	
Liability Insurance		3,478	
Workers' Compensation Insurance		6,931	
Law Enforcement Equipment		1,000	
Total Courtroom Security			198,496

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	106,901	
Deputy(ies)		1,043,622	
Detective(s)		606,399	
Captain(s)		66,262	
Lieutenant(s)		213,917	
Sergeant(s)		281,423	
Salary Supplements		51,000	
Secretary(ies)		105,918	
Part-time Personnel		13,034	
School Resource Officer		344,826	
Overtime Pay		127,887	
Other Salaries and Wages		47,724	
Social Security		209,066	
Pensions		201,334	
Life Insurance		3,431	
Medical Insurance		533,756	
Unemployment Compensation		1,380	
Communication		13,725	
Dues and Memberships		2,500	
Evaluation and Testing		1,750	
Maintenance Agreements		2,615	
Maintenance and Repair Services - Equipment		181	
Maintenance and Repair Services - Office Equipment		12,348	
Maintenance and Repair Services - Vehicles		127,349	
Rentals		3,045	
Towing Services		4,240	
Travel		34	
Other Contracted Services		6,372	
Data Processing Supplies		924	
Gasoline		189,503	
Law Enforcement Supplies		19,214	
Office Supplies		2,305	
Tires and Tubes		19,746	
Uniforms		55,178	
Other Supplies and Materials		2,921	
Liability Insurance		11,594	
Refunds		47	
Workers' Compensation Insurance		16,846	
In Service/Staff Development		32,081	
Other Charges		750	
Data Processing Equipment		7,976	
Law Enforcement Equipment		15,872	
Motor Vehicles		110,986	
Office Equipment		11,795	
Total Sheriff's Department	\$		4,629,777

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Salary Supplements	\$	6,456	
Social Security		494	
Pensions		452	
Total Drug Enforcement			\$ 7,402

Administration of the Sexual Offender Registry

Communication	\$	719	
Other Charges		3,350	
Total Administration of the Sexual Offender Registry			4,069

Jail

Lieutenant(s)	\$	52,484
Guards		1,407,427
Cafeteria Personnel		97,926
Part-time Personnel		14,418
Overtime Pay		65,778
Other Salaries and Wages		23,330
Social Security		118,300
Pensions		103,187
Life Insurance		2,217
Medical Insurance		232,547
Unemployment Compensation		1,435
Communication		5,158
Evaluation and Testing		1,500
Maintenance Agreements		1,391
Maintenance and Repair Services - Buildings		55,654
Maintenance and Repair Services - Equipment		7,894
Maintenance and Repair Services - Office Equipment		15,218
Maintenance and Repair Services - Vehicles		15,344
Medical and Dental Services		379,596
Postal Charges		928
Rentals		2,209
Other Contracted Services		16,013
Custodial Supplies		30,098
Data Processing Supplies		1,495
Food Preparation Supplies		12,547
Food Supplies		355,252
Office Supplies		3,023
Prisoners Clothing		8,024
Small Tools		3,478
Uniforms		19,820
Utilities		200,717
Other Supplies and Materials		28,991
Medical Claims		45,271
Refunds		7,500
In Service/Staff Development		6,596
Other Charges		11

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Building Improvements	\$	6,408	
Data Processing Equipment		1,194	
Food Service Equipment		28,727	
Law Enforcement Equipment		6,493	
Office Equipment		11,654	
Other Equipment		185	
Total Jail			\$ 3,397,438

Juvenile Services

Supervisor/Director	\$	58,211	
Youth Service Officer(s)		44,016	
Social Security		7,344	
Pensions		7,156	
Life Insurance		97	
Medical Insurance		13,372	
Unemployment Compensation		42	
Communication		2,886	
Contracts with Other Public Agencies		127,179	
Evaluation and Testing		11,193	
Maintenance and Repair Services - Office Equipment		1,344	
Rentals		1,417	
Travel		28	
Office Supplies		2,097	
Other Supplies and Materials		1,706	
Office Equipment		2,050	
Total Juvenile Services			280,138

Fire Prevention and Control

Contributions	\$	360,580	
Total Fire Prevention and Control			360,580

Rescue Squad

Contributions	\$	472,000	
Total Rescue Squad			472,000

Disaster Relief

Other Equipment	\$	5,999	
Total Disaster Relief			5,999

Other Emergency Management

Supervisor/Director	\$	54,371	
Part-time Personnel		20,992	
Other Salaries and Wages		5,925	
Social Security		5,809	
Pensions		3,806	
Life Insurance		54	
Medical Insurance		11,628	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Unemployment Compensation	\$	64	
Communication		3,406	
Dues and Memberships		210	
Lease Payments		25,523	
Maintenance and Repair Services - Equipment		10,522	
Maintenance and Repair Services - Vehicles		6,852	
Rentals		1,225	
Travel		1,365	
Other Contracted Services		10,650	
Gasoline		3,865	
Office Supplies		619	
Tires and Tubes		1,276	
Uniforms		481	
Other Supplies and Materials		1,434	
Workers' Compensation Insurance		2,578	
Communication Equipment		200,078	
Data Processing Equipment		861	
Other Equipment		3,763	
Other Capital Outlay		7,978	
Total Other Emergency Management			\$ 385,335

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	38,625	
Contracts with Government Agencies		124,345	
Other Charges		9,300	
Total County Coroner/Medical Examiner			172,270

Other Public Safety

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

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	96,023	
Social Security		6,170	
Pensions		6,219	
Life Insurance		139	
Medical Insurance		28,716	
Unemployment Compensation		63	
Communication		11,018	
Contracts with Government Agencies		15,500	
Dues and Memberships		550	
Maintenance and Repair Services - Buildings		1,128	
Maintenance and Repair Services - Equipment		3,205	
Pest Control		1,333	
Postal Charges		6,436	
Travel		2,779	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Other Contracted Services	\$	55,123	
Custodial Supplies		6,610	
Office Supplies		7,527	
Other Supplies and Materials		5,877	
Workers' Compensation Insurance		554	
Other Charges		1,056	
Other Equipment		3,448	
Other Capital Outlay		14,092	
Total Local Health Center			\$ 273,566

Ambulance/Emergency Medical Services

Contributions	\$	371,000	
Total Ambulance/Emergency Medical Services			371,000

Alcohol and Drug Programs

Contributions	\$	400,000	
Total Alcohol and Drug Programs			400,000

Other Local Health Services

Other Salaries and Wages	\$	268,519	
Social Security		19,905	
Pensions		16,259	
Life Insurance		233	
Medical Insurance		14,303	
Unemployment Compensation		143	
Travel		9,808	
Liability Insurance		3,456	
Workers' Compensation Insurance		1,547	
Total Other Local Health Services			334,173

Other Public Health and Welfare

Other Supplies and Materials	\$	6,706	
Total Other Public Health and Welfare			6,706

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	44,016	
Social Workers		21,374	
Bus Drivers		23,806	
Secretary(ies)		32,695	
Social Security		8,600	
Pensions		7,036	
Life Insurance		139	
Medical Insurance		19,699	
Unemployment Compensation		84	
Communication		5,232	
Contracts with Government Agencies		16,536	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Contributions	\$	49,000	
Maintenance and Repair Services - Vehicles		200	
Rentals		1,211	
Transportation - Other than Students		8,800	
Travel		2,613	
Other Contracted Services		4,438	
Custodial Supplies		991	
Gasoline		611	
Office Supplies		400	
Utilities		7,589	
Other Supplies and Materials		799	
Refunds		1,706	
Workers' Compensation Insurance		157	
Other Charges		505	
Other Capital Outlay		7,443	
Total Senior Citizens Assistance			\$ 265,680

Libraries

Contributions	\$	113,000	
Total Libraries			113,000

Parks and Fair Boards

Supervisor/Director	\$	44,016	
Maintenance Personnel		24,419	
Part-time Personnel		21,456	
Social Security		6,320	
Pensions		4,790	
Life Insurance		108	
Medical Insurance		17,051	
Unemployment Compensation		79	
Communication		1,273	
Maintenance and Repair Services - Buildings		145	
Rentals		1,122	
Other Contracted Services		4,848	
Crushed Stone		3,126	
Custodial Supplies		4,297	
Electricity		5,001	
Gasoline		10,718	
Propane Gas		395	
Tires and Tubes		905	
Water and Sewer		674	
Other Supplies and Materials		4,464	
Refunds		320	
Other Charges		41	
Maintenance Equipment		14,664	
Other Capital Outlay		12,723	
Total Parks and Fair Boards			182,955

(Continued)



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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	130,051	
Communication		1,364	
Rentals		1,981	
Travel		2,283	
Other Charges		2,352	
Other Equipment		3,000	
Total Agricultural Extension Service			\$ 141,031

Forest Service

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

Soil Conservation

Clerical Personnel	\$	35,962	
Part-time Personnel		17,853	
Social Security		3,639	
Pensions		2,517	
Life Insurance		54	
Medical Insurance		13,233	
Unemployment Compensation		56	
Contracts with Other Public Agencies		3,920	
Contributions		9,000	
Total Soil Conservation			86,234

Storm Water Management

Part-time Personnel	\$	7,879	
Social Security		603	
Unemployment Compensation		21	
Dues and Memberships		700	
Evaluation and Testing		356	
Permits		3,960	
Workers' Compensation Insurance		250	
Total Storm Water Management			13,769

Other Operations

Tourism

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

Industrial Development

Secretary(ies)	\$	44,016	
Maintenance Personnel		22,326	
Part-time Personnel		2,719	
Social Security		5,151	
Pensions		4,644	
Life Insurance		82	
Medical Insurance		3,690	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Unemployment Compensation	\$	60	
Accounting Services		11,500	
Communication		418	
Contributions		31,400	
Engineering Services		4,870	
Maintenance and Repair Services - Equipment		3,340	
Rentals		2,947	
Travel		4,238	
Other Contracted Services		53,840	
Electricity		14,988	
Gasoline		2,559	
Office Supplies		1,448	
Tires and Tubes		1,009	
Water and Sewer		293	
Other Supplies and Materials		2,811	
Workers' Compensation Insurance		1,321	
Other Charges		99	
Total Industrial Development			\$ 219,769

Airport

Communication	\$	719	
Travel		115	
Permits		450	
Other Contracted Services		1,081	
Electricity		4,975	
Gasoline		738	
Natural Gas		1,576	
Water and Sewer		618	
Other Supplies and Materials		1,154	
Airport Improvement		127,726	
Other Capital Outlay		117,424	
Total Airport			256,576

Veterans' Services

Supervisor/Director	\$	37,375	
Deputy(ies)		36,245	
Social Security		5,395	
Pensions		5,153	
Life Insurance		108	
Medical Insurance		6,769	
Unemployment Compensation		42	
Communication		558	
Rentals		537	
Travel		1,959	
Other Contracted Services		1,796	
Office Supplies		624	
Data Processing Equipment		60	
Office Equipment		1,831	
Total Veterans' Services			98,452

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 358,720	
Total Contributions to Other Agencies		\$ 358,720

Employee Benefits

Pensions	\$ 145	
Medical Insurance	58,782	
Total Employee Benefits		58,927

COVID-19 Grant #9

Custodial Supplies	\$ 18,048	
Other Supplies and Materials	7,996	
Data Processing Equipment	81,000	
Health Equipment	220,700	
Total COVID-19 Grant #9		327,744

American Rescue Plan Act Grant A

Gasoline	\$ 22,000	
Total American Rescue Plan Act Grant A		22,000

Miscellaneous

Contracts with Other Public Agencies	\$ 10,958	
Contributions	35,880	
Lease Payments	1,250	
Other Contracted Services	3,900	
Trustee's Commission	280,772	
Total Miscellaneous		332,760

Highways

Litter and Trash Collection

Overtime Pay	\$ 39	
Other Salaries and Wages	27,305	
Social Security	1,858	
Pensions	1,914	
Life Insurance	35	
Medical Insurance	6,271	
Unemployment Compensation	21	
Contracts with Other Public Agencies	8,000	
Travel	68	
Gasoline	2,696	
Tires and Tubes	817	
Other Supplies and Materials	8,330	
Workers' Compensation Insurance	3,034	
Total Litter and Trash Collection		60,388

Total General Fund		\$ 21,130,529
--------------------	--	---------------

(Continued)

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	41,456	
Social Security		2,889	
Pensions		2,902	
Life Insurance		54	
Medical Insurance		8,262	
Unemployment Compensation		21	
Communication		656	
Dues and Memberships		100	
Evaluation and Testing		550	
Gasoline		2,310	
Tires and Tubes		445	
Uniforms		120	
Trustee's Commission		27,692	
Workers' Compensation Insurance		1,265	
Total Sanitation Management			\$ 88,722

Waste Pickup

Truck Drivers	\$	155,024	
Overtime Pay		19,893	
Social Security		12,580	
Pensions		12,244	
Life Insurance		217	
Medical Insurance		19,059	
Unemployment Compensation		84	
Communication		196	
Maintenance and Repair Services - Vehicles		20,320	
Other Contracted Services		30,165	
Gasoline		98,683	
Lubricants		7,640	
Tires and Tubes		20,710	
Uniforms		494	
Vehicle Parts		17,799	
Other Supplies and Materials		9,046	
Workers' Compensation Insurance		20,885	
Other Charges		127	
Motor Vehicles		368,520	
Total Waste Pickup			813,686

Convenience Centers

Laborers	\$	246,519	
Part-time Personnel		64,975	
Overtime Pay		6,363	
Other Salaries and Wages		4,618	
Social Security		20,743	
Pensions		17,276	
Life Insurance		312	
Medical Insurance		36,807	

(Continued)

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.)

Unemployment Compensation	\$	325	
Communication		4,050	
Lease Payments		3,100	
Maintenance and Repair Services - Equipment		6,937	
Rentals		13,500	
Other Contracted Services		6,735	
Crushed Stone		1,790	
Uniforms		571	
Utilities		10,226	
Other Supplies and Materials		5,184	
Workers' Compensation Insurance		14,179	
Other Capital Outlay		8,308	
Total Convenience Centers			\$ 472,518

Recycling Center

Laborers	\$	81,933	
Part-time Personnel		14,020	
Social Security		6,900	
Pensions		5,735	
Life Insurance		163	
Medical Insurance		12,604	
Unemployment Compensation		81	
Communication		1,288	
Maintenance and Repair Services - Buildings		1,197	
Maintenance and Repair Services - Equipment		3,727	
Maintenance and Repair Services - Office Equipment		499	
Maintenance and Repair Services - Vehicles		3,758	
Other Contracted Services		470	
Gasoline		11,585	
Propane Gas		445	
Tires and Tubes		1,733	
Uniforms		296	
Utilities		5,780	
Other Supplies and Materials		5,755	
Workers' Compensation Insurance		4,825	
Other Capital Outlay		1,956	
Total Recycling Center			164,750

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$	820,866	
Surcharge		39,561	
Total Landfill Operation and Maintenance			860,427

Other Waste Disposal

Disposal Fees	\$	80,041	
Total Other Waste Disposal			80,041

Total Solid Waste/Sanitation Fund \$ 2,480,144

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Overtime Pay	\$	24,316	
Other Fringe Benefits		4,627	
Communication		3,059	
Confidential Drug Enforcement Payments		8,000	
Maintenance Agreements		1,347	
Maintenance and Repair Services - Vehicles		1,234	
Veterinary Services		394	
Other Contracted Services		7,498	
Animal Food and Supplies		622	
Electricity		992	
Law Enforcement Supplies		379	
Other Supplies and Materials		25	
Trustee's Commission		895	
In Service/Staff Development		1,400	
Other Charges		170	
Total Drug Enforcement			\$ 54,958

Total Drug Control Fund \$ 54,958

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #1

Contributions	\$	2,000,000	
Engineering Services		43,832	
Other Contracted Services		38,000	
Communication Equipment		96,701	
Building Purchases		550,000	
Total American Rescue Plan Act Grant #1			\$ 2,728,533

American Rescue Plan Act Grant #2

Contributions	\$	554,000	
Motor Vehicles		39,516	
Total American Rescue Plan Act Grant #2			593,516

American Rescue Plan Act Grant #4

Contributions	\$	125,000	
Highway Equipment		50,000	
Total American Rescue Plan Act Grant #4			175,000

Total Other Special Revenue Fund 3,497,049

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	16,770	
Total Chancery Court			\$ 16,770

(Continued)

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	539	
Total Sheriff's Department			\$ 539

Total Constitutional Officers - Fees Fund \$ 17,309

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	106,901	
Secretary(ies)		90,820	
Part-time Personnel		2,328	
Overtime Pay		274	
Communication		2,341	
Dues and Memberships		4,119	
Laundry Service		2,831	
Legal Notices, Recording, and Court Costs		128	
Maintenance Agreements		7,481	
Maintenance and Repair Services - Office Equipment		100	
Printing, Stationery, and Forms		111	
Rentals		1,655	
Travel		2,158	
Tuition		475	
Other Contracted Services		617	
Custodial Supplies		164	
Electricity		12,249	
Natural Gas		2,497	
Office Supplies		2,090	
Water and Sewer		1,139	
Other Charges		50	
Office Equipment		298	
Total Administration			\$ 240,826

Highway and Bridge Maintenance

Foremen	\$	42,622	
Equipment Operators		207,603	
Truck Drivers		152,386	
Laborers		541,805	
Temporary Personnel		94,504	
Overtime Pay		26,423	
Laundry Service		24,474	
Rentals		13,074	
Other Contracted Services		845,751	
Asphalt - Hot Mix		38,508	
Asphalt - Liquid		183,308	
Concrete		3,800	
Crushed Stone		226,728	
Pipe		77,864	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Metal	\$	19,608	
Road Signs		14,565	
Salt		10,782	
Structural Steel		2,098	
Wood Products		1,257	
Other Supplies and Materials		6,959	
Other Charges		251	
Other Equipment		2,067	
Total Highway and Bridge Maintenance			\$ 2,536,437

Operation and Maintenance of Equipment

Foremen	\$	34,613	
Mechanic(s)		103,121	
Overtime Pay		339	
Laundry Service		3,943	
Maintenance and Repair Services - Buildings		842	
Maintenance and Repair Services - Equipment		11,291	
Maintenance and Repair Services - Vehicles		24,426	
Rentals		4,018	
Towing Services		1,120	
Diesel Fuel		95,828	
Equipment and Machinery Parts		134,223	
Garage Supplies		1,334	
Gasoline		74,999	
Lubricants		19,858	
Small Tools		105	
Tires and Tubes		39,655	
Other Supplies and Materials		3,211	
Other Equipment		7,648	
Other Capital Outlay		595	
Total Operation and Maintenance of Equipment			561,169

Other Charges

Bank Charges	\$	180	
Evaluation and Testing		1,985	
Trustee's Commission		61,830	
Workers' Compensation Insurance		127,818	
Total Other Charges			191,813

Employee Benefits

Social Security	\$	100,323	
Pensions		80,523	
Life Insurance		1,523	
Medical Insurance		197,528	
Unemployment Compensation		11,831	
Total Employee Benefits			391,728

(Continued)



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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	4,104	
Building Improvements		610	
Highway Equipment		53,300	
Motor Vehicles		53,200	
State Aid Projects		444,579	
Other Capital Outlay		1,555	
Total Capital Outlay			\$ 557,348

Total Highway/Public Works Fund \$ 4,479,321

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	965,766	
Total General Government			\$ 965,766

Interest on Debt

General Government

Interest on Bonds	\$	234,502	
Total General Government			234,502

Other Debt Service

General Government

Fiscal Agent Charges	\$	620	
Trustee's Commission		18,921	
Other Debt Service		375	
Total General Government			19,916

Total General Debt Service Fund 1,220,184

Special Debt Service Fund

Principal on Debt

Highways and Streets

Principal on Bonds	\$	396,752	
Total Highways and Streets			\$ 396,752

Interest on Debt

Highways and Streets

Interest on Bonds	\$	63,102	
Total Highways and Streets			63,102

Other Debt Service

Highways and Streets

Fiscal Agent Charges	\$	37	
Trustee's Commission		3,681	
Other Debt Service		50	
Total Highways and Streets			3,768

Total Special Debt Service Fund 463,622

(Continued)

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

<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	2,312,482	
Principal on Other Loans		<u>650,519</u>	
Total Education			\$ 2,963,001
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	1,187,984	
Interest on Other Loans		<u>176,994</u>	
Total Education			1,364,978
<u>Other Debt Service</u>			
<u>Education</u>			
Fiscal Agent Charges	\$	6,386	
Trustee's Commission		78,593	
Other Debt Service		<u>2,075</u>	
Total Education			<u>87,054</u>
Total Education Debt Service Fund			\$ 4,415,033
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Communication Equipment	\$	<u>1,609</u>	
Total Public Safety Projects			\$ 1,609
<u>Other General Government Projects</u>			
Trustee's Commission	\$	6,233	
Other Construction		<u>27,488</u>	
Total Other General Government Projects			<u>33,721</u>
Total General Capital Projects Fund			35,330
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Other Contracted Services	\$	2,527	
Other Construction		<u>135,050</u>	
Total Other General Government Projects			<u>\$ 137,577</u>
Total Other Capital Projects Fund			<u>137,577</u>
Total Governmental Funds - Primary Government			<u>\$ 37,931,056</u>

Hawkins County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hawkins County School Department  
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	20,583,097	
Career Ladder Program		41,000	
Career Ladder Extended Contracts		9,735	
Homebound Teachers		123,528	
Educational Assistants		953,589	
Social Security		1,245,280	
Pensions		1,774,816	
Life Insurance		64,000	
Medical Insurance		3,493,042	
Employer Medicare		293,737	
Other Contracted Services		60,122	
Instructional Supplies and Materials		501,121	
Textbooks - Bound		439,028	
Other Supplies and Materials		415	
Fee Waivers		108,472	
Other Charges		63,150	
Regular Instruction Equipment		73,872	
Other Equipment		3,000	
Total Regular Instruction Program			\$ 29,831,004

Alternative Instruction Program

Teachers	\$	214,901	
Career Ladder Program		1,000	
Educational Assistants		26,300	
Social Security		14,204	
Pensions		20,121	
Life Insurance		850	
Medical Insurance		36,994	
Employer Medicare		3,322	
Instructional Supplies and Materials		1,946	
Library Books/Media		942	
Other Supplies and Materials		626	
Other Charges		309	
Other Equipment		1,496	
Total Alternative Instruction Program			323,011

Special Education Program

Teachers	\$	2,515,953	
Career Ladder Program		7,000	
Homebound Teachers		124,457	
Educational Assistants		525,375	
Speech Pathologist		196,178	
Social Security		191,259	
Pensions		270,989	
Life Insurance		12,903	
Medical Insurance		616,479	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	45,060	
Other Contracted Services		35,057	
Total Special Education Program			\$ 4,540,710

Career and Technical Education Program

Teachers	\$	1,388,063	
Social Security		79,647	
Pensions		115,187	
Life Insurance		3,831	
Medical Insurance		270,162	
Employer Medicare		18,627	
Instructional Supplies and Materials		54,149	
Other Supplies and Materials		8,609	
Vocational Instruction Equipment		52,635	
Total Career and Technical Education Program			1,990,910

Support Services

Attendance

Supervisor/Director	\$	102,032	
Career Ladder Program		1,000	
Secretary(ies)		34,200	
Other Salaries and Wages		71,865	
Social Security		11,737	
Pensions		16,284	
Life Insurance		576	
Medical Insurance		51,594	
Employer Medicare		2,745	
Travel		3,970	
Software		46,011	
Other Supplies and Materials		1,284	
In Service/Staff Development		9,690	
Total Attendance			352,988

Health Services

Supervisor/Director	\$	123,419	
Medical Personnel		531,702	
Other Salaries and Wages		58,696	
Social Security		39,398	
Pensions		57,286	
Life Insurance		2,621	
Medical Insurance		200,435	
Employer Medicare		9,214	
Maintenance and Repair Services - Equipment		1,504	
Travel		5,018	
Other Contracted Services		17,199	
Drugs and Medical Supplies		22,109	

(Continued)

## Exhibit J-11

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

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Health Services (Cont.)

Other Supplies and Materials	\$	16,944	
In Service/Staff Development		2,210	
Other Charges		18,914	
Health Equipment		14,327	
Total Health Services			\$ 1,120,996

## Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		1,273,012	
Secretary(ies)		57,400	
Other Salaries and Wages		655,639	
Social Security		114,577	
Pensions		158,674	
Life Insurance		5,017	
Medical Insurance		320,801	
Employer Medicare		26,814	
Contracts with Government Agencies		477,394	
Evaluation and Testing		122,811	
Other Contracted Services		49,699	
Other Supplies and Materials		23,115	
Other Charges		8,347	
Other Equipment		3,378	
Total Other Student Support			3,299,678

## Regular Instruction Program

Supervisor/Director	\$	291,626	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		2,000	
Librarians		726,600	
Assessment Personnel		13,324	
Educational Assistants		35,552	
Other Salaries and Wages		125,663	
Social Security		69,845	
Pensions		102,569	
Life Insurance		2,911	
Medical Insurance		175,315	
Employer Medicare		16,335	
Travel		15,422	
Other Contracted Services		1,000	
Library Books/Media		39,188	
Periodicals		1,760	
Other Supplies and Materials		6,568	
In Service/Staff Development		12,701	
Other Equipment		53,859	
Total Regular Instruction Program			1,696,238

(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.)

Special Education Program

Supervisor/Director	\$	137,320	
Career Ladder Program		5,000	
Psychological Personnel		67,165	
Medical Personnel		105,629	
Assessment Personnel		64,984	
Secretary(ies)		35,836	
Other Salaries and Wages		63,118	
In-service Training		2,000	
Social Security		27,628	
Pensions		41,198	
Life Insurance		1,109	
Medical Insurance		76,601	
Employer Medicare		6,461	
Total Special Education Program			\$ 634,049

Career and Technical Education Program

Supervisor/Director	\$	82,152	
Social Security		4,960	
Pensions		7,139	
Life Insurance		144	
Medical Insurance		6,112	
Employer Medicare		1,160	
In Service/Staff Development		245	
Total Career and Technical Education Program			101,912

Technology

Supervisor/Director	\$	81,953	
Other Salaries and Wages		333,623	
Social Security		24,516	
Pensions		30,204	
Life Insurance		1,354	
Medical Insurance		49,057	
Employer Medicare		5,734	
Communication		5,007	
Consultants		12,000	
Maintenance and Repair Services - Equipment		37,400	
Internet Connectivity		172,621	
Travel		1,947	
Other Contracted Services		79,537	
Office Supplies		472	
Cabling		5,691	
Software		18,046	
Other Supplies and Materials		2,664	
In Service/Staff Development		5,909	
Other Charges		2,067	
Other Equipment		111,437	
Total Technology			981,239

(Continued)

## Exhibit J-11

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.)Other Programs

On-behalf Payments to OPEB	\$	392,468	
Total Other Programs			\$ 392,468

Board of Education

Secretary to Board	\$	1,600	
Other Salaries and Wages		10,600	
Social Security		739	
Pensions		411	
Life Insurance		18,370	
Medical Insurance		479,224	
Unemployment Compensation		16,753	
Employer Medicare		176	
Audit Services		29,500	
Dues and Memberships		19,883	
Legal Services		27,905	
Other Contracted Services		2,000	
Other Supplies and Materials		76	
Liability Insurance		469,332	
Trustee's Commission		246,069	
Workers' Compensation Insurance		345,158	
In Service/Staff Development		14,645	
Other Charges		1,312	
Total Board of Education			1,683,753

Director of Schools

County Official/Administrative Officer	\$	125,000	
Career Ladder Program		1,000	
Secretary(ies)		82,670	
Other Salaries and Wages		18,905	
Social Security		13,445	
Pensions		16,340	
Life Insurance		435	
Medical Insurance		24,183	
Employer Medicare		3,145	
Communication		109,939	
Postal Charges		6,200	
Travel		1,669	
Other Contracted Services		15,443	
Office Supplies		3,746	
Other Supplies and Materials		1,039	
In Service/Staff Development		9,206	
Other Charges		2,142	
Total Director of Schools			434,507

Office of the Principal

Principals	\$	1,331,236	
------------	----	-----------	--

(Continued)

## Exhibit J-11

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.)Office of the Principal (Cont.)

Career Ladder Program	\$	5,000	
Assistant Principals		681,837	
Secretary(ies)		587,602	
Other Salaries and Wages		355,000	
Social Security		170,410	
Pensions		245,506	
Life Insurance		9,885	
Medical Insurance		630,865	
Employer Medicare		39,854	
Total Office of the Principal			\$ 4,057,195

Fiscal Services

Supervisor/Director	\$	77,799	
Accountants/Bookkeepers		210,871	
Secretary(ies)		32,710	
Social Security		18,327	
Pensions		22,497	
Life Insurance		950	
Medical Insurance		59,594	
Employer Medicare		4,286	
Travel		25	
Other Contracted Services		27,555	
Office Supplies		811	
In Service/Staff Development		1,301	
Other Charges		54	
Other Equipment		5,172	
Total Fiscal Services			461,952

Human Services/Personnel

Supervisor/Director	\$	92,353	
Secretary(ies)		36,600	
Social Security		7,840	
Pensions		10,587	
Life Insurance		288	
Medical Insurance		6,112	
Employer Medicare		1,834	
Advertising		394	
Travel		1,349	
Other Contracted Services		9,747	
Office Supplies		1,162	
Other Supplies and Materials		893	
In Service/Staff Development		1,790	
Other Charges		8,969	
Total Human Services/Personnel			179,918

(Continued)



## Exhibit J-11

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.)Operation of Plant

Custodial Personnel	\$	1,252,742	
Other Salaries and Wages		81,721	
Social Security		75,767	
Pensions		94,866	
Life Insurance		7,570	
Medical Insurance		288,023	
Employer Medicare		17,720	
Other Contracted Services		363,537	
Custodial Supplies		131,800	
Electricity		1,437,232	
Natural Gas		221,620	
Water and Sewer		163,961	
In Service/Staff Development		960	
Other Charges		440	
Plant Operation Equipment		16,751	
Other Equipment		30,649	
Total Operation of Plant			\$ 4,185,359

Maintenance of Plant

Supervisor/Director	\$	71,704	
Secretary(ies)		33,997	
Maintenance Personnel		792,465	
Social Security		52,074	
Pensions		64,168	
Life Insurance		3,010	
Medical Insurance		143,191	
Employer Medicare		12,179	
Communication		10,696	
Lease Payments		33,179	
Maintenance and Repair Services - Buildings		126,863	
Maintenance and Repair Services - Equipment		9,112	
Travel		700	
Other Contracted Services		221,758	
Office Supplies		483	
Other Supplies and Materials		243,003	
In Service/Staff Development		540	
Other Charges		56	
Administration Equipment		115,776	
Maintenance Equipment		46,803	
Motor Vehicles		112,282	
Total Maintenance of Plant			2,094,039

Transportation

Bus Drivers	\$	59,934	
Other Salaries and Wages		23,060	
Social Security		4,702	

(Continued)

## Exhibit J-11

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.)Transportation (Cont.)

Pensions	\$	5,583	
Employer Medicare		1,176	
Contracts with Parents		8,345	
Diesel Fuel		14,697	
Total Transportation			\$ 117,497

Operation of Non-Instructional ServicesFood Service

Cafeteria Personnel	\$	17,092	
Social Security		1,034	
Pensions		1,263	
Employer Medicare		242	
Total Food Service			19,631

Community Services

Other Salaries and Wages	\$	59,492	
Social Security		3,165	
Pensions		4,164	
Life Insurance		216	
Medical Insurance		18,490	
Employer Medicare		740	
Communication		451	
Travel		1,825	
Other Supplies and Materials		11,001	
In Service/Staff Development		339	
Total Community Services			99,883

Early Childhood Education

Teachers	\$	190,562	
Clerical Personnel		13,362	
Educational Assistants		53,158	
Other Salaries and Wages		2,000	
Social Security		14,258	
Pensions		20,965	
Life Insurance		1,210	
Medical Insurance		74,881	
Employer Medicare		3,335	
Instructional Supplies and Materials		10,713	
In Service/Staff Development		62	
Regular Instruction Equipment		499	
Total Early Childhood Education			385,005

Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	446	
Building Improvements		48,500	
Total Regular Capital Outlay			48,946

(Continued)

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 687,642	
Total Education		\$ 687,642

Total General Purpose School Fund \$ 59,720,530

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 695,834	
Educational Assistants	328,921	
Other Salaries and Wages	134,388	
Social Security	60,005	
Pensions	80,768	
Life Insurance	4,836	
Medical Insurance	188,790	
Employer Medicare	14,389	
Other Contracted Services	668,641	
Instructional Supplies and Materials	572,214	
Other Supplies and Materials	86,158	
Regular Instruction Equipment	968,011	
Total Regular Instruction Program		\$ 3,802,955

Special Education Program

Teachers	\$ 399,889	
Educational Assistants	605,675	
Speech Pathologist	113,340	
Other Salaries and Wages	41,400	
Social Security	65,344	
Pensions	88,585	
Life Insurance	7,216	
Medical Insurance	238,800	
Employer Medicare	15,397	
Contracts with Private Agencies	16,936	
Other Contracted Services	55,461	
Instructional Supplies and Materials	95,037	
Other Supplies and Materials	25,762	
Other Charges	10,919	
Special Education Equipment	101,078	
Total Special Education Program		1,880,839

Career and Technical Education Program

Teachers	\$ 49,758	
Social Security	872	
Pensions	1,259	
Life Insurance	144	
Medical Insurance	4,855	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Employer Medicare	\$	693	
Maintenance and Repair Services - Equipment		3,362	
Instructional Supplies and Materials		31,715	
Other Supplies and Materials		10,103	
Vocational Instruction Equipment		94,194	
Total Career and Technical Education Program			\$ 196,955

Support Services

Attendance

Clerical Personnel	\$	31,200	
Social Security		1,934	
Pensions		2,184	
Life Insurance		144	
Employer Medicare		452	
Total Attendance			35,914

Health Services

Travel	\$	84	
Other Supplies and Materials		11,888	
Total Health Services			11,972

Other Student Support

Bus Drivers	\$	549	
Part-time Personnel		31,234	
Other Salaries and Wages		91,774	
Social Security		3,601	
Pensions		5,101	
Life Insurance		58	
Employer Medicare		1,749	
Travel		26,487	
Other Contracted Services		200,426	
Other Supplies and Materials		40,766	
In Service/Staff Development		11,042	
Other Charges		9,239	
Total Other Student Support			422,026

Regular Instruction Program

Supervisor/Director	\$	87,798	
Education Media Personnel		71,834	
Secretary(ies)		35,600	
Part-time Personnel		30,406	
Other Salaries and Wages		551,098	
In-service Training		10,850	
Social Security		50,327	
Pensions		71,665	
Life Insurance		1,714	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	124,942	
Employer Medicare		11,834	
Travel		10,022	
Other Contracted Services		172,555	
Library Books/Media		7,303	
Other Supplies and Materials		42,091	
In Service/Staff Development		293,590	
Other Charges		2,481	
Other Equipment		40,529	
Total Regular Instruction Program			\$ 1,616,639

Special Education Program

Supervisor/Director	\$	36,135	
Psychological Personnel		60	
Medical Personnel		59,868	
Assessment Personnel		53,295	
Other Salaries and Wages		108,092	
In-service Training		1,250	
Social Security		14,947	
Pensions		22,195	
Life Insurance		576	
Medical Insurance		37,782	
Employer Medicare		3,496	
Maintenance and Repair Services - Equipment		634	
Travel		38,191	
Other Contracted Services		5,830	
Other Supplies and Materials		10,439	
In Service/Staff Development		64,297	
Other Charges		2,515	
Other Equipment		29,873	
Total Special Education Program			489,475

Career and Technical Education Program

Travel	\$	467	
Other Supplies and Materials		409	
In Service/Staff Development		3,800	
Total Career and Technical Education Program			4,676

Technology

Other Contracted Services	\$	40,600	
Software		85,506	
Total Technology			126,106

Office of the Principal

Other Salaries and Wages	\$	1,000	
Social Security		62	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Pensions	\$	68	
Employer Medicare		<u>14</u>	
Total Office of the Principal			\$ 1,144

Fiscal Services

Other Contracted Services	\$	<u>34,050</u>	
Total Fiscal Services			34,050

Operation of Plant

Other Contracted Services	\$	59,940	
Plant Operation Equipment		<u>12,497</u>	
Total Operation of Plant			72,437

Transportation

Contracts with Parents	\$	<u>15,619</u>	
Total Transportation			15,619

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	3,182	
Social Security		189	
Pensions		255	
Employer Medicare		<u>44</u>	
Total Food Service			3,670

Community Services

Supervisor/Director	\$	352	
Teachers		37,554	
Educational Assistants		5,100	
Other Salaries and Wages		255	
Social Security		2,534	
Pensions		3,648	
Employer Medicare		593	
Instructional Supplies and Materials		5,782	
Other Charges		<u>6,328</u>	
Total Community Services			62,146

Capital Outlay

Regular Capital Outlay

Architects	\$	158,344	
Building Improvements		1,189,095	
Plant Operation Equipment		<u>766,751</u>	
Total Regular Capital Outlay			<u>2,114,190</u>

Total School Federal Projects Fund			\$ 10,890,813
------------------------------------	--	--	---------------

(Continued)

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	71,704	
Accountants/Bookkeepers		34,100	
Clerical Personnel		62,994	
Cafeteria Personnel		1,201,218	
Other Salaries and Wages		45,943	
Social Security		74,065	
Pensions		100,008	
Life Insurance		12,101	
Medical Insurance		550,819	
Employer Medicare		17,350	
Retirement - Hybrid Stabilization		1,083	
Communication		1,800	
Maintenance and Repair Services - Equipment		60,629	
Travel		2,764	
Other Contracted Services		282,183	
Food Preparation Supplies		185,516	
Food Supplies		1,404,066	
Office Supplies		1,590	
Uniforms		4,848	
USDA - Commodities		331,896	
In Service/Staff Development		3,748	
Food Service Equipment		42,196	
Total Food Service			\$ 4,492,621

Total Central Cafeteria Fund \$ 4,492,621

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	67,267	
Total Board of Education			\$ 67,267

Transportation

Supervisor/Director	\$	71,704	
Mechanic(s)		302,311	
Bus Drivers		1,489,824	
Clerical Personnel		65,259	
Other Salaries and Wages		159,221	
Social Security		115,946	
Pensions		143,270	
Life Insurance		10,318	
Medical Insurance		297,847	
Employer Medicare		28,500	
Retirement - Hybrid Stabilization		6,924	
Communication		1,427	
Maintenance and Repair Services - Vehicles		34,870	

(Continued)

## Exhibit J-11

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

School Transportation Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Medical and Dental Services	\$	5,676	
Other Contracted Services		28,930	
Gasoline		597,729	
Lubricants		8,339	
Propane Gas		5,667	
Tires and Tubes		69,033	
Vehicle Parts		220,715	
Other Supplies and Materials		4,440	
In Service/Staff Development		2,706	
Other Charges		53,238	
Transportation Equipment		482,711	
Total Transportation			\$ 4,206,605

Total School Transportation Fund \$ 4,273,872

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	2,129,305	
Total Community Services			\$ 2,129,305

Total Internal School Fund 2,129,305

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	131,452	
Trustee's Commission		9,556	
Building Improvements		1,097,617	
Total Education Capital Projects			\$ 1,238,625

Total Education Capital Projects Fund 1,238,625

Total Governmental Funds - Hawkins County School Department \$ 82,745,766



## **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, 2023, 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 November 9, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Hawkins County School Department, as described in our report on Hawkins County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-002.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hawkins County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

## **Hawkins County's Responses to the Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hawkins County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

November 9, 2023

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**

***Opinion on Each Major Federal Program***

We have audited Hawkins County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hawkins County's major federal programs for the year ended June 30, 2023. Hawkins County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hawkins County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Hawkins County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hawkins County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Hawkins County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hawkins County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hawkins County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hawkins County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Hawkins County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hawkins County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hawkins County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hawkins County's basic financial statements. We issued our report thereon dated November 9, 2023, 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

November 9, 2023

JEM/tg

Hawkins County, Tennessee, and the Hawkins County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)  
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
COVID 19 - Pandemic EBT Food Benefits	10.649	N/A	\$ 3,135
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	836,308
National School Lunch Program	10.555	N/A	2,713,031 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	331,896 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75722-00	85,052
Total U.S. Department of Agriculture			<u>\$ 3,969,422</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(4)	<u>\$ 137,577</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 137,577</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
COVID 19 - Airport Improvement Program	20.106	(7)	\$ 22,091 (6)
Airport Improvement Program	20.106	(4)	204,967 (6)
Alcohol Open Container Requirements	20.607	Z-22-THS-128	71,406
Total U.S. Department of Transportation			<u>\$ 298,464</u>
U.S. Department of the Treasury:			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(4)	<u>\$ 10,044,500</u>
Total U.S. Department of the Treasury			<u>\$ 10,044,500</u>
U.S. Environmental Protection Agency:			
Passed-through East Tennessee Clean Fuels Coalition:			
State Clean Diesel Grant Program	66.040	(4)	<u>\$ 72,000</u>
Total U.S. Environmental Protection Agency			<u>\$ 72,000</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 51,115
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,276,202
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,954,735 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	262,571 (6)
Special Education - Preschool Grants	84.173	N/A	27,768 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.173	84.173X	18,664 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	177,754
Education for Homeless Children and Youth	84.196	N/A	23,384
Twenty-first Century Community Learning Centers	84.287	N/A	62,146
Supporting Effective Instruction State Grants	84.367	N/A	315,808
Student Support and Academic Enrichment Program	84.424	N/A	117,481
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Tennessee All Corps	84.425D	N/A	248,666 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Math Implementation	84.425D	N/A	71,250 (6)

(Continued)



Hawkins County, Tennessee, and the Hawkins County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (cont.):			
Passed-through State Department of Education (cont.):			
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Premonitoring Supports	84.425D	N/A	\$ 34,050 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	87,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	3,473,971 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,484,080 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	46,111 (6)
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	3,174
Total U.S. Department of Education			<u>\$ 10,735,930</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-23-75722-00	\$ 1,206
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(4)	97,842
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-23-75722-00	23,398
Maternal and Child Health Services Block Grant to the States	93.994	GG-23-75722-00	6,146
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(4)	154,883
Temporary Assistance for Needy Families	93.558	(4)	227,268
Total U.S. Department of Health and Human Services			<u>\$ 510,743</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 40,699
Total U.S. Department of Homeland Security			<u>\$ 40,699</u>
Total Expenditures of Federal Awards			<u>\$ 25,809,335</u>
<u>State Grants</u>		Contract Number	
Family Resource Center - State Department of Education	N/A	(4)	\$ 29,612
Coordinated School Health - State Department of Education	N/A	(4)	122,199
Safe Schools Act Grant - State Department of Education	N/A	(4)	161,045
School Resource Office - State Department of Education	N/A	(4)	85,125
Middle School Start-Up and Expansion Grant - State Department of Education	N/A	(4)	47,859
Summer Learning Camps - State Department of Education	N/A	(4)	432,101
Aging Program - State Office on Aging	N/A	(4)	42,594
Senior Center Competitive Grant - Tennessee Commission on Aging Disability	N/A	(4)	8,000
Airport Maintenance Programs - State Department of Transportation	N/A	(4)	2,824
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(4)	65,045
Litter Program - State Department of Transportation	N/A	(4)	53,143
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	385,863
Drivers Education - State Department of Education	N/A	(4)	14,610
State Aid Program - State Department of Transportation	N/A	(4)	444,865
2019 LPRF 10 year Parks and Recreation Comprehensive Master Plan - State Department of Environment and Conservation	N/A	(4)	48,000
Health Department Programs - State Department of Health	N/A	GG-23-75722-00	218,372
Total State Grants			<u>\$ 2,161,257</u>

(Continued)

Hawkins County, Tennessee, and the Hawkins County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

FAL = Federal Assistance Listing

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hawkins County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$3,881,235; Special Education Cluster total \$2,263,738; Medicaid Cluster total \$23,398.
- (6) Total for FAL No. 10.555 is \$3,044,927; FAL No. 20.106, \$227,058; FAL No. 84.027, \$2,217,306; FAL No. 84.173 \$46,432; FAL No. 84.425; \$5,445,128.
- (7) FAL No. 20.106: AERO-22-305-00: \$21,693; Unknown: \$398.

Hawkins County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2023

*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, 2023.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
----------------	----------------	-------------------	------------------	---------------	----------------

**OFFICES OF COUNTY MAYOR**

2022	245	2022-001	A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties totaling \$2,521.	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, 2023**

---

**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Hawkins County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* Assistance Listing Number: 21.027      COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
  - \* Assistance Listing Number: 84.010      Title I Grants to Local Education Agencies
  - \* Assistance Listing Number: 84.425      COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$774,280**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2023-001**

#### **COMPETITIVE BIDS WERE NOT SOLICITED FOR PROPERTY ASSESSOR'S VEHICLE PURCHASE**

(Noncompliance Under *Government Auditing Standards*)

On March 15, 2023, Hawkins County purchased a 2023 Chevrolet Silverado truck for \$39,516. County personnel assumed the truck was being purchased from the statewide contract. Further inspection after the purchase revealed this specific vehicle was not included in the statewide contract. Purchasing procedures for all departments of Hawkins County are governed by provisions of Chapter 256, Private Acts of 1957, as amended. This act provides for the county mayor to make all purchases, and purchases in excess of \$25,000 to be made after public advertisement and solicitation of competitive bids through newspaper advertisement. Purchasing items utilizing the statewide contract doesn't require the county to make public advertisement or solicit competitive bids. As the vehicle purchase was not made under the statewide contract, compliance with the private act was not met. This deficiency is the result of 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 the vehicle.

#### **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. The dealership added to the confusion claiming the vehicle was a "state bid vehicle" however, staff should have been able to verify this before moving forward with said purchase. Additional training has been acquired by several staff members to help prevent any improper purchases in the future.

## **OFFICE OF DIRECTOR OF SCHOOLS**

### **FINDING 2023-002**

#### **THE SCHOOL DEPARTMENT PAID FRAUDULENT FUEL CARD CHARGES**

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

In March 2023, school department personnel became aware of fraudulent charges on the transportation department's Fuelman account. An internal review found fraudulent charges totaling \$48,388. These charges occurred during the period September 2022 through March 7, 2023. During March 2023, the school department contacted Fuelman about the fraudulent charges, submitted a fraud reporting form to the Comptroller's Office, filed a police report, and reported the loss to insurance. An insurance claim totaling \$39,738 was received in April 2023. The Board of Education experienced a net loss of \$494 (\$48,388 fraudulent charges reported less insurance claim received of \$39,738 and credits by Fuelman of \$8,156). It should be noted there was a change in transportation department staffing and new personnel were undergoing training during the 2022-2023 fiscal year. This deficiency occurred as the result of a failure in the school department's internal controls and from a lack of management oversight.

### **RECOMMENDATION**

The school department should ensure monthly fuel card statement reconciliations are completed for all usage and activity with individual receipts. Reconciliations should be reviewed and approved by management.

### **MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS**

In response to Finding 2023-002, fuel card statement reconciliations will be completed monthly for all usage and activity with individual receipts and will be reviewed and approved by management.

---

### **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, 2023.

**Hawkins County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2023**

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

**OFFICE OF COUNTY MAYOR**

2023-001	Competitive bids were not solicited for property assessor's vehicle purchase.	241
----------	---	-----

**OFFICE OF DIRECTOR OF SCHOOLS**

2023-002	The school department paid fraudulent fuel card charges.	242
----------	--	-----





## *Hawkins County Government*

Mark DeWitte  
County Mayor

150 E. Washington Street  
Rogersville, TN 37857

Phone: 423-272-7359  
Fax: 423-272-1867  
mark.dewitte@hawkinscountyttn.gov

### Corrective Action Plan

**FINDING:** **COMPETITIVE BIDS WERE NOT SOLICITED FOR PROPERTY ASSESSOR'S VEHICLE PURCHASE**

**Response and Corrective Action Plan Prepared by:**  
Eric Buchanan – Finance Director

**Person Responsible for Implementing the Corrective Action:**  
Eric Buchanan – Finance Director

**Anticipated Completion Date of Corrective Action:**  
Immediately

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Additional training has been conducted for accounting personnel to insure purchasing policies are followed in accordance with TCA and Hawkins County's Private Acts.

**Signature:**

A handwritten signature in blue ink, appearing to be "E. Buchanan", is written over a horizontal line.



## HAWKINS COUNTY SCHOOLS

200 North Depot Street  
Rogersville, Tennessee 37857  
Tel: (423) 272-7629 • Fax : (423) 272-2207

Matt M. Hixson, Director of Schools  
Chris Christian, Board Chairman  
Debbie Shedden, Vice Chairman  
McClure Boyd  
Jackie Charles  
Kathy Cradic  
Alina Gorlova  
Hannah Winegar  
Jennifer Michel, Executive Secretary

### Corrective Action Plan

**FINDING:** **THE SCHOOL DEPARTMENT PAID FRAUDULENT FUEL CARD CHARGES**

**Response and Corrective Action Plan Prepared by:**  
Matt Hixson, Director of Schools

**Person(s) Responsible for Implementing the Corrective Action:**  
Melissa Farmer, Director of Finance

**Anticipated Completion Date of Corrective Action:**  
March 7, 2023

**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 monthly fuel card statement reconciliations will be completed for all usage and activity with individual receipts, and reconciliations will be reviewed and approved by management.

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.