

ANNUAL FINANCIAL REPORT
SUMNER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



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COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

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Summary of Audit Findings

Annual Financial Report
Sumner County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Sumner County as of and for the year ended June 30, 2019.

Results

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

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

Finding

The following is a summary of the audit finding:

DIRECTOR OF SCHOOLS

- ◆ Information technology equipment is missing.

INTRODUCTORY SECTION

Sumner County Officials
June 30, 2019

Officials

Anthony Holt, County Mayor
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools
Cindy Williams, Trustee
John Isbell, Assessor of Property
Bill Kemp, County Clerk
Kathryn Strong, Circuit, General Sessions, and Juvenile Courts Clerk
Mark Smith, Clerk and Master
Cindy Briley, Register of Deeds
Sonny Weatherford, Sheriff
David Lawing, Director of Finance
Leah Dennen, Law Director

Board of County Commissioners

Scott Langford, Chairman	Moe Taylor
Billy Geminden	Larry Hinton
Alan Driver	Steve Graves
Jerry Foster	Leslie Schell
Danny Sullivan	Baker Ring
Terry Wright	Gene Rhodes
Loren Echols	Shellie Tucker
Luke Tinsley	Merrol Hyde
Jerry Becker	Chris Taylor
Paul Goode	Caroline Krueger
Deanne Dewitt	Jeremy Mansfield
Michael Guthrie	Justin Nipper

Board of Education

Tim Brewer, Chairman	David Wilkerson
Alice Bachman	Sarah Andrews
Andy Daniels	Glen Gregory
Jeff Duncan	Patricia Brown
Jim Hawkins	Ted Wise
Tammy Hayes	

(Continued)

Sumner County Officials (Cont.)

Financial Management Committee

Jerry Becker, Chairman
Anthony Holt, County Executive
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools

Chris Taylor
Caroline Krueger
Danny Sullivan

Audit Committee

Scott Langford, Chairman
Paul Goode
Chris Taylor

Jerry Becker
Steve Graves

Highway Commission

Steve Graves, Chairman
Anthony Holt, County Executive
Judy Hardin, Superintendent of Roads
Larry Hinton

Gene Rhodes
Terry Wright
Jeremy Mansfield
Tom Neal, Citizen

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

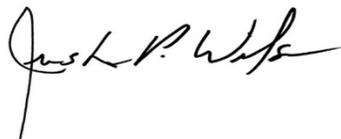
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2020, on our consideration of Sumner 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 Sumner 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 Sumner County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2020

JW/yu



Management's Discussion and Analysis

For Sumner County, Tennessee

The following section is the management's discussion and analysis of Sumner County Government's financial performance for the fiscal year ended June 30, 2019. The Sumner County School Department did not issue a separate set of financial statements. Therefore, this document includes a limited overview of the discretely presented component unit (DPCU), the Sumner County School Department.

The Sumner County Regional Airport Authority, the Sumner County Emergency Communications District, the Sumner County Convention and Visitors Bureau, and the Resource Authority in Sumner County are also discretely presented component units of the county. The financial statements of these component units, which require a discrete presentation, were excluded from this report. The effect of these exclusions is not material to the financial statements. Readers should review the separately issued financial statements and management's discussions and analyses, if any are available, for these discretely presented component units.

FINANCIAL HIGHLIGHTS

- ❖ As of June 30, 2019, Sumner County Government's net position is approximately \$51.3 million. Of this amount, the unrestricted net position, which may be used to meet Sumner County's obligations to citizens and creditors, is an approximate negative \$176.2 million. This negative unrestricted fund balance is the result of the financial statements of the Sumner County Government including debt of approximately \$208.6 million attributable to the Sumner County Board of Education. The discretely presented Sumner County School Department's net position (net investment in capital assets) includes the assets related to this debt. The discretely presented Sumner County School Department's net position is approximately \$309.6 million.
- ❖ During the fiscal year, the primary government's total net position improved by approximately \$18.3 million. The discretely presented Sumner County School Department's net position improved by approximately \$36.4 million including an approximate (\$16.3 million) prior-period adjustment.

- ❖ As of the close of the fiscal year, Sumner County's governmental funds reported approximately \$180.3 million of total fund balances, which is an approximate increase of \$100.3 million from the previous fiscal year. The discretely presented Sumner County School Department's governmental funds reported approximately \$53.8 million of total fund balances, which is an approximate increase of \$5.8 million from the previous fiscal year.
- ❖ At the end of the current fiscal year, the unrestricted fund balance (the total of committed, assigned, and unassigned) of the General Fund was approximately \$32.3 million, or approximately 53.6 percent, of the General Fund's annual budgetary expenditures (including other uses).
- ❖ The General Fund's balance improved by approximately \$936 thousand.
- ❖ Sumner County Government's total outstanding long-term debt increased by approximately \$80 million during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Sumner County Government's and the discretely presented Sumner County School Department's basic financial statements. The government-wide financial statements, the fund financial statements, and the notes to the financial statements comprise the basic financial statements. This annual financial report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Sumner County Government's and the discretely presented Sumner County School Department's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents financial information on all of the Sumner County Government's and the discretely presented Sumner County School Department's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sumner County Government and the discretely presented Sumner County School Department is improving or deteriorating.

The Statement of Activities presents information showing how the Sumner County Government's and the discretely presented Sumner County School Department's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Sumner County Government and of the discretely presented Sumner County School Department that are principally supported by taxes and intergovernmental revenues (governmental activities)

from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the Sumner County Government include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; and education. The Sumner County Government and the discretely presented Sumner County School Department have no business-type functions.

The government-wide financial statements include not only the Sumner County Government (known as the primary government) but also a legally separate school system for which the Sumner County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found in Exhibits A and B.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Sumner County Government and the discretely presented Sumner County School Department, like other state and local governments, use fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. Sumner County Government and the discretely presented Sumner County School Department have three broad categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in the evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sumner County Government maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Debt Service, and General Capital Projects Funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The discretely presented

Sumner County School Department maintains two individual governmental funds: the General Purpose School and School Federal Projects Funds.

The Sumner County Government adopts an annual budget for the General Fund, all special revenue funds (except the constitutional officers' fees fund), the General Capital Projects Fund, and the General Debt Service Fund. The discretely presented Sumner County School Department, with the approval of the county, adopts an annual budget for the General Purpose School and School Federal Projects Funds. Budgetary comparisons have been provided for these funds to demonstrate budgetary compliance.

Governmental fund financial statements can be found in the table of contents.

Proprietary Funds. The Sumner County Government maintains one type of proprietary fund, an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the Sumner County Government's various functions. The Sumner County Government uses an internal service fund to account for the county's self-insured insurance funds (occupational compensation insurance, employee health insurance, employee dental insurance, and liability insurance). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The discretely presented Sumner County School Department maintains one type of proprietary fund, an internal service fund. The discretely presented Sumner County School Department uses an internal service fund to account for its self-insured insurance funds (employee health insurance).

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements for the Sumner County Government can be found in Exhibits D-1 through D-3 and, for the discretely presented Sumner County School Department, in Exhibits J-8 through J-10.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Sumner County Government's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Sumner County Government maintains one type of fiduciary fund, an agency fund. An agency fund reports resources held by the Sumner County Government in a custodial capacity for individuals, private organizations, or other governments. The basic fiduciary fund financial statement can be found in Exhibit E.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements are located in the table of contents.

FINANCIAL ANALYSIS OF SUMNER COUNTY AS A WHOLE

Net Position.

Table 1. Sumner County Government's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
Assets:		
Current and Other Assets	\$ 265,975,021	\$ 151,787,698
Capital Assets	<u>95,177,133</u>	<u>92,739,834</u>
Total Assets	<u>\$ 361,152,154</u>	<u>\$ 244,527,532</u>
Total Deferred Outflows of Resources	\$ 8,217,372	\$ 8,457,113
Liabilities:		
Long-term Liabilities Outstanding	\$ 231,012,258	\$ 147,095,655
Other Liabilities	<u>27,156,921</u>	<u>24,095,387</u>
Total Liabilities	<u>\$ 258,169,179</u>	<u>\$ 171,191,042</u>
Total Deferred Inflows of Resources	\$ 59,865,348	\$ 48,781,969
Net Position:		
Net Investment in Capital Assets	\$ 79,862,690	\$ 83,800,050
Restricted	147,627,485	45,444,374
Unrestricted	<u>(176,155,176)</u>	<u>(96,232,790)</u>
Total Net Position	<u>\$ 51,334,999</u>	<u>\$ 33,011,634</u>

By far, the largest portion of the Sumner County Government's net position, \$79,862,690, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related outstanding debt that was used to acquire those assets. The Sumner County Government uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Sumner County Government's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Sumner County Government's net position, \$147,627,485, represents resources that are subject to external restrictions on how they may be used. The remaining balance for the Sumner County Government of \$176,155,176 is an unrestricted deficit. This unrestricted deficit does not mean that the county does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. The aforementioned unrestricted net position deficit is attributable specifically to the constitution for the State of Tennessee allowing only the local legislative body to issue debt for the Sumner County Board of Education. Therefore, whenever the Sumner County Board of Education requires the issuance of debt to fund major capital projects or equipment purchases, the related debt must

be issued by the Sumner County Government. At the end of the current fiscal year, the Sumner County Government had outstanding debt related to the Sumner County Board of Education of \$208,597,365. The related assets for this debt are reported in the Statement of Net Position under component units in the column “Sumner County School Department”.

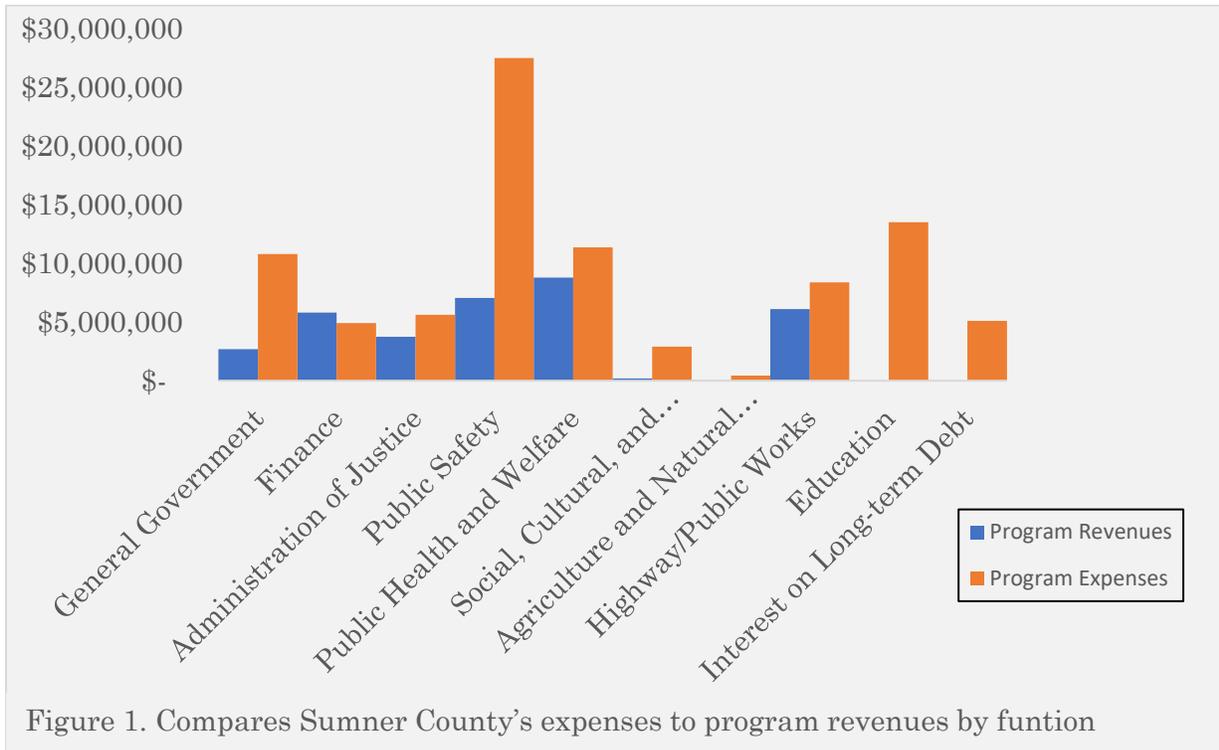
Governmental Activities. The Sumner County Government’s total net position improved by \$18,323,365, or 55.5%, between fiscal years 2018 and 2019. The primary reasons for this overall increase are enumerated below.

- An \$80,190,000 increase in Sumner County Primary Government’s long-term debt due to issuance of \$95,415,000 of bonds for the construction of the Liberty Creek School Campus net of payments of maturing long-term bonds of \$15,225,000.
- An increase of \$2,437,299 in capital assets due to capital asset purchases and donations of \$11,236,370 minus disposal of equipment not completely depreciated of \$65,077; \$188,087 for roads annexed by the City of Gallatin; \$18,721 for infrastructure jobs terminated due to annexations; and depreciation of \$8,527,186.
- Sumner County’s governmental funds increased by \$100,315,508 from the previous fiscal year. This increase is predominately the result of \$100,611,501 of unspent proceeds from the 2019 General Obligation School and Public Improvement Bond issuance.

Table 2. Sumner County Government's Activities

	Governmental Activities	
	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 26,437,363	\$ 23,169,338
Operating Grants and Contributions	6,715,467	6,563,538
Capital Grants and Contributions	1,233,647	5,326,170
General Revenues:		
Property Tax	46,878,368	46,313,314
Local Option Sales Tax	9,707,781	9,127,881
Wheel Tax	2,173,926	2,139,295
Interstate Telecommunications Tax	410	102,624
Business Tax	2,410,875	2,207,600
Adequate Facilities/Development Tax	2,843,436	2,974,896
Hotel/Motel Tax	937,692	924,681
Wholesale Beer Tax	442,792	455,984
Litigation Tax	1,211,726	1,284,590
Mineral Severance Tax	224,966	227,103
Beer Privilege Tax	2,636	2,627
Local Amusement Tax	1,719	1,927
Other Statutory Local Taxes	0	7,650
Grants and Contributions Not Restricted to Specific Programs	3,612,100	4,086,229
Unrestricted Investment Income	3,945,211	1,736,180
Miscellaneous	67,452	112,441
Gain from Sale of Capital Assets	0	79,958
Total Revenues	<u>\$ 108,847,567</u>	<u>\$ 106,844,026</u>
Expenses:		
General Government	\$ 10,803,948	\$ 10,354,202
Finance	4,897,420	4,582,347
Administration of Justice	5,617,177	5,359,935
Public Safety	27,497,284	27,834,706
Public Health and Welfare	11,371,502	10,956,926
Social, Cultural, and Recreational Services	2,898,312	2,949,501
Agriculture and Natural Resources	439,817	421,670
Highways	8,390,809	7,882,956
Education	13,520,338	20,859,754
Interest on Long-term Debt	5,087,595	5,541,853
Total Expenses	<u>\$ 90,524,202</u>	<u>\$ 96,743,850</u>
Increase (Decrease) in Net Position	\$ 18,323,365	\$ 10,100,176
Net Position - Beginning	<u>33,011,634</u>	<u>22,911,458</u>
Net Position - Ending	<u>\$ 51,334,999</u>	<u>\$ 33,011,634</u>

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. Figure one presents program revenues in juxtaposition to program expenditures—the difference is the amount funded by the county's general revenues.



Discretely Presented Sumner County School Department

The discretely presented Sumner County School Department's net position improved by \$20,031,307, not including a \$16,349,359 prior-period adjustment, between fiscal years 2018 and 2019 (see Table 3).

Table 3. Discretely Presented Sumner County School Department's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
Assets:		
Current and Other Assets	\$ 186,040,124	\$ 143,851,173
Capital Assets	<u>250,291,642</u>	<u>254,445,277</u>
Total Assets	<u>\$ 436,331,766</u>	<u>\$ 398,296,450</u>
Total Deferred Outflows of Resources	\$ 30,627,041	\$ 29,373,508
Liabilities:		
Long-term Liabilities Outstanding	\$ 51,552,405	\$ 65,330,497
Other Liabilities	<u>6,187,335</u>	<u>2,061,716</u>
Total Liabilities	<u>\$ 57,739,740</u>	<u>\$ 67,392,213</u>
Total Deferred Inflows of Resources	\$ 99,586,697	\$ 87,026,041
Net Position:		
Net Investment in Capital Assets	\$ 258,907,289	\$ 254,445,277
Restricted	20,687,600	9,212,458
Unrestricted	<u>30,037,481</u>	<u>9,593,969</u>
Total Net Position	<u>\$ 309,632,370</u>	<u>\$ 273,251,704</u>

Table 4. The Discretely Presented Sumner County School Department's Activities

	Governmental Activities	
	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,922,278	\$ 7,957,758
Operating Grants and Contributions	18,925,759	16,233,843
Capital Grants and Contributions	10,980,371	21,118,129
General Revenues:		
Property Tax	65,140,084	64,366,561
Local Option Sales Tax	19,418,462	18,258,493
Wheel Tax	5,071,463	4,990,956
Mixed Drink Tax	330,904	281,270
Interstate Telecommunications Tax	0	152,754
Grants and Contributions Not Restricted to Specific Programs	154,669,104	148,258,254
Unrestricted Investment Earnings	113,954	60,881
Miscellaneous	257,893	260,100
Total Revenues	<u>\$ 283,830,272</u>	<u>\$ 281,938,999</u>
Expenses:		
Education	<u>\$ 263,798,965</u>	<u>\$ 253,362,697</u>
Total Expenses	<u>\$ 263,798,965</u>	<u>\$ 253,362,697</u>
Increase (Decrease) in Net Position	\$ 20,031,307	\$ 28,576,302
Prior-Period Adjustment	16,349,359	0
Net Position - Beginning	273,251,704	244,675,402
Net Position - Ending	<u>\$ 309,632,370</u>	<u>\$ 273,251,704</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the Sumner County Government and the discretely presented Sumner County School Department use fund accounting to ensure and to demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the Sumner County Government's and the discretely presented Sumner County School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sumner County Government's and the discretely presented Sumner County School Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited for a particular purpose by either an external party, the Sumner County Government, the discretely presented Sumner County School Department, or a group of individuals that has been delegated the authority to assign resources for particular purposes by the Sumner County Commission.

On June 30, 2019, Sumner County's governmental funds reported combined fund balances of \$180,317,714, an increase of \$100,315,508 in comparison to the prior year. Approximately ten percent of this amount, \$18,492,828, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either unspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$215,133); 2) restricted for particular purposes (\$142,108,397); 3) committed for particular purposes (\$15,446,707); or 4) assigned for particular purposes (\$4,054,649).

The General Fund is the chief operating fund of the Sumner County Government. Figure 2 presents the individual components of the General Fund's fund balance. At the end of the current fiscal year, the unassigned fund balance was \$18,492,828 while the total fund balance was \$33,280,244. The unassigned fund balance is net of \$3,906,965, assigned (approved) for use in the budget for the fiscal year ending June 30, 2020. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 30.7 percent of the total General Fund's budgetary expenditures while total fund balance represents approximately 55.2 percent of that same amount.

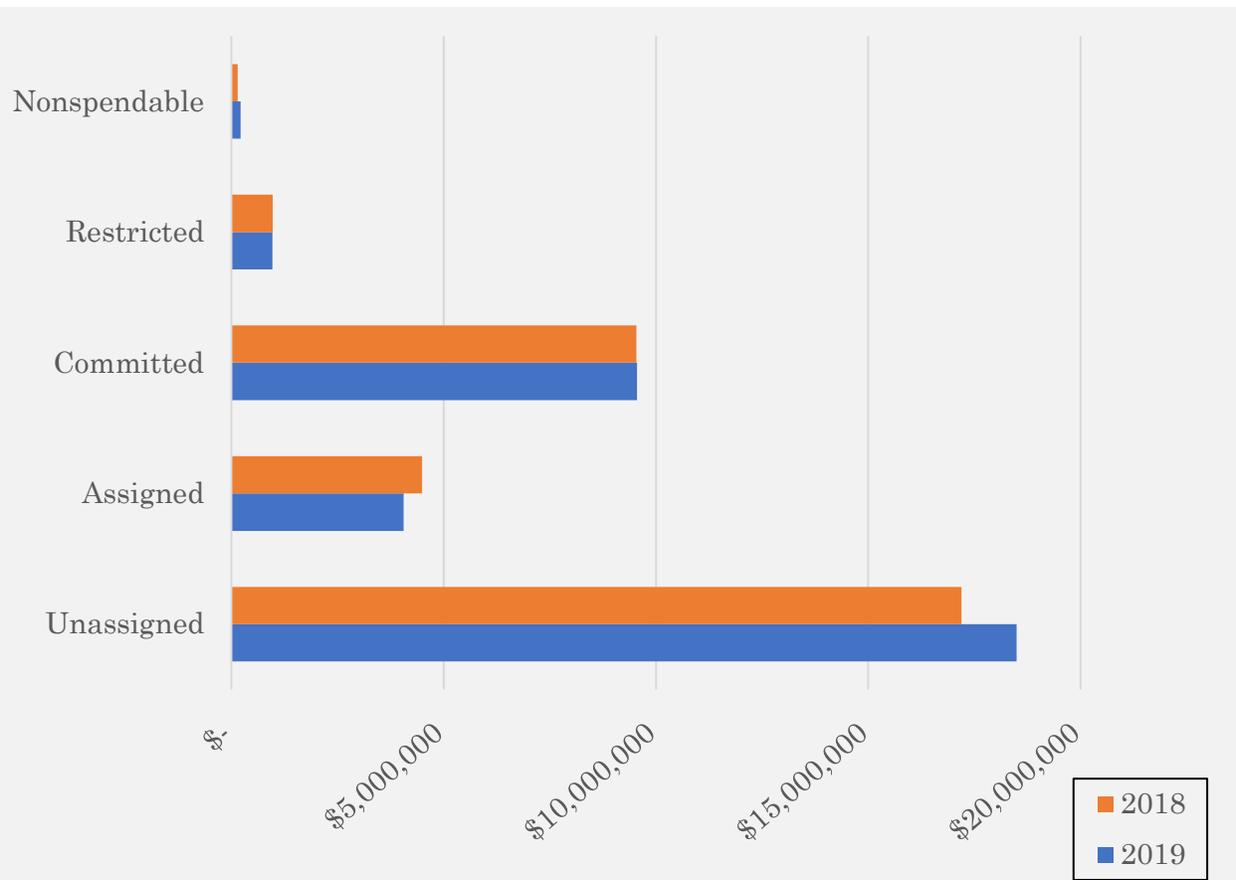


Figure 2. Compares General Fund's components of fund balance as of June 30, 2018 to as of June 30, 2019

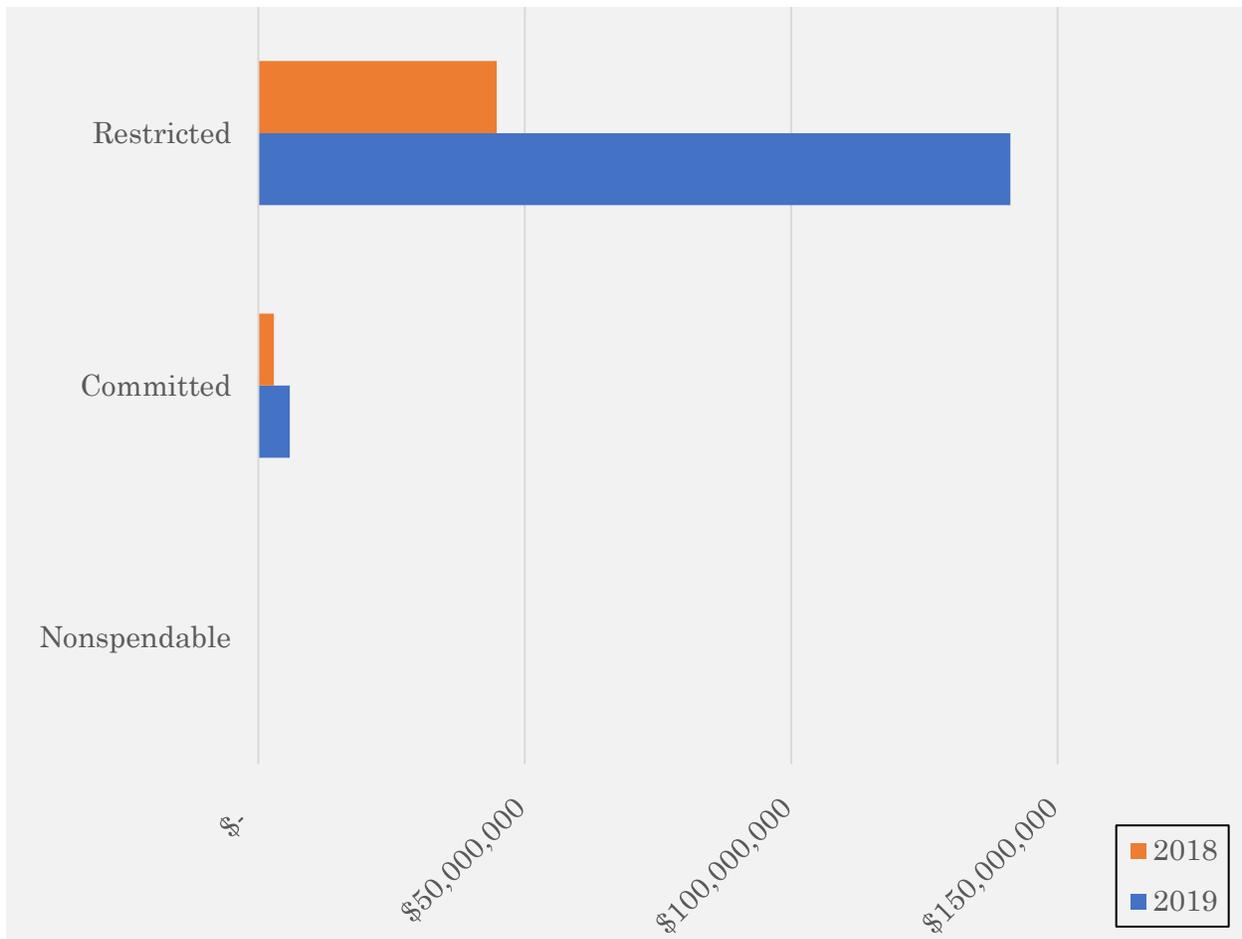


Figure 3. Compares other Governmental Fund's components of fund balance as of June 30, 2018 to as of June 30, 2019

The General Fund's balance improved by \$936,060 primarily as the result of appropriations exceeding expenditures.

The General Debt Service Fund, a major fund, had a \$3,443,814 decrease in fund balance, which was the result of a budgeted—planned—decrease in fund balance.

The Highway/Public Works Fund's balance improved by \$59,953, which is the result of appropriations exceeding expenditures.

The General Capital Projects Fund, the remaining major governmental fund, had a \$102,761,457 increase in fund balance, which was predominately the result of \$100,611,501 of unspent proceeds from the 2019 General Obligation School and Public Improvement Bond issuance and various other projects that were not completed until the fiscal year 2020.

General Fund Budgetary Highlights

Original budget compared to the final budget. As presented in Table 5, the difference in the original budget's and the final budget's appropriations was an increase of \$2,171,852 compared to the original budget of \$64,548,300. Of this amount, \$1,359,057 was from fund balances.

Table 5. County General Fund's budget

	Governmental Activities	
	Original	Final
Budgeted Operations		
Budgeted Revenues	\$ 59,754,858	\$ 60,552,485
Appropriations	<u>64,548,300</u>	<u>66,720,152</u>
Operating Excess (Deficiency)	<u>\$ (4,793,442)</u>	<u>\$ (6,167,667)</u>
Budgeted Other Financing Sources (Uses)		
Budgeted Other Financing Sources	\$ -	\$ 15,168
Budgeted Other Financing Uses	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 15,168</u>
Budgeted Net Change in Fund Balance	<u>\$ (4,793,442)</u>	<u>\$ (6,152,499)</u>
Budgeted Fund Balance, Beginning of Period	<u>30,268,119</u>	<u>30,268,119</u>
Budgeted Fund Balance, End of Period	<u>\$ 25,474,677</u>	<u>\$ 24,115,620</u>

The following items are the main components of the amendments.

- \$531,485 supplemental appropriation to the Sheriff's Office for inmate medical services funded by an estimated increase in state revenue of \$231,485 and from the unassigned fund balance of \$300,000
- \$250,000 supplemental appropriation to juvenile services for juvenile detention housing funded from the unassigned fund balance
- \$230,515 supplemental appropriation for the health department's amended Direct Grant Access grant funded from an estimated increase in state grant revenue
- \$160,000 supplemental appropriation to the Sheriff's Office for the drug task force funded from an estimated increase in equitable sharing revenue
- \$70,000 supplemental appropriation to the Sheriff's Office for inmate food supplies funded from the unassigned fund balance
- \$50,000 supplemental appropriation for Americans with Disabilities Act self-evaluation and transition plan funded from the unassigned fund balance
- \$43,869 supplemental appropriation for Bridal House improvements funded from the committed fund balance for the Bridal House

- \$40,601 supplemental appropriation to the drug (recovery) court funded from an estimated increase in federal grant revenue
- \$39,535 supplemental appropriation to emergency medical services to replenish disaster deployment supplies to be funded from the unassigned fund balance
- \$30,000 supplemental appropriation to the Register of Deeds' Office for data processing equipment funded from the restricted fund balance for the register of deeds
- \$25,714 supplemental appropriation to the Sheriff's Office for an Impaired Driving Enforcement Grant from the Tennessee Highway Safety Office funded by an estimated increase in state revenue of \$25,000 and from the restricted fund balance for public safety of \$714
- \$22,500 supplemental appropriation to the information technology department for county building connectivity funded from the unassigned fund balance
- \$20,000 supplemental appropriation to the health department for a Healthy Built Environment grant funded from an estimated increase in state revenue
- \$19,381 supplemental appropriation to emergency medical services for federal disaster relief reimbursement funded by an increase in estimated federal revenue of \$9,216 and from the unassigned fund balance for \$10,165 that was received in June 2018
- \$18,854 supplemental appropriation to the building and codes department for abatement and codes enforcement funded from the committed fund balance for abatement
- \$18,250 supplemental appropriation to the Sheriff's Office for inmate property baskets funded from inactive commissary accounts' revenue
- \$16,800 supplemental appropriation for a hotel/motel tax audit funded from the unassigned fund balance
- \$15,168 supplemental appropriation to the Sheriff's Office for vehicle repairs funded by insurance recovery proceeds
- \$11,070 supplemental appropriation to the Sheriff's Office for the animal control program funded from an estimated increase in donations
- \$10,632 supplemental appropriation to emergency medical services for expenses related to a mid-year change of the director funded from the unassigned fund balance
- \$10,511 supplemental appropriation for various library grants funded from an estimated increase in federal revenues of \$10,093 and from the restricted fund balance for a STEM grant for \$418
- Various other minor supplemental appropriations funded from increases in estimated revenues or uses of fund balances

Final budget compared to actual results

The most significant differences between the final budgeted revenues and actual revenues in the General Fund are presented in Table 6.

Table 6. Budgeted Compared to Actual Results

	Revenues		Difference
	Budgeted	Actual	
Local Taxes	\$ 29,577,083	\$ 30,263,740	\$ 686,657
Licenses and Permits	1,023,515	1,070,997	47,482
Fines, Forfeitures, and Penalties	634,544	615,071	(19,473)
Charges for Current Services	7,726,566	8,257,827	531,261
Other Local Revenues	3,105,880	3,247,812	141,932
Fees Received From County Officials	9,955,569	9,616,043	(339,526)
State of Tennessee	7,474,218	7,724,391	250,173
Federal Government	570,800	308,671	(262,129)
Other Governments and Citizens Groups	484,310	349,753	(134,557)

The budgetary excess in local taxes resulted, primarily, from the percentage of the 2018 property taxes collected in the fiscal year 2019 being a historically high percentage and the business tax collections and bank excise tax collections being larger than anticipated due to the continuing local economic expansion. The budgetary excess in licenses and permits was the result of building permit collections being larger than anticipated due to the continuing local economic expansion. The budgetary shortfall in fines, forfeitures, and penalties was due to a court decision in July, 2018 that had a negative impact on the collectability percentage of these revenues. The budgetary excess in charges for current services resulted, primarily, from patient charges from the county's emergency medical services being higher than anticipated. The budgetary excess in other local revenues was the result of investment income being larger than anticipated due to an unexpected increase in the interest rate and proceeds from an unanticipated sale of equipment. The budgetary shortfall in fees received from county officials was primarily the result of a court decision in July, 2018 that had a negative impact on the collectability percentage of court costs and fees. The budgetary excess in the State of Tennessee was the result of collections from the Tennessee Valley Authority on an impact fee for one year longer than anticipated. The budgetary shortfall in the federal government was the result of grants and other pass-through (reimbursement) programs that were anticipated but not spent or reimbursed in the current fiscal year. The budgetary shortfall in other governments and citizens groups was the result of reimbursements anticipated but not received due to amounts that were not spent on various reimbursement based programs. It should be noted that, in totality, collections in the General Fund were 101.5 percent of the budgeted amount.

This year's \$6,454,897 of unspent appropriations were primarily the result of the following factors.

- Approximately \$2,760,727 of unspent appropriations for various unfilled or under-filled positions (including benefits)
- \$666,553 of unspent appropriations for Capps Gap Landfill closure
- \$189,583 of unspent appropriations for inmate medical treatment costs
- \$121,485 of unspent appropriations for a Civil War Grant
- \$107,330 of unspent appropriations for housing incarcerated juveniles

Discretely Presented Sumner County School Department – General Purpose School Fund Budgetary Highlights

The differences in the original budget’s and the final budget’s appropriations, including other uses, increased by \$5,381,575 compared to the original budget of \$273,805,917. Of this increase, \$2,559,897 was funded by an estimated increase in revenues and other sources; the remainder was from fund balances.

Capital Assets and Debt Administration

Primary Government

The Sumner County Government’s investment in capital assets, net of accumulated depreciation, as of June 30, 2019, was \$95,177,133. This investment in net assets includes land, construction in progress, intangibles, buildings, building improvements, machinery and equipment, roads, and bridges. The total increase in the Sumner County Government’s investment in capital assets for the fiscal year was \$2,437,299.

Table 7. Change in Sumner County's Capital Assets (net of depreciation)

	Fiscal Year Ended		Change
	June 30, 2019	June 30, 2018	
Land	\$ 4,708,116	\$ 4,004,292	\$ 703,824
Construction in Progress	6,753,541	4,980,814	1,772,727
Buildings and Improvements	39,664,548	41,867,851	(2,203,303)
Roads and Bridges	34,052,387	34,687,194	(634,807)
Intangibles (depreciated)	459,876	445,920	13,956
Other Capital Assets	9,538,665	6,753,763	2,784,902
Total	\$ 95,177,133	\$ 92,739,834	\$ 2,437,299

Major capital asset events during the fiscal year included the following.

- Work-in-progress increases were \$2,028,522, which consisted of \$263,074 for the Sumner County Administration Building roof and fire panel repairs; \$3,375 for the finance department enterprise resource planning project for Kronos; \$1,162,460 for the new courthouse project; \$23,328 for re-roofing the jail; \$5,500 for repairing/replacing doors at the emergency communications center; \$551,609 for the county-wide communications system; and \$19,176 for the Station Camp Greenway. Decreases to work-in-progress totaled \$255,795, which was for the completion of re-roofing the jail.

- Land increases totaled \$703,824. Increases included \$203,221 for a parking lot on South Water Avenue and \$500,603 for land adjacent to the emergency response complex.
- Buildings and building improvements increases totaled \$746,665. Increases included \$20,600 for remodeling the election commission office; \$108,371 for replacement of the hvac systems in the county administration building server room, the drug court, and the sheriff's training center; \$261,797 for re-roofing the county clerk's Hendersonville office and the jail; \$194,897 for parking lot improvements at the South Water Avenue lot and the Bridal House; \$18,675 to replace doors at the emergency response complex and the health department; and \$142,325 for geothermal repairs at the Hendersonville Library. Buildings and building improvement depreciation expenses totaled \$2,949,968 for the fiscal year.
- The infrastructure's gross increase consists of \$3,407,381 of road and bridge improvements less reductions of \$2,519,121 and road surfacing completely depreciated of \$2,312,313. Infrastructure's depreciation totaled \$3,835,379.
- Intangible asset increases totaled \$54,689. This amount consists of \$24,526 for a Veeam Availability Suite backup system and \$30,163 for a network refresh rebuild for the information technology department. Amortization for the intangible assets totaled \$40,733.
- Depreciable equipment increases totaled \$4,551,084. Disposals of depreciable equipment totaled \$520,755 with associated accumulated depreciation of \$455,678. Depreciation for equipment totaled \$1,701,106.

Discretely Presented Sumner County School Department

The discretely presented Sumner County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2019, was \$250,291,642. This investment in capital assets includes land, buildings, building improvements, machinery, and equipment. The total decrease in the Sumner County School Department's investment in capital assets for the fiscal year was \$4,153,635.

Table 8. Change in Sumner County School Department's Capital Assets (net of depreciation)

	Fiscal Year Ended		Change
	June 30, 2019	June 30, 2018	
Land	\$ 11,726,831	\$ 11,726,831	\$ 0
Construction in Progress	34,677,211	27,691,618	6,985,593
Buildings and Improvements	190,039,407	203,753,839	(13,714,432)
Other Capital Assets	13,848,193	11,272,989	2,575,204
Total	\$ 250,291,642	\$ 254,445,277	\$ (4,153,635)

The notes to the financial statements contain additional details about the Sumner County Government's and the discretely presented Sumner County School Department's capital

assets. The table of contents provides the specific page numbers for the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the Sumner County Government had long-term debt totaling \$223,650,000 which is to be paid by the General Debt Service Fund. This was an increase in long-term debt of \$80,190,000 from the previous fiscal year. The full faith and credit of the county backs all debt. Sumner County’s most recent bonds were rated AA+/Stable by Standard and Poor’s Financial Services. The notes to the financial statements contain additional information about Sumner County Government’s long-term debt. The table of contents provides the specific page numbers for the notes to the financial statements.

Table 9. Sumner County's Outstanding Long-term Debt

Issued For	Board of Education	Primary Government	Total Debt
Bond - Refunding	\$ 46,825,000	\$ 0	\$ 46,825,000
General Obligation Series 2010	432,765	1,042,235	1,475,000
General Obligation Series 2013	15,695,300	3,214,700	18,910,000
General Obligation Series 2015	53,091,750	7,933,250	61,025,000
General Obligation Series 2019	92,552,550	2,862,450	95,415,000
Total	<u>\$ 208,597,365</u>	<u>\$ 15,052,635</u>	<u>\$ 223,650,000</u>

Economic Factors and Next Year’s Budgets and Rates

When Sumner County adopted its budget on August 19, 2019, the following factors were considered.

- Sumner County’s unemployment rate as of June 30, 2019, was 3.2 percent (not seasonally adjusted), which was lower than the June 30, 2018 rate of 3.3 percent (not seasonally adjusted).
- Overall inflation levels were moderate—the consumer price index for all urban consumers was 1.65 percent. However, several key items used by the county experienced significant price increases—asphalt, steel, and concrete to name a few.
- Earnings in Sumner County continue to increase year over year indicated by increases in average annual pay, median household income, and per capita income.
- Population growth in the county has been on a steady increase with the most recent annual rate reported at 1.9 percent.

Requests for Information

This financial report is designed to provide a general overview of the county’s finances. For questions concerning any of the information provided in this report, please contact the Sumner County Finance Department at 355 North Belvedere Drive, Room 302, Gallatin, Tennessee 37066.

BASIC FINANCIAL STATEMENTS

Exhibit A

Sumner County, Tennessee
Statement of Net Position
June 30, 2019

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Sumner County School Department</u>
<u>ASSETS</u>		
Cash	\$ 6,785	\$ 7,685
Equity in Pooled Cash and Investments	196,002,621	80,391,797
Accounts Receivable	3,035,202	194,001
Allowance for Uncollectibles	(1,877,832)	0
Due from Other Governments	5,079,306	8,574,865
Notes Receivable - Long-term	800,000	0
Property Taxes Receivable	59,153,620	83,625,566
Allowance for Uncollectible Property Taxes	(865,440)	(1,214,345)
Prepaid Items	215,133	21,422
Accrued Interest Receivable	544,338	0
Net Pension Asset - Agent Plan	3,881,288	3,408,885
Net Pension Asset - Teacher Retirement Plan	0	985,332
Net Pension Asset - Teacher Legacy Plan	0	9,530,334
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	514,582
Capital Assets:		
Assets Not Depreciated:		
Land	4,708,116	11,726,831
Construction in Progress	6,753,541	34,677,211
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	39,664,548	190,039,407
Other Capital Assets	9,538,665	13,848,193
Infrastructure	34,052,387	0
Intangibles	459,876	0
Total Assets	<u>\$ 361,152,154</u>	<u>\$ 436,331,766</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 1,548,512	\$ 0
Pension Changes in Experience	1,059,597	2,912,842
Pension Changes in Assumptions	1,427,417	6,928,828
Pension Changes in Proportion	0	629,698
Pension Contributions After Measurement Date	3,908,710	14,622,182
OPEB Changes in Experience	0	3,332,853
OPEB Changes in Assumptions	258,298	2,200,638
OPEB Benefits Paid After Measurement Date	14,838	0
Total Deferred Outflows of Resources	<u>\$ 8,217,372</u>	<u>\$ 30,627,041</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Sumner County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,517,198	\$ 2,027,266
Accrued Payroll	631,328	0
Payroll Deductions Payable	279,029	3,612,469
Contracts Payable	1,740,287	0
Retainage Payable	20,672	0
Due to State of Tennessee	420	0
Due to Cities	5,892	0
Other Current Liabilities	8,943	0
Due to Litigants, Heirs, and Others	6,197	0
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	2,000	195,145
Accrued Interest Payable	858,689	0
Noncurrent Liabilities:		
Due Within One Year - Debt	17,725,000	0
Due Within One Year - Other	3,361,266	352,455
Due in More Than One Year - Debt	223,803,478	0
Due in More Than One Year - Other	7,208,780	51,552,405
Total Liabilities	<u>\$ 258,169,179</u>	<u>\$ 57,739,740</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 57,737,266	\$ 81,645,544
Pension Changes in Experience	868,899	13,659,565
Pension Changes in Investment Earnings	483,210	2,554,254
Pension Changes in Proportion	0	264,084
OPEB Changes in Experience	568,643	1,463,250
OPEB Changes in Assumptions	207,330	0
Total Deferred Inflows of Resources	<u>\$ 59,865,348</u>	<u>\$ 99,586,697</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 79,862,690	\$ 258,907,289
Restricted for:		
General Government	433,312	0
Finance	98,103	0
Administration of Justice	649,601	0
Public Safety	135,452	0
Public Health and Welfare	289	0
Social, Cultural, and Recreational Services	38,933	0
Highway/Public Works	1,604,186	0
Capital Projects	125,390,967	0
Debt Service	15,395,354	0
Education	0	6,248,467
Pensions	3,881,288	14,439,133
Unrestricted	<u>(176,155,176)</u>	<u>30,037,481</u>
Total Net Position	<u>\$ 51,334,999</u>	<u>\$ 309,632,370</u>

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

Exhibit B

Sumner County, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Sumner County School Department
Primary Government:						
General Government	\$ 10,803,948	\$ 2,592,485	\$ 82,786	\$ 1,820	\$ (8,126,857)	\$ 0
Finance	4,897,420	5,809,946	2,000	0	914,526	0
Administration of Justice	5,617,177	3,740,574	11,440	0	(1,865,163)	0
Public Safety	27,497,284	6,255,225	664,690	142,098	(20,435,271)	0
Public Health and Welfare	11,371,502	7,589,487	1,212,431	0	(2,569,584)	0
Social, Cultural, and Recreational Services	2,898,312	51,002	130,751	0	(2,716,559)	0
Agriculture and Natural Resources	439,817	6,900	0	0	(432,917)	0
Highway/Public Works	8,390,809	391,744	4,611,369	1,089,729	(2,297,967)	0
Education	13,520,338	0	0	0	(13,520,338)	0
Interest on Long-term Debt	5,087,595	0	0	0	(5,087,595)	0
Total Primary Government	\$ 90,524,202	\$ 26,437,363	\$ 6,715,467	\$ 1,233,647	\$ (56,137,725)	\$ 0
Component Unit:						
Sumner County School Department	\$ 263,798,965	\$ 8,922,278	\$ 18,925,759	\$ 10,980,371	\$ 0	\$ (224,970,557)
Total Component Unit	\$ 263,798,965	\$ 8,922,278	\$ 18,925,759	\$ 10,980,371	\$ 0	\$ (224,970,557)

(Continued)

Exhibit B

Sumner County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Sumner County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 45,509,770	\$ 65,140,084
Property Taxes Levied for Debt Service					1,368,598	0
Local Option Sales Tax					9,707,781	19,418,462
Wheel Tax					2,173,926	5,071,463
Mixed Drink Tax					0	330,904
Interstate Telecommunications Tax					410	0
Business Tax					2,410,875	0
Adequate Facilities/Development Tax					2,843,436	0
Hotel/Motel Tax					937,692	0
Wholesale Beer Tax					442,792	0
Litigation Tax					1,211,726	0
Mineral Severance Tax					224,966	0
Beer Privilege Tax					2,636	0
Local Amusement Tax					1,719	0
Grants and Contributions Not Restricted to Specific Programs					3,612,100	154,669,104
Unrestricted Investment Earnings					3,945,211	113,954
Miscellaneous					67,452	257,893
Total General Revenues					<u>\$ 74,461,090</u>	<u>\$ 245,001,864</u>
Change in Net Position					\$ 18,323,365	\$ 20,031,307
Net Position, July 1, 2018					33,011,634	273,251,704
Prior-period Adjustment - See Note I.D.11.					0	16,349,359
Net Position, June 30, 2019					<u>\$ 51,334,999</u>	<u>\$ 309,632,370</u>

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

Exhibit C-1

Sumner County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 885	\$ 0	\$ 0	\$ 0	\$ 5,900	\$ 6,785
Equity in Pooled Cash and Investments	32,280,382	1,060,431	18,759,210	127,375,977	438,201	179,914,201
Accounts Receivable	2,700,760	183,919	12,443	72,550	65,530	3,035,202
Allowance for Uncollectibles	(1,877,832)	0	0	0	0	(1,877,832)
Due from Other Governments	2,216,468	885,115	1,780,021	195,639	2,063	5,079,306
Due from Other Funds	397	2,447	0	0	0	2,844
Property Taxes Receivable	30,237,893	777,562	17,335,424	10,802,741	0	59,153,620
Allowance for Uncollectible Property Taxes	(449,252)	(11,796)	(152,494)	(251,898)	0	(865,440)
Prepaid Items	214,934	0	0	0	199	215,133
Accrued Interest Receivable	4,099	0	535,611	0	0	539,710
Notes Receivable - Long-term	800,000	0	0	0	0	800,000
Total Assets	<u>\$ 66,128,734</u>	<u>\$ 2,897,678</u>	<u>\$ 38,270,215</u>	<u>\$ 138,195,009</u>	<u>\$ 511,893</u>	<u>\$ 246,003,529</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 1,278,141	\$ 399,376	\$ 0	\$ 728,015	\$ 75,020	\$ 2,480,552
Accrued Payroll	581,699	49,629	0	0	0	631,328
Payroll Deductions Payable	279,006	23	0	0	0	279,029
Contracts Payable	0	0	0	1,740,287	0	1,740,287
Retainage Payable	0	0	0	20,672	0	20,672
Due to Other Funds	2,243	347	0	0	554	3,144
Due to State of Tennessee	420	0	0	0	0	420
Due to Cities	5,892	0	0	0	0	5,892
Due to Litigants, Heirs, and Others	0	0	0	0	6,197	6,197
Other Current Liabilities	0	0	0	0	8,943	8,943

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>LIABILITIES (Cont.)</u>						
Current Liabilities Payable From Restricted Assets	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000
Total Liabilities	\$ 2,149,401	\$ 449,375	\$ 0	\$ 2,488,974	\$ 90,714	\$ 5,178,464
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 29,497,149	\$ 757,918	\$ 17,167,131	\$ 10,315,068	\$ 0	\$ 57,737,266
Deferred Delinquent Property Taxes	238,836	6,430	12,945	193,184	0	451,395
Other Deferred/Unavailable Revenue	963,104	420,026	849,369	53,799	32,392	2,318,690
Total Deferred Inflows of Resources	\$ 30,699,089	\$ 1,184,374	\$ 18,029,445	\$ 10,562,051	\$ 32,392	\$ 60,507,351
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 214,934	\$ 0	\$ 0	\$ 0	\$ 199	\$ 215,133
Restricted:						
Restricted for General Government	180,176	0	0	0	253,136	433,312
Restricted for Finance	98,103	0	0	0	0	98,103
Restricted for Administration of Justice	649,601	0	0	0	0	649,601
Restricted for Public Safety	0	0	0	0	135,452	135,452
Restricted for Public Health and Welfare	289	0	0	0	0	289
Restricted for Social, Cultural, and Recreational Services	38,933	0	0	0	0	38,933
Restricted for Highways/Public Works	0	1,263,929	0	0	0	1,263,929
Restricted for Debt Service	0	0	14,344,794	0	0	14,344,794
Restricted for Capital Projects	0	0	0	125,143,984	0	125,143,984
Committed:						
Committed for General Government	9,535,677	0	0	0	0	9,535,677

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Committed (Cont.):						
Committed for Debt Service	\$ 0	\$ 0	\$ 5,895,976	\$ 0	\$ 0	\$ 5,895,976
Committed for Capital Projects	15,054	0	0	0	0	15,054
Assigned:						
Assigned for General Government	3,906,965	0	0	0	0	3,906,965
Assigned for Finance	13,550	0	0	0	0	13,550
Assigned for Administration of Justice	2,238	0	0	0	0	2,238
Assigned for Public Safety	122,615	0	0	0	0	122,615
Assigned for Public Health and Welfare	6,890	0	0	0	0	6,890
Assigned for Social, Cultural, and Recreational Services	2,391	0	0	0	0	2,391
Unassigned	18,492,828	0	0	0	0	18,492,828
Total Fund Balances	<u>\$ 33,280,244</u>	<u>\$ 1,263,929</u>	<u>\$ 20,240,770</u>	<u>\$ 125,143,984</u>	<u>\$ 388,787</u>	<u>\$ 180,317,714</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 66,128,734</u>	<u>\$ 2,897,678</u>	<u>\$ 38,270,215</u>	<u>\$ 138,195,009</u>	<u>\$ 511,893</u>	<u>\$ 246,003,529</u>

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

Sumner County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2019

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)		\$ 180,317,714
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,708,116	
Add: construction in progress	6,753,541	
Add: buildings and improvements net of accumulated depreciation	39,664,548	
Add: other capital assets net of accumulated depreciation	9,538,665	
Add: infrastructure net of accumulated depreciation	34,052,387	
Add: intangibles net of accumulated depreciation	459,876	
Less: capital assets of the internal service fund that are also included in item (2) below	<u>(2,526)</u>	95,174,607
(2) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		13,656,074
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (223,650,000)	
Less: other deferred revenue - premium on debt	(17,878,478)	
Less: accrued interest on bonds	(858,689)	
Less: compensated absences payable	(1,323,921)	
Add: compensated absences payable in the internal service fund	6,277	
Less: OPEB liability - county insurance plan	(4,966,918)	
Less: OPEB liability - medicare supplement plan	(1,882,330)	
Add: deferred amount on refunding debt	<u>1,548,512</u>	(249,005,547)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 6,395,724	
Less: deferred inflows of resources related to pensions	(1,352,109)	
Add: deferred outflows of resources related to OPEB	273,136	
Less: deferred inflows of resources related to OPEB	<u>(775,973)</u>	4,540,778
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		3,881,288
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,770,085</u>
Net position of governmental activities (Exhibit A)		<u>\$ 51,334,999</u>

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

Exhibit C-3

Sumner County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 30,263,740	\$ 3,072,547	\$ 14,082,333	\$ 20,131,009	\$ 308,243	\$ 67,857,872
Licenses and Permits	1,070,997	1,400	0	0	0	1,072,397
Fines, Forfeitures, and Penalties	615,071	0	0	0	20,863	635,934
Charges for Current Services	8,257,827	0	0	0	339,184	8,597,011
Other Local Revenues	3,247,812	71,493	3,751,710	32,704	208	7,103,927
Fees Received From County Officials	9,616,043	0	0	0	0	9,616,043
State of Tennessee	7,724,391	4,830,991	11,183	40,985	0	12,607,550
Federal Government	308,671	0	0	399,823	0	708,494
Other Governments and Citizens Groups	349,753	240,530	0	0	0	590,283
Total Revenues	\$ 61,454,305	\$ 8,216,961	\$ 17,845,226	\$ 20,604,521	\$ 668,498	\$ 108,789,511
<u>Expenditures</u>						
Current:						
General Government	\$ 7,159,749	\$ 0	\$ 0	\$ 0	\$ 649,402	\$ 7,809,151
Finance	5,061,093	0	0	0	0	5,061,093
Administration of Justice	5,482,446	0	0	0	3,945	5,486,391
Public Safety	26,545,285	0	0	0	13,299	26,558,584
Public Health and Welfare	11,129,813	0	0	0	0	11,129,813
Social, Cultural, and Recreational Services	2,496,953	0	0	0	0	2,496,953
Agriculture and Natural Resources	468,577	0	0	0	0	468,577
Other Operations	2,158,052	0	0	0	0	2,158,052
Highways	445	8,176,204	0	0	0	8,176,649
Debt Service:						
Principal on Debt	0	0	15,225,000	0	0	15,225,000
Interest on Debt	0	0	5,879,070	0	0	5,879,070
Other Debt Service	0	0	184,970	335,497	0	520,467

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 31,000	\$ 0	\$ 0	\$ 7,846,112	\$ 0	\$ 7,877,112
Capital Projects - Donated	0	0	0	13,000,786	0	13,000,786
Total Expenditures	<u>\$ 60,533,413</u>	<u>\$ 8,176,204</u>	<u>\$ 21,289,040</u>	<u>\$ 21,182,395</u>	<u>\$ 666,646</u>	<u>\$ 111,847,698</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 920,892	\$ 40,757	\$ (3,443,814)	\$ (577,874)	\$ 1,852	\$ (3,058,187)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 95,415,000	\$ 0	\$ 95,415,000
Premiums on Debt Sold	0	0	0	7,924,331	0	7,924,331
Insurance Recovery	15,168	19,196	0	0	0	34,364
Total Other Financing Sources (Uses)	<u>\$ 15,168</u>	<u>\$ 19,196</u>	<u>\$ 0</u>	<u>\$ 103,339,331</u>	<u>\$ 0</u>	<u>\$ 103,373,695</u>
Net Change in Fund Balances	\$ 936,060	\$ 59,953	\$ (3,443,814)	\$ 102,761,457	\$ 1,852	\$ 100,315,508
Fund Balance, July 1, 2018	<u>32,344,184</u>	<u>1,203,976</u>	<u>23,684,584</u>	<u>22,382,527</u>	<u>386,935</u>	<u>80,002,206</u>
Fund Balance, June 30, 2019	<u>\$ 33,280,244</u>	<u>\$ 1,263,929</u>	<u>\$ 20,240,770</u>	<u>\$ 125,143,984</u>	<u>\$ 388,787</u>	<u>\$ 180,317,714</u>

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

Exhibit C-4

Sumner 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, 2019

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)		\$ 100,315,508
(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	\$ 10,958,737	
Less: current-year depreciation expense	(8,527,186)	
Add: current-year depreciation expense of the internal service fund that is also included in item (6) below	<u>3,365</u>	2,434,916
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 277,633	
Less: book value of capital assets disposed	<u>(271,885)</u>	5,748
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2018	\$ (3,035,011)	
Add: deferred delinquent property taxes and other deferred June 30, 2019	<u>2,770,085</u>	(264,926)
(4) The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: change in deferred amount on refunding debt	\$ (700,849)	
Less: bond proceeds	(95,415,000)	
Add: change in premium on debt issuances	(6,063,241)	
Add: principal payments on bonds	<u>15,225,000</u>	(86,954,090)
(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	\$ (368,766)	
Change in OPEB liability - county insurance plan	(329,687)	
Change in OPEB liability - medicare supplement plan	195,010	
Change in deferred outflows of resources related to OPEB	139,601	
Change in deferred inflows of resources related to OPEB	(444,498)	
Change in compensated absences payable	(47,996)	
Change in compensated absences payable in internal service fund	694	
Change in net pension liability/asset	1,591,405	
Change in deferred outflows of resources related to pensions	321,507	
Change in deferred inflows of resources related to pensions	<u>(186,744)</u>	870,526
(6) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>1,915,683</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 18,323,365</u>

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

Exhibit C-5

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 30,263,740	\$ 0	\$ 0	\$ 30,263,740	\$ 29,577,083	\$ 29,577,083	\$ 686,657
Licenses and Permits	1,070,997	0	0	1,070,997	1,023,515	1,023,515	47,482
Fines, Forfeitures, and Penalties	615,071	0	0	615,071	634,544	634,544	(19,473)
Charges for Current Services	8,257,827	0	0	8,257,827	7,725,972	7,726,566	531,261
Other Local Revenues	3,247,812	0	0	3,247,812	3,073,762	3,105,880	141,932
Fees Received From County Officials	9,616,043	0	0	9,616,043	9,955,569	9,955,569	(339,526)
State of Tennessee	7,724,391	0	0	7,724,391	6,994,606	7,474,218	250,173
Federal Government	308,671	0	0	308,671	286,497	570,800	(262,129)
Other Governments and Citizens Groups	349,753	0	0	349,753	483,310	484,310	(134,557)
Total Revenues	\$ 61,454,305	\$ 0	\$ 0	\$ 61,454,305	\$ 59,754,858	\$ 60,552,485	\$ 901,820
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 310,466	\$ 0	\$ 0	\$ 310,466	\$ 336,037	\$ 358,538	\$ 48,072
Board of Equalization	8,074	0	0	8,074	12,040	12,040	3,966
Other Boards and Committees	7,575	0	0	7,575	16,000	16,000	8,425
County Mayor/Executive	390,843	0	0	390,843	404,402	408,827	17,984
County Attorney	501,266	0	0	501,266	538,509	545,688	44,422
Election Commission	821,296	0	0	821,296	883,850	886,353	65,057
Register of Deeds	744,508	0	0	744,508	813,544	843,544	99,036
Planning	509,048	(51,093)	23,455	481,410	561,868	615,452	134,042
Building	456,378	0	0	456,378	476,138	509,778	53,400
County Buildings	1,934,700	(288,874)	134,995	1,780,821	2,579,189	2,901,540	1,120,719
Preservation of Records	91,215	0	0	91,215	91,564	91,564	349
Risk Management	1,384,380	0	0	1,384,380	1,407,320	1,407,320	22,940
<u>Finance</u>							
Accounting and Budgeting	775,195	(20,732)	550	755,013	872,335	881,904	126,891
Property Assessor's Office	742,660	0	0	742,660	757,541	757,710	15,050
Reappraisal Program	652,154	0	0	652,154	682,872	682,878	30,724
County Trustee's Office	510,732	0	0	510,732	619,572	619,572	108,840

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 1,676,532	\$ 0	\$ 0	\$ 1,676,532	\$ 1,728,951	\$ 1,737,690	\$ 61,158
Data Processing	703,820	(48,458)	0	655,362	817,521	891,979	236,617
<u>Administration of Justice</u>							
Circuit Court Clerk	1,746,275	0	0	1,746,275	1,864,614	1,874,510	128,235
General Sessions Court	280,229	0	0	280,229	292,857	292,857	12,628
General Sessions Judge	293,714	0	0	293,714	299,482	299,482	5,768
Drug Court	233,701	0	0	233,701	277,068	317,669	83,968
Chancery Court	726,716	0	0	726,716	764,689	764,689	37,973
Juvenile Court	545,303	0	0	545,303	586,817	586,817	41,514
District Attorney General	89,448	0	0	89,448	87,086	89,448	0
Office of Public Defender	0	0	0	0	83,486	83,486	83,486
Judicial Commissioners	631,223	0	2,238	633,461	675,166	675,166	41,705
Other Administration of Justice	514,447	0	0	514,447	384,210	634,210	119,763
Probation Services	421,390	0	0	421,390	441,692	441,911	20,521
<u>Public Safety</u>							
Sheriff's Department	11,689,500	(22,682)	23,829	11,690,647	12,298,078	12,540,377	849,730
Administration of the Sexual Offender Registry	7,079	0	0	7,079	17,805	17,805	10,726
Jail	10,422,480	0	780	10,423,260	10,983,121	11,611,533	1,188,273
Juvenile Services	628,367	0	0	628,367	664,320	664,320	35,953
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Rural Fire Protection	312,000	0	0	312,000	312,000	312,000	0
Other Emergency Management	377,906	(12,686)	0	365,220	382,049	457,419	92,199
County Coroner/Medical Examiner	89,573	0	0	89,573	117,071	123,071	33,498
Other Public Safety	3,016,380	0	0	3,016,380	3,427,747	3,427,747	411,367
<u>Public Health and Welfare</u>							
Local Health Center	1,448,700	0	0	1,448,700	1,632,068	1,879,650	430,950
Ambulance/Emergency Medical Services	9,460,782	(9,635)	6,890	9,458,037	9,496,701	9,560,676	102,639
Appropriation to State	213,181	0	0	213,181	215,225	215,225	2,044
General Welfare Assistance	7,150	0	0	7,150	11,000	11,000	3,850

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	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</u>							
Senior Citizens Assistance	\$ 250,433	\$ 0	\$ 0	\$ 250,433	\$ 290,500	\$ 290,500	\$ 40,067
Libraries	2,246,520	0	2,391	2,248,911	2,326,653	2,342,244	93,333
Other Social, Cultural, and Recreational	0	0	0	0	121,485	121,485	121,485
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	408,772	0	0	408,772	462,999	462,999	54,227
Soil Conservation	59,805	0	0	59,805	60,815	60,814	1,009
<u>Other Operations</u>							
Tourism	650,000	0	0	650,000	650,000	650,000	0
Industrial Development	100,000	0	0	100,000	100,000	100,000	0
Veterans' Services	92,758	0	0	92,758	107,246	107,247	14,489
Other Charges	864,609	0	0	864,609	936,031	936,031	71,422
Contributions to Other Agencies	271,654	0	0	271,654	288,268	290,768	19,114
Employee Benefits	69,788	0	0	69,788	118,500	78,427	8,639
Miscellaneous	109,243	0	0	109,243	162,198	162,198	52,955
<u>Highways</u>							
Traffic Control	445	0	0	445	8,000	8,000	7,555
<u>Capital Projects</u>							
Public Health and Welfare Projects	0	0	0	0	0	5,000	5,000
Social, Cultural, and Recreation Projects	31,000	(9,126)	0	21,874	0	52,994	31,120
Total Expenditures	\$ 60,533,413	\$ (463,286)	\$ 195,128	\$ 60,265,255	\$ 64,548,300	\$ 66,720,152	\$ 6,454,897
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 920,892	\$ 463,286	\$ (195,128)	\$ 1,189,050	\$ (4,793,442)	\$ (6,167,667)	\$ 7,356,717
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,168	\$ 0	\$ 0	\$ 15,168	\$ 0	\$ 15,168	\$ 0
Total Other Financing Sources	\$ 15,168	\$ 0	\$ 0	\$ 15,168	\$ 0	\$ 15,168	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 32,344,184	(463,286)	0	31,880,898	(4,793,442)	(6,152,499)	7,356,717
Fund Balance, June 30, 2019	\$ 33,280,244	\$ 0	\$ (195,128)	\$ 33,085,116	\$ 25,474,677	\$ 24,115,620	\$ 8,969,496

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

Exhibit C-6

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,072,547	\$ 3,025,519	\$ 3,045,474	\$ 27,073
Licenses and Permits	1,400	2,000	2,000	(600)
Other Local Revenues	71,493	112,000	79,200	(7,707)
State of Tennessee	4,830,991	5,298,413	5,871,751	(1,040,760)
Other Governments and Citizens Groups	240,530	125,000	302,433	(61,903)
Total Revenues	<u>\$ 8,216,961</u>	<u>\$ 8,562,932</u>	<u>\$ 9,300,858</u>	<u>\$ (1,083,897)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 233,911	\$ 241,732	\$ 239,697	\$ 5,786
Highway and Bridge Maintenance	4,729,028	4,841,717	5,746,313	1,017,285
Operation and Maintenance of Equipment	981,145	1,060,269	1,082,056	100,911
Quarry Operations	30,536	39,120	32,225	1,689
Litter and Trash Collection	68,705	73,004	71,938	3,233
Other Charges	480,604	460,249	481,899	1,295
Employee Benefits	1,131,441	1,113,875	1,123,889	(7,552)
Capital Outlay	520,834	509,263	681,256	160,422
Total Expenditures	<u>\$ 8,176,204</u>	<u>\$ 8,339,229</u>	<u>\$ 9,459,273</u>	<u>\$ 1,283,069</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 40,757</u>	<u>\$ 223,703</u>	<u>\$ (158,415)</u>	<u>\$ 199,172</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 19,196	\$ 0	\$ 19,197	\$ (1)
Total Other Financing Sources	<u>\$ 19,196</u>	<u>\$ 0</u>	<u>\$ 19,197</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 59,953	\$ 223,703	\$ (139,218)	\$ 199,171
Fund Balance, July 1, 2018	1,203,976	1,148,428	1,148,428	55,548
Fund Balance, June 30, 2019	<u>\$ 1,263,929</u>	<u>\$ 1,372,131</u>	<u>\$ 1,009,210</u>	<u>\$ 254,719</u>

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

Exhibit D-1

Sumner County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2019

Governmental
 Activities -
 Internal
 Service Fund

 Self-
 Insurance
 Fund

ASSETS

Current Assets:	
Equity in Pooled Cash and Investments	\$ 16,088,420
Accrued Interest Receivable	4,628
Total Current Assets	<u>\$ 16,093,048</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements, Net of Accumulated Depreciation	\$ 2,526
Total Noncurrent Assets	<u>\$ 2,526</u>
Total Assets	<u>\$ 16,095,574</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 36,346
Accrued Leave - Current	6,277
Claims and Judgments Payable	2,037,345
Total Current Liabilities	<u>\$ 2,079,968</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 359,532
Total Noncurrent Liabilities	<u>\$ 359,532</u>
Total Liabilities	<u>\$ 2,439,500</u>

NET POSITION

Unrestricted	<u>\$ 13,656,074</u>
Total Net Position	<u>\$ 13,656,074</u>

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

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 12,468,514
Other Local Revenues	86,125
Total Operating Revenues	<u>\$ 12,554,639</u>
<u>Operating Expenses</u>	
<u>Risk Management:</u>	
Supervisor/Director	\$ 61,819
Clerical Personnel	28,570
Longevity Pay	2,400
Social Security	5,260
Pensions	10,906
Life Insurance	195
Medical Insurance	23,782
Dental Insurance	739
Employer Medicare	1,239
Communication	1,158
Consultants	19,210
Data Processing Services	1,144
Dues and Memberships	460
Legal Notices, Recording, and Court Costs	390
Maintenance Agreements	748
Postal Charges	1,052
Printing, Stationery, and Forms	1,578
Travel	1,825
Other Contracted Services	4,020
Data Processing Supplies	671
Drugs and Medical Supplies	346
Food Supplies	185
Office Supplies	2,323
Liability Claims	1,324,623
Other Self-insured Claims	1,255,558
In Service/Staff Development	760
Furniture and Fixtures	8,441
<u>Other Operations:</u>	
Handling Charges and Administrative Costs	312,018
Consultants	12,415
Excess Risk Insurance	64,995
Medical Claims	6,770,361
Depreciation	3,365
Other Self-insured Claims	280,338

(Continued)

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position (Cont.)

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Operating Expenses (Cont.)</u>	
<u>Other Operations (Cont.)</u>	
Fines, Assessments, and Penalties	\$ 3,405
Specialized Medical Treatment	490,966
Total Operating Expenses	<hr/> \$ 10,697,265
Operating Income (Loss)	<hr/> \$ 1,857,374
 <u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 58,309
Total Nonoperating Revenues (Expenses)	<hr/> \$ 58,309
 Change in Net Position	\$ 1,915,683
Net Position, July 1, 2018	<hr/> 11,740,391
 Net Position, June 30, 2019	 <hr/> <hr/> \$ 13,656,074

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

Sumner County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	<u>Governmental Activities - Internal Service Fund Self Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 12,559,464
Payments to Suppliers	(562,630)
Claims Paid	(9,930,613)
Payments of Taxes, Duties, Fines, Fees, and Penalties	(3,405)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,062,816</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 58,309
Net Cash Provided By (Used In) Investing Activities	<u>\$ 58,309</u>
Net Increase (Decrease) In Cash	\$ 2,121,125
Cash, July 1, 2018	<u>13,967,295</u>
Cash, June 30, 2019	<u><u>\$ 16,088,420</u></u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 1,857,374
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Depreciation Expense	3,365
(Increase) Decrease in Due from Other Funds	1,232
(Increase) Decrease in Accrued Interest Receivable	3,593
Increase (Decrease) in Accounts Payable	6,039
Increase (Decrease) in Accrued Leave	694
Increase (Decrease) in Due to Other Funds	(714)
Increase (Decrease) in Claims and Judgments Payable	191,233
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 2,062,816</u></u>

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

Exhibit E

Sumner County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 10,879,996
Equity in Pooled Cash and Investments	127,628
Accounts Receivable	52,849
Due from Other Governments	4,583,418
Due from Other Funds	<u>300</u>
Total Assets	<u>\$ 15,644,191</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 30,875
Due to State of Tennessee	2,522
Due to Other Taxing Units	4,581,382
Due to Litigants, Heirs, and Others	10,936,633
Due to Joint Ventures	<u>92,779</u>
Total Liabilities	<u>\$ 15,644,191</u>

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

SUMNER COUNTY, TENNESSEE
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SUMNER COUNTY, TENNESSEE
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SUMNER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sumner 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 Sumner County:

A. Reporting Entity

Sumner County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sumner County (the primary government) and its component units. The financial statements of the Sumner County Emergency Communications District, the Sumner County Regional Airport Authority, and the Resource Authority in Sumner County, Tennessee, 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 Sumner County School Department operates the public school system in the county, and the voters of Sumner County elect its board. The school department is fiscally dependent on the county because it may not issue debt, 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 Sumner County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sumner County, and the Sumner 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 Sumner County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sumner County Regional Airport Authority operates the county's airport facility. The authority is funded primarily through federal and state grants and leasing fees. Before the issuance of most debt instruments, the authority must obtain the county commission's approval. The financial statements of the Sumner County Regional Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Resource Authority in Sumner County, Tennessee, provides a solid waste energy recovery plant on behalf of the residents of the county and the cities of Gallatin and Hendersonville. The authority is funded primarily through tipping fees and contributions from the county. Based on GASB Statement No. 61, the authority does not qualify as a discretely presented component unit of the county; however, management has determined it would be misleading to exclude the authority. The financial statements of the Resource Authority in Sumner County, Tennessee, were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sumner County Convention and Visitors Bureau was established to advance economic, civic, and general interests related to tourism in Sumner County. The operations of the Sumner County Convention and Visitors Bureau are not considered material to the component units' opinion unit and Sumner County has not required the Sumner County Convention and Visitors Bureau to have audited financial statements.

The Sumner 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. Although required by GAAP, the financial statements of the Sumner County Regional Airport Authority and the Sumner County Convention and Visitors Bureau were not available for inclusion, as previously mentioned. Complete financial statements of the Sumner County Emergency Communications District, the Sumner County Regional Airport Authority, The Resource Authority in Sumner County, Tennessee, and the Sumner County Convention and Visitors Bureau can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Sumner County Emergency Communications District
255 Airport Road
Gallatin, TN 37066

Sumner County Regional Airport Authority
1475 Airport Road
Gallatin, TN 37066

The Resource Authority in Sumner County, Tennessee
625 Rappahannock Wire Road
Gallatin, TN 37066

Sumner County Convention and Visitors Bureau
2310 Nashville Pike
Gallatin, TN 37066

Related Organizations – The Industrial Development Board of Sumner County, the Health Board of Sumner County, the Health and Educational Facilities Board of Sumner County, and the Health and Safety Standards Board of Sumner County are related organizations of Sumner County. The Sumner County Commission’s Committee on Committees nominates and the Sumner County Commission confirms the board members, but the county’s accountability for these organizations does not extend beyond making the appointments.

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 Sumner 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 Sumner 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.

Sumner County issues all debt for the discretely presented Sumner County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2019.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and 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 proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. 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 Sumner 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Sumner County reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, 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. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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. Sumner County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of

accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no 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.

Sumner County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and the Sumner County School Department.

Additionally, Sumner County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund is used to account for the county’s self-insured liability insurance, health, dental, and workers’ compensation programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes

received by the state to be forwarded to the various cities in Sumner County, state grants and other restricted revenues held for the benefit of the judicial district drug task force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Sumner County School Department reports the following major governmental fund:

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.

Additionally, the Sumner County School Department reports the following fund types:

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

Internal Service Fund – The Employee Insurance Fund is used to account for the discretely presented Sumner County School Department's self-insured health and prescription drug plans. Premiums charged to the various school funds and employee payroll deductions are placed in this fund for the payment of claims.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The government has two proprietary funds, internal service funds, used to account for the county's self-insured liability, health, dental, and occupational compensation programs and the school department's self-insured health and prescription drug plans. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits.

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 Sumner County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Debt Service funds. Sumner 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. 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. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Sumner County for building codes demolition bonds (\$2,000) and the discretely presented school department for cafeteria deposits for students (\$195,145). Claims and judgments payable in the primary government's Self-Insurance Fund and the discretely presented school department's Employee Insurance Fund are discussed in Note V.A. Risk Management.

Retainage payable in the General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects.

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

5. **Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$7,500 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 30
Other Capital Assets	5 - 10
Intangible Assets	4 - 20
Infrastructure	10 - 40

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

It is the county's and the discretely presented school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the county and the school department do not have a policy to pay any amounts when employees separate from service with the

government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages,

notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2019, Sumner County had \$208,597,365 in outstanding debt for capital purposes for the discretely presented Sumner County School Department. This debt is a liability of Sumner County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Sumner 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 then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board

of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for fund balance in the General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2020, totaling \$20,930,240.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2020, totaling \$3,906,965.

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

10. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists:

The General Fund's unassigned budgetary fund balances shall, at a minimum, be 16.67 percent of the General Fund's appropriations (approximately two months of operating costs).

11. Prior-period Adjustment

Other postemployment benefits (OPEB) for the discretely presented Sumner County School Department were restated \$16,349,359 (net OPEB liability of \$15,371,019 less deferred outflows of \$425,908 plus deferred inflows of \$1,404,248) from the prior year because the Medicare Supplement Plan liability will now be reported only at the state level, as the state provides a subsidy for retired teachers and Sumner County School Department does not.

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 Sumner County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Sumner County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement 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 Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Sumner County School Department

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

F. Other Postemployment Benefit (OPEB) 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 Sumner County. For this purpose, Sumner County recognizes benefit payments when due and payable in accordance with benefit terms. Sumner County's OPEB plan is not administered through a trust.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Sumner County School Department

Exhibit J-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 Sumner County School Department

Exhibit J-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

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 (special revenue fund), which is not budgeted. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, 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, 2019, Sumner County and the Sumner County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
General	\$ 195,128
General Capital Projects	14,346,432
Nonmajor Governmental	<u>19,645</u>
Total	<u>\$ 14,561,205</u>
School Department:	
General Purpose School	<u>\$ 1,309,278</u>
Total	<u>\$ 1,309,278</u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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 and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2019, Sumner County had the following investments carried at amortized cost using a stable net asset value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Sumner

County and the discretely presented Sumner County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 86	N/A	\$ 2,746,146

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Sumner County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sumner County has no investment policy that would further limit its investment choices. As of June 30, 2019, Sumner County's investment in the State Treasurer's Investment Pool was unrated.

TCRS Stabilization Trust

Legal Provisions. The Sumner 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 Sumner County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support

the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded

securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Sumner County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 159,521
Developed Market International Equity	N/A	N/A	72,042
Emerging Market International Equity	N/A	N/A	20,583
U.S. Fixed Income	N/A	N/A	102,916
Real Estate	N/A	N/A	51,458
Short-term Securities	N/A	N/A	5,146
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>102,916</u>
Total			<u><u>\$ 514,582</u></u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 159,521	\$ 159,521	\$ 0	\$ 0	0
Developed Market International Equity	72,042	72,042	0	0	0
Emerging Market International Equity	20,583	20,583	0	0	0
U.S. Fixed Income	102,916	0	102,916	0	0
Real Estate	51,458	0	0	51,458	0
Short-term Securities	5,146	0	5,146	0	0
Private Equity and Strategic Lending	102,916	0	0	0	102,916
Total	<u><u>\$ 514,582</u></u>	<u><u>\$ 252,146</u></u>	<u><u>\$ 108,062</u></u>	<u><u>\$ 51,458</u></u>	<u><u>102,916</u></u>

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sumner County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Sumner County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Sumner County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Sumner County School Department to pay retirement benefits of the school department employees.

For further information concerning 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/2019/ag18092.pdf>

B. Notes Receivable

The General Fund had a long-term note receivable of \$800,000 on June 30, 2019, from financing airport construction projects for the discretely presented Sumner County Regional Airport Authority, and this note is included in the committed fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government (includes Internal Service Fund)

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 4,004,292	\$ 703,824	\$ 0	\$ 4,708,116
Construction in Progress	4,980,814	2,028,522	(255,795)	6,753,541
Total Capital Assets Not Depreciated	\$ 8,985,106	\$ 2,732,346	\$ (255,795)	\$ 11,461,657
Capital Assets Depreciated:				
Buildings and Improvements	\$ 75,355,758	\$ 746,665	\$ 0	\$ 76,102,423
Other Capital Assets Infrastructure	21,953,515	4,551,084	(520,755)	25,983,844
Intangibles	74,088,966	3,407,381	(2,519,121)	74,977,226
Total Capital Assets Depreciated	\$ 172,514,800	\$ 8,759,819	\$ (3,039,876)	\$ 178,234,743
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 33,487,907	\$ 2,949,968	\$ 0	\$ 36,437,875
Other Capital Assets Infrastructure	15,199,751	1,701,106	(455,678)	16,445,179
Intangibles	39,401,773	3,835,379	(2,312,313)	40,924,839
Total Accumulated Depreciation	\$ 88,760,072	\$ 8,527,186	\$ (2,767,991)	\$ 94,519,267
Total Capital Assets Depreciated, Net	\$ 83,754,728	\$ 232,633	\$ (271,885)	\$ 83,715,476
Governmental Activities Capital Assets, Net	\$ 92,739,834	\$ 2,964,979	\$ (527,680)	\$ 95,177,133

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

Governmental Activities:

General Government	\$ 357,623
Finance	163,329
Administration of Justice	226,116
Public Safety	2,193,182
Public Health and Welfare	815,504
Social, Cultural, and Recreational Services	517,405
Agriculture and Natural Resources	4,219
Highway/Public Works	<u>4,249,808</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 8,527,186</u>

Discretely Presented Sumner County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 11,726,831	\$ 0	\$ 0	\$ 11,726,831
Construction in Progress	27,691,618	6,985,593	0	<u>34,677,211</u>
Total Capital Assets Not Depreciated	<u>\$ 39,418,449</u>	<u>\$ 6,985,593</u>	<u>\$ 0</u>	<u>\$ 46,404,042</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 443,528,134	\$ 1,323,058	\$ (178,058)	\$ 444,673,134
Other Capital Assets	36,387,000	6,059,502	(3,129,573)	<u>39,316,929</u>
Total Capital Assets Depreciated	<u>\$ 479,915,134</u>	<u>\$ 7,382,560</u>	<u>\$ (3,307,631)</u>	<u>\$ 483,990,063</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 239,774,295	\$ 14,990,119	\$ (130,687)	\$ 254,633,727
Other Capital Assets	25,114,011	3,484,298	(3,129,573)	<u>25,468,736</u>
Total Accumulated Depreciation	<u>\$ 264,888,306</u>	<u>\$ 18,474,417</u>	<u>\$ (3,260,260)</u>	<u>\$ 280,102,463</u>
Total Capital Assets Depreciated, Net	<u>\$ 215,026,828</u>	<u>\$ (11,091,857)</u>	<u>\$ (47,371)</u>	<u>\$ 203,887,600</u>
Governmental Activities Capital Assets, Net	<u>\$ 254,445,277</u>	<u>\$ (4,106,264)</u>	<u>\$ (47,371)</u>	<u>\$ 250,291,642</u>

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

Governmental Activities:

Support Services	\$ 18,442,782
Operation of Non-instructional Services	<u>31,635</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 18,474,417</u>

D. Construction Commitments

At June 30, 2019, the General Capital Projects Fund had uncompleted construction contracts of \$9,529,221 for multiple school renovations and additions. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Highway/Public Works	\$ 347
"	Nonmajor governmental	50
Highway/Public Works	General	1,943
"	Nonmajor governmental	504
Agency	General	300
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	5,753
"	Internal Service	5,397

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, 2019, consisted of the following amounts:

Discretely Presented Sumner County School Department

Transfers Out	Transfers In		
	General Purpose School	Internal Service Fund	Nonmajor Governmental Fund
General Purpose School	\$ 0	\$ 287,170	\$ 300,000
Nonmajor governmental fund	115,887	0	0
Total	\$ 115,887	\$ 287,170	\$ 300,000

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.

F. Long-term Debt

Primary Government

General Obligation Bonds

General Obligation Bonds - Sumner County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 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, 2019, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	1.5 to 5 %	12-1-38	\$ 201,370,000	\$ 176,825,000
General Obligation Bonds - School Refunding	2.86	6-1-23	112,210,000	46,825,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 17,725,000	\$ 10,304,267	\$ 28,029,267
2021	19,840,000	8,144,037	27,984,037
2022	20,730,000	7,161,637	27,891,637
2023	21,650,000	6,193,514	27,843,514
2024	16,665,000	5,087,762	21,752,762
2025-2029	38,625,000	19,513,486	58,138,486
2030-2034	47,490,000	10,824,052	58,314,052
2035-2039	40,925,000	3,212,726	44,137,726
Total	<u>\$ 223,650,000</u>	<u>\$ 70,441,481</u>	<u>\$ 294,091,481</u>

There is \$20,240,770 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,392 based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$1,503 based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	<u>Bonds</u>
Balance, July 1, 2018	\$ 143,460,000
Additions	95,415,000
Reductions	<u>(15,225,000)</u>
Balance, June 30, 2019	<u>\$ 223,650,000</u>
Balance Due Within One Year	<u>\$ 17,725,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 223,650,000
Less: Balance Due Within One Year - Debt	(17,725,000)
Add: Unamortized Premium on Debt	<u>17,878,478</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 223,803,478</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	Compensated Absences	Internal Service Fund Claims and Judgments
Balance, July 1, 2018	\$ 1,275,925	\$ 2,205,644
Additions	2,357,764	10,121,846
Reductions	(2,309,768)	(9,930,613)
Balance, June 30, 2019	<u>\$ 1,323,921</u>	<u>\$ 2,396,877</u>
Balance Due Within One Year	<u>\$ 1,323,921</u>	<u>\$ 2,037,345</u>

	Other Postemployment Benefits - County Insurance Plan	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2018	\$ 4,637,231	\$ 2,077,340
Additions	661,027	181,629
Reductions	(331,340)	(376,639)
Balance, June 30, 2019	<u>\$ 4,966,918</u>	<u>\$ 1,882,330</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 10,570,046
Less: Due Within One Year - Other	<u>(3,361,266)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 7,208,780</u>

The internal service fund primarily serves the governmental funds. Accordingly, long-term obligations for the internal service fund are included as part of the above totals for governmental activities. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Sumner County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Sumner County School Department for the year ended June 30, 2019, was as follows:

Governmental Activities:	Compensated Absences	Internal Service Fund Claims and Judgments
Balance, July 1, 2018	\$ 2,352,275	\$ 4,434,725
Additions	1,968,817	42,869,294
Reductions	(1,971,396)	(42,351,833)
Balance, June 30, 2019	<u>\$ 2,349,696</u>	<u>\$ 4,952,186</u>
Balance Due Within One Year	<u>\$ 352,455</u>	<u>\$ 0</u>

	Other Postemployment Benefits - School Insurance Plan	Termination Benefits
Balance, July 1, 2018	\$ 43,525,320	\$ 49,088
Additions	5,145,737	65,630
Reductions	(4,068,079)	(114,718)
Balance, June 30, 2019	<u>\$ 44,602,978</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

In prior year, a liability was presented for OPEB Medicare Supplement Plan. In current year, the beginning balance was restated to \$0. See Note I.D.11.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 51,904,860
Less: Due Within One Year - Other	<u>(352,455)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 51,552,405</u>

Compensated absences and other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

H. Pledges of Receivables and Future Revenues

The Sumner County Commission and the City of Hendersonville permitted the Industrial Development Board of the City of Hendersonville, Tennessee, to pledge all tax incremental financing (TIF) revenues based on an Economic Impact Plan for the Indian Lake Village Economic Development Area for up to 30 years. These revenues were pledged for the payment of \$15,000,000 of adjustable rate tax-exempt increment bonds (Series 2007A) and \$3,000,000 of adjustable rate taxable increment bonds (Series 2007B) and other debt related costs. The two series of bonds were issued on March 29, 2007, with final maturities on May 1, 2036. These bonds were to complete the “project,” which consisted of a four-lane divided median east/west connector road running parallel to Vietnam Veterans Parkway between Saundersville Road and Indian Lake Boulevard in Hendersonville, including water, sewer, electric and storm sewer utilities that are included as part of the road construction, a bridge across Drakes Creek in Hendersonville, as a continuation of the connector road, and a public park consisting of approximately 22 acres, of which four acres will be dedicated to the new Hendersonville Public Library. Additionally, these bond proceeds were also used to pay for certain costs of issuance in connection with the bonds and the payment of certain capitalized interest costs of the bonds. In addition to the bonds, these transactions also encompassed two irrevocable letters of credit, two interest rate swaps, and various other contractual agreements.

On April 29, 2016, these bonds were refinanced with a promissory note of \$11,400,000. The note’s terms are a fixed interest rate of 2.98 percent over an 84-month period with annual payments of \$1,806,347. The note also contains the provisions that a minimum balance of \$500,000 will be held by the lender as a debt service reserve and any additional tax increment revenues shall be paid to the lender and applied to reduce the principal. As of June 30, 2019, the principal balance of the promissory note was \$3,578,694, and the balance held by the lender was \$500,000.

Sumner County is not liable for the note. Sumner County’s only responsibility under the agreement is to collect and remit all tax incremental financing revenues to the Industrial Development Board. Additional information about the debt and related financing agreements can be obtained from the Industrial Development Board of the City of Hendersonville, Tennessee, located at 101 Maple Drive North, Hendersonville, Tennessee.

I. On-Behalf Payments

Discretely Presented Sumner County School Department

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

made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2019, were \$173,800. The school department has recognized these on-behalf payments as revenues and expenditures in the Employee Insurance Fund.

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Self-Insurance Fund for risks associated with employees' health and dental insurance plans, occupational compensation plan, and liability claims. The Self-Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. The county retains the risk of loss for all medical claims. The county retains the risk of loss to a limit of \$350,000 maximum tort liability, plus property damage. Claims in excess of this limit are covered by an insurance policy up to a limit of \$5,000,000 per specific claim.

All full-time employees of the primary government are eligible to participate in employee health and dental insurance. All employees of the primary government are covered under the occupational compensation plan and liability coverage. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific incremental claim adjustment expenditures/expenses, if any. In addition, estimated revenues, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Self-Insurance Fund

Fiscal Year	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2017-18	\$ 1,821,793	\$ 9,462,644	\$ (9,078,793)	2,205,644
2018-19	2,205,644	10,121,846	(9,930,613)	2,396,877

The discretely presented Sumner County School Department has chosen to establish the Employee Insurance Fund for risks associated with certified employees' health and prescription drug insurance plans. The Employee Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. The school department retains the risk of loss to a limit of \$200,000 per specific loss during the coverage period. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability up to a limit of \$1,000,000 per participant during the coverage period.

All full-time certified employees of the discretely presented Sumner County School Department are eligible to participate in employee health and prescription drug plans. A premium charge is allocated to each fund that accounts for full-time certified employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated revenues, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance Fund

Fiscal Year	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2017-18	\$ 4,169,613	\$ 37,210,645	\$ (36,945,533)	\$ 4,434,725
2018-19	4,434,725	42,869,294	(42,351,833)	4,952,186

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Sumner County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this

statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county law director estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

The discretely presented school department is involved in several pending lawsuits. School department attorneys estimate that the potential claims against the school department not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Change in Administration

On August 31, 2018, Marty Nelson left the Office of Trustee and was succeeded by Cindy Williams.

E. Joint Ventures

The Eighteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighteenth Judicial District, Sumner County, and various cities within the county. 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, sheriff, and police chiefs of participating law enforcement agencies within each judicial district.

The Sumner County Emergency Communications Center (ECC) is a joint venture formed by an interlocal agreement between Sumner County, the Sumner County Emergency Communication District, and the Cities of Hendersonville, Gallatin, Portland, Millersville, and Westmoreland. The purpose of the ECC is to create and operate unified dispatch services in order to consolidate the efforts, information, experience, training, and resources of the individual organizations to increase effectiveness, share resources, and avoid duplication of effort in provision of E911 and dispatch services throughout the Sumner County area. The ECC is overseen by the executive committee and operations committee, as defined within the agreement. Sumner County is responsible for 32 percent of the operational expenses related to the ECC. For the year ended June 30, 2019, Sumner County incurred total expenses of \$3,086,823.

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

Administrative Office:

Office of District Attorney General
Eighteenth Judicial District Drug Task Force
Cordell Hull Building – Third Floor
113 West Main Street
Gallatin, Tennessee 37066

Sumner County Emergency Communications Center
c/o Sumner County Finance Office
355 North Belvedere Drive, Room 302
Gallatin, Tennessee 37066

F. Jointly Governed Organization

The county and the Cities of Gallatin, Hendersonville, Millersville, Portland, Westmoreland, White House, and Goodlettsville jointly appoint the 20-member board of the Joint Economic Development Board of Sumner County. The board is designed to promote economic and community development in the county and related cities. The county and the cities do not have any ongoing financial interest or responsibility for this entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 53.24 percent, the non-certified employees of the discretely presented school department comprise 46.76 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,059
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,465
Active Employees	2,222
Total	<u><u>4,746</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 are noncontributory. Sumner County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for Sumner County was \$7,538,499 based on a rate of 11.75 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sumner 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)

Sumner County’s net pension liability (asset) was measured as of June 30, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Sumner 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, 2017	\$ 179,044,682	\$ 183,477,286	\$ (4,432,604)
Changes for the Year:			
Service Cost	\$ 4,738,710	\$ 0	\$ 4,738,710
Interest	13,068,154	0	13,068,154
Differences Between Expected and Actual Experience	1,349,244	0	1,349,244
Changes in Assumptions	0	0	0
Contributions-Employer	0	6,993,577	(6,993,577)
Contributions-Employees	0	9,174	(9,174)
Net Investment Income	0	15,218,456	(15,218,456)
Benefit Payments, Including Refunds of Employee Contributions	(7,065,996)	(7,065,996)	0
Administrative Expense	0	(207,530)	207,530
Other Changes	0	0	0
Net Changes	\$ 12,090,112	\$ 14,947,681	\$ (2,857,569)
Balance, June 30, 2018	\$ 191,134,794	\$ 198,424,967	\$ (7,290,173)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 53.24%	\$ 101,760,164	\$ 105,641,452	\$ (3,881,288)
School Department 46.76%	89,374,630	92,783,515	(3,408,885)
Total	\$ 191,134,794	\$ 198,424,967	\$ (7,290,173)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Sumner County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 18,566,515 \$ (7,290,173) \$ (28,741,280)

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

Pension Expense. For the year ended June 30, 2019, Sumner County recognized pension expense of \$4,254,347.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Sumner 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	\$ 1,990,228	\$ 1,632,043
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	907,607
Changes in Assumptions	2,681,099	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	7,538,499	N/A
Total	<u>\$ 12,209,826</u>	<u>\$ 2,539,650</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 6,395,724	\$ 1,352,109
School Department	5,814,102	1,187,541
Total	<u>\$ 12,209,826</u>	<u>\$ 2,539,650</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
2020	\$ 1,900,769
2021	694,581
2022	(832,232)
2023	143,681
2024	224,878
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, 2019, Sumner County reported a payable of \$279,006 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Sumner County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided

a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 53.24 percent and the non-certified employees of the discretely presented school department comprise 46.76 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sumner 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were \$466,654, which is 1.94 percent of covered payroll. In addition, employer contributions of \$488,604, which is 2.06 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$985,332) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the

contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was 2.172593 percent. The proportion as of June 30, 2017, was 2.432349 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$341,995.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 55,806	\$ 39,246
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	55,659
Changes in Assumptions	46,485	0
Changes in Proportion of Net Pension Liability (Asset)	69,893	4,339
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	466,654	N/A
Total	<u>\$ 638,838</u>	<u>\$ 99,244</u>

The school department's employer contributions of \$466,654, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. 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
2020	\$ (1,714)
2021	(3,480)
2022	(11,413)
2023	3,130
2024	10,545
Thereafter	75,872

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 152,333 \$ (985,332) \$ (1,823,522)

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 Sumner 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service

credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension 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. 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 Sumner County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$10,525,739, which is 10.46 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$9,530,334) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was 2.708316 percent. The proportion measured at June 30, 2017, was 2.735624 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$2,588,308).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 1,926,405	\$ 12,857,175
Changes in Assumptions	5,628,661	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,074,198
Changes in Proportion of Net Pension Liability (Asset)	559,805	259,745
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	<u>10,525,739</u>	<u>N/A</u>
Total	<u>\$ 18,640,610</u>	<u>\$ 15,191,118</u>

The school department's employer contributions of \$10,525,739 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. 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
2020	\$ 2,104,420
2021	(2,903,738)
2022	(5,377,211)
2023	(899,717)
2024	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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 73,465,816 \$ (9,530,334) \$ (78,198,085)

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

Payable to the Pension Plan

At June 30, 2019, the Sumner County School Department reported a payable of \$3,092,534 for the outstanding amount of contributions due to the pension plan at year end.

2. Deferred Compensation

Primary Government

Sumner County offers its employees a deferred compensation plan pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plans.

Discretely Presented Sumner County School Department

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

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

percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the school department contributed \$1,233,534 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Sumner County and the discretely presented Sumner County School Department provide OPEB benefits to their retirees through self-insured plans and state administered public entity risk pools. For reporting purposes, the plans are considered single-employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). 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 Self-Insured Health Plans

Primary Government

Plan Description. Sumner County participates in a self-insured postemployment benefits plan administered by BlueCross BlueShield of Tennessee. Retirees of Sumner County who were hired prior to January 1, 2018, are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. Retirees of Sumner County who were hired prior to July 1, 2015, may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The self-insured postemployment benefits plan is closed to employees that were hired on or after January 1, 2018.

The premium requirements of plan members are established and amended by recommendation of the county finance director and approved by the three-member insurance committee. The committee is comprised of three county commissioners elected by the legislative body. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan provides healthcare (including pharmacy) insurance benefits to retirees, their spouses and dependents if the retiree has 30 years of service or is age 60 with at least 20 years of service and has been eligible for coverage under the county group medical plan for a continuous five-year period immediately prior to retirement.

The benefit terms provide for the primary government to pay 75 percent of the medical insurance premiums (employee only) until they reach Medicare eligibility. Once the retiree reaches Medicare eligibility, dependents of the retiree are permitted to remain on the plan until age 26 and spouses of the

retiree are permitted to remain on the plan until they become Medicare eligible, but the spouse and dependents are responsible for the entire cost of the premiums.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2019, the following employees were covered by the benefit terms:

Status	Employee Only	Employee & Family	Total
Active	299	231	530
Retired	8	1	9
Total	307	232	539

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2019, 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 Level % of salary method where: - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	3.51%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 actuarial valuation for teachers and local government: 7.75% with 25 years of service; 6.02% with 35 years of service; 4.74% with 45 years of service; and 3.97% with 55 years of service.
Healthcare Cost Trend Rate	8.5% graded down to 5% in FY2027
Mortality	RPH-2017 total dataset mortality table fully generational using Scale MP-2017

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2019, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.87 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019.

Changes in the Total OPEB Liability

	<u>Primary Government</u>
Balance July 1, 2018	\$ 4,637,231
Changes for the Year:	
Service Cost	\$ 305,679
Interest	188,483
Changes in assumptions	166,865
Differences between expected and actual experience	(184,879)
Benefit Payments	(146,461)
Net Changes	<u>\$ 329,687</u>
Balance June 30, 2019	<u>\$ 4,966,918</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the plan recognized OPEB expense of \$493,361. At June 30, 2019, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 266,502
Changes of Assumptions	<u>258,298</u>	<u>0</u>
Total	<u>\$ 258,298</u>	<u>\$ 266,502</u>

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

<u>Year Ending June 30</u>	<u>Primary Government</u>
2020	\$ (801)
2021	(801)
2022	(801)
2023	(801)
2024	(801)
Thereafter	(4,199)

In the tables 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 of the county calculated using the discount rate of 3.51 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.51 percent) or one percentage point higher (4.51 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Primary Government	<u>2.51%</u>	<u>3.51%</u>	<u>4.51%</u>
Total OPEB Liability	\$ 5,449,842	\$ 4,966,918	\$ 4,513,647

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the healthcare cost trend rate of 8.5 percent decreasing to 5 percent by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (7.5 percent) or one percentage point higher (9.5 percent) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
	7.5% decreasing to 4% by 2027	8.5% decreasing to 5% by 2027	9.5% decreasing to 6% by 2027
Primary Government			
Total OPEB Liability	\$ 4,006,183	\$ 4,966,918	\$ 5,849,454

Discretely Presented Sumner County School Department

Plan Description. Sumner County School Department participates in a self-insured postemployment benefits plan. Retirees of the Sumner County School Department who meet the eligibility requirements dictated in the board approved retirement benefits resolution are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. The retirees of Sumner County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The premium requirements of plan members are established and amended by recommendation of the 15-member insurance committee and approved by the Director of Schools. The committee is comprised of various school employees from across the school district including two retiree representatives. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan allows retirees to participate in medical, dental, vision, and life insurance benefits. A retiree is eligible to participate if the retiree has 30 years of creditable service with Tennessee Consolidated Retirement System (TCRS) or is age 60 with at least 20 years of creditable service with TCRS. Retirees must have had continuous group medical coverage for the last 3 consecutive years prior to retirement to be eligible for continued medical coverage.

Based on the retirement package in which the retiree is eligible, the benefit eligibility terms provide for the school department to pay from 0 percent to 70 percent of the medical insurance premiums. Retirees receive one year of coverage for every three years of creditable service with Sumner County School Department with a maximum coverage of ten years or until the retiree is eligible for Medicare. A spouse of the retiree can continue coverage until

the spouse is Medicare eligible or remaining coverage period expires (10 years). Dependent child(ren) can continue coverage up until their 26th birthday or the remaining coverage period expires (10 years). Lastly, the school department provides, at no cost to the retiree, a \$35,000 life insurance policy until age 70.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2019, the following employees were covered by the benefit terms:

Status	Employee Only	Employee & Family	Total
Active	1,032	1,846	2,878
Retired	105	56	161
Total	1,137	1,902	3,039

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2019, 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 Level % of salary method where: - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	3.51%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 actuarial valuation for teachers and local government: 7.75% with 25 years of service; 6.02% with 35 years of service; 4.74% with 45 years of service; and 3.97% with 55 years of service.
Healthcare Cost Trend Rate	8.5% graded down to 5% in FY2027
Mortality	RPH-2017 total dataset mortality table fully generational using Scale MP-2017

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2019, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.87 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019.

Changes in the Total OPEB Liability

	<u>School Department</u>
Balance July 1, 2018	\$ 43,525,320
Changes for the Year:	
Service Cost	\$ 2,242,629
Interest	1,724,099
Changes in assumptions	1,179,009
Differences between expected and actual experience	(1,609,575)
Benefit Payments	<u>(2,458,504)</u>
Net Changes	<u>\$ 1,077,658</u>
Balance June 30, 2019	<u>\$ 44,602,978</u>

OPEB Expense and Deferred Outflows of Resources. For the year ended June 30, 2019, the plan recognized OPEB expense of \$4,423,327. At June 30, 2019, the plan reported deferred outflows of resources related to OPEB from the following sources:

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 3,332,853	\$ 1,463,250
Changes of Assumptions	<u>2,200,638</u>	<u>0</u>
Total	<u>\$ 5,533,491</u>	<u>\$ 1,463,250</u>

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

Year Ending June 30	School Department
2020	\$ 456,599
2021	456,599
2022	456,599
2023	456,599
2024	456,599
Thereafter	1,787,246

In the tables 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 of the school department calculated using the discount rate of 3.51 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.51 percent) or one percentage point higher (4.51 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
School Department	<u>2.51%</u>	<u>3.51%</u>	<u>4.51%</u>
Total OPEB Liability	\$ 47,977,740	\$ 44,602,978	\$ 41,381,536

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the school department calculated using the healthcare cost trend rate of 8.5 percent decreasing to 5 percent by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (7.5 percent) or one percentage point higher (9.5 percent) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
	7.5% decreasing to 4% by 2027	8.5% decreasing to 5% by 2027	9.5% decreasing to 6% by 2027
School Department			
Total OPEB Liability	\$ 39,544,804	\$ 44,602,978	\$ 50,613,560

OPEB Provided through State Administered Public Entity Risk Pools

Closed Tennessee (TNM) OPEB Plan – Medicare (Primary Government)

Plan Description. Employees of Sumner County, 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 governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the Sumner County Primary Government. 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 retirees and disabled participants of local governments. 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 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 (TCRS) 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. Sumner County provides a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 15-20 years of service.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>County</u>
Retirees and Beneficiaries	18
Inactive, Not Yet Receiving Benefits	76
Active Members	1,559
Total	<u><u>1,653</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA 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, 2019, the county paid \$14,838 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Sumner County</u>
Balance July 1, 2017	\$ 2,077,340
Changes for the Year:	
Service Cost	104,179
Interest	77,450
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	(346,574)
Changes in Assumptions and Other Inputs	(18,165)
Benefit Payments	(11,900)
Net Changes	<u><u>\$ (195,010)</u></u>
Balance June 30, 2018	<u><u>\$ 1,882,330</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$107,511. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 302,141
Changes of Assumptions	0	207,330
Net Difference Between Projected and Benefits Paid After the Measurement Date of June 30, 2018	<u>14,838</u>	<u>0</u>
Total	<u>\$ 14,838</u>	<u>\$ 509,471</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	Sumner County
2020	\$ (74,118)
2021	(74,118)
2022	(74,118)
2023	(74,118)
2024	(74,118)
Thereafter	(138,881)

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 of the county 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:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 2,215,287	\$ 1,882,330	\$ 1,610,903

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

In 2011-12, the discretely presented Sumner County School Department offered a voluntary retirement incentive for employees who will have 30 years of verified Tennessee Consolidated Retirement Service (TCRS), or have reached 60 years of age with a minimum of 20 years of verified teaching credit in TCRS and worked in the Sumner County school system for ten years. This incentive consists of a cash payment of \$15 per day for each sick day held by the employee at their retirement date. There is no limit to the number of accumulated days that employees can be paid under the program. During the year, 35 employees accepted the voluntary retirement incentive. All 35 employees retired during 2018-19 and received sick leave payments totaling \$65,630.

J. Office of Central Accounting and Budgeting

On June 18, 2012, Sumner County adopted Chapter 70, Private Acts of 2012, which provides for a central system of accounting and budgeting covering all funds of the county. On April 18, 2019, Sumner County adopted Chapter 8, Private Acts of 2019, which amends several sections of the 2012 Finance Act. The amendments allow, but do not require, centralization of the school department.

K. Purchasing Laws

Office of Finance Director

Chapter 70, Private Acts of 2012, as amended, governs purchasing procedures for the general county government. This act does not provide for a dollar amount requiring advertisement and competitive bidding, and the financial management committee has not formally adopted a dollar amount. Therefore, public advertising provisions for the general government fall under the provisions of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide that general government purchases in excess of \$10,000 are to be made after public advertisement and competitive bidding.

Office of Superintendent of Roads

Section 54-7-113, *TCA*, (Uniform Road Law), governs purchasing procedures for the highway department. This statute requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Sumner County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

L. Subsequent Events

On December 16, 2019, Sumner County authorized the issuance of General Obligation Public Improvement Bonds not to exceed \$86,750,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Sumner 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
Total Pension Liability					
Service Cost	\$ 3,872,058	\$ 3,955,962	\$ 4,197,651	\$ 4,509,714	\$ 4,738,710
Interest	10,430,756	11,036,412	11,722,788	12,588,968	13,068,154
Changes in Benefit Terms	0	0	0	0	0
Differences Between Actual and Expected Experience	(868,375)	(67,132)	1,731,715	(2,197,405)	1,349,244
Changes in Assumptions	0	0	0	4,021,649	0
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)	(7,065,996)
Net Change in Total Pension Liability	\$ 8,191,667	\$ 9,282,149	\$ 11,264,727	\$ 12,480,057	\$ 12,090,112
Total Pension Liability, Beginning	137,826,082	146,017,749	155,299,898	166,564,625	179,044,682
Total Pension Liability, Ending (a)	\$ 146,017,749	\$ 155,299,898	\$ 166,564,625	\$ 179,044,682	\$ 191,134,794
Plan Fiduciary Net Position					
Contributions - Employer	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 7,786,613	\$ 6,993,577
Contributions - Employee	30,200	1,120	2,246	1,475	9,174
Net Investment Income	21,547,346	4,719,154	4,228,053	18,641,748	15,218,456
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)	(7,065,996)
Administrative Expense	(80,666)	(107,840)	(159,304)	(180,905)	(207,530)
Other	0	0	0	(2,265)	0
Net Change in Plan Fiduciary Net Position	\$ 23,069,065	\$ 6,053,667	\$ 5,303,886	\$ 19,803,797	\$ 14,947,681
Plan Fiduciary Net Position, Beginning	129,246,871	152,315,936	158,369,603	163,673,489	183,477,286
Plan Fiduciary Net Position, Ending (b)	\$ 152,315,936	\$ 158,369,603	\$ 163,673,489	\$ 183,477,286	\$ 198,424,967
Net Pension Liability (Asset), Ending (a - b)	\$ (6,298,187)	\$ (3,069,705)	\$ 2,891,136	\$ (4,432,604)	\$ (7,290,173)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.31%	101.98%	98.26%	102.48%	103.81%
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009	\$ 59,520,680
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.03)%	(6.05)%	5.30%	(7.95)%	(12.25)%

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

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

Exhibit F-2

Sumner 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
Actuarially Determined Contribution	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 5,008,865	\$ 5,630,656	\$ 7,538,499
Less Contributions in Relation to the Actuarially Determined Contribution	(6,814,957)	(7,084,326)	(7,620,318)	(7,786,613)	(6,993,577)	(7,538,499)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (2,777,748)	\$ (1,362,921)	\$ 0
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009	\$ 59,520,680	\$ 63,348,464
Contributions as a Percentage of Covered Payroll	14.10%	13.96%	13.96%	13.96%	11.75%	11.75%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 228,292	\$ 420,625	\$ 638,578	\$ 759,434	\$ 466,654
Less Contributions in Relation to the Contractually Required Contribution	(228,292)	(420,625)	(638,578)	(759,434)	(466,654)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403	\$ 19,858,355	\$ 24,098,587
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.15%	3.82%	1.94%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 9,318,045	\$ 9,369,511	\$ 9,080,291	\$ 8,741,947	\$ 8,611,145	\$ 10,525,739
Less Contributions in Relation to the Contractually Required Contribution	(9,318,045)	(9,369,511)	(9,080,291)	(8,741,947)	(8,611,145)	(10,525,739)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 104,932,940	\$ 100,645,167	\$ 100,445,598	\$ 97,283,833	\$ 93,963,874	\$ 100,628,486
Contributions as a Percentage of Covered Payroll	8.88%	9.31%	9.04%	8.99%	9.16%	10.46%

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

Exhibit F-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	2.746882%	2.389892%	2.432349%	2.172593%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (110,506)	\$ (248,795)	\$ (641,738)	\$ (985,332)
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403	\$ 19,858,355
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.17)%	(4.96)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	2.673456%	2.768665%	2.782585%	2.735624%	2.708316%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (434,424)	\$ 1,134,140	\$ 17,389,612	\$ (895,052)	\$ (9,530,334)
Covered Payroll	\$ 104,932,950	\$ 103,645,167	\$ 100,445,598	\$ 97,283,833	\$ 93,963,874
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094252%	17.31%	(0.92)%	(10.14)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit F-7

Sumner County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Self-Insured Plan
For the Fiscal Year Ended June 30

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 287,149	\$ 305,679
Interest	161,322	188,483
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(125,139)	(184,879)
Changes in Assumptions	135,150	166,865
Benefit Payments	(79,914)	(146,461)
Net Change in Total OPEB Liability	<u>\$ 378,568</u>	<u>\$ 329,687</u>
Total OPEB Liability, Beginning	<u>4,258,663</u>	<u>4,637,231</u>
Total OPEB Liability, Ending	<u><u>\$ 4,637,231</u></u>	<u><u>\$ 4,966,918</u></u>
Covered Employee Payroll	27,946,075	28,784,457
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	16.59%	17.26%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-8

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 121,013	\$ 104,179
Interest	66,038	77,450
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(346,574)
Changes in Assumptions or Other Inputs	(246,206)	(18,165)
Benefit Payments	(8,100)	(11,900)
Net Change in Total OPEB Liability	\$ (67,255)	\$ (195,010)
Total OPEB Liability, Beginning	2,144,595	2,077,340
Total OPEB Liability, Ending	<u>\$ 2,077,340</u>	<u>\$ 1,882,330</u>
Covered Employee Payroll	\$ N/A	\$ N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	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:

2017	2.92%
2018	3.56%
2019	3.62%

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

Exhibit F-9

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

	2018	2019
Total OPEB Liability		
Service Cost	\$ 1,987,393	\$ 2,242,629
Interest	1,355,729	1,724,099
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	4,073,489	(1,609,575)
Changes in Assumptions	1,379,660	1,179,009
Benefit Payments	(2,286,052)	(2,458,504)
Net Change in Total OPEB Liability	\$ 6,510,219	\$ 1,077,658
Total OPEB Liability, Beginning	37,015,101	43,525,320
Total OPEB Liability, Ending	\$ 43,525,320	\$ 44,602,978
Covered Employee Payroll	110,243,534	113,550,840
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	39.48%	39.28%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

SUMNER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2019 were calculated based on the June 30, 2017, 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	3%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

**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.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

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.

Exhibit G-1

Sumner County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 5,900	\$ 5,900
Equity in Pooled Cash and Investments	295,389	142,812	0	438,201
Accounts Receivable	65,233	0	297	65,530
Due from Other Governments	63	2,000	0	2,063
Prepaid Items	199	0	0	199
Total Assets	<u>\$ 360,884</u>	<u>\$ 144,812</u>	<u>\$ 6,197</u>	<u>\$ 511,893</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 74,603	\$ 417	\$ 0	\$ 75,020
Due to Other Funds	554	0	0	554
Due to Litigants, Heirs, and Others	0	0	6,197	6,197
Other Current Liabilities	0	8,943	0	8,943
Total Liabilities	<u>\$ 75,157</u>	<u>\$ 9,360</u>	<u>\$ 6,197</u>	<u>\$ 90,714</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 32,392	\$ 0	\$ 0	\$ 32,392
Total Deferred Inflows of Resources	<u>\$ 32,392</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,392</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 199	\$ 0	\$ 0	\$ 199
Restricted:				
Restricted for General Government	\$ 253,136	\$ 0	\$ 0	\$ 253,136
Restricted for Public Safety	0	135,452	0	135,452
Total Fund Balances	<u>\$ 253,335</u>	<u>\$ 135,452</u>	<u>\$ 0</u>	<u>\$ 388,787</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 360,884</u>	<u>\$ 144,812</u>	<u>\$ 6,197</u>	<u>\$ 511,893</u>

Exhibit G-2

Sumner County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Local Taxes	\$ 308,243	\$ 0	\$ 0	\$ 308,243
Fines, Forfeitures, and Penalties	0	20,863	0	20,863
Charges for Current Services	319,239	16,000	3,945	339,184
Other Local Revenues	208	0	0	208
Total Revenues	<u>\$ 627,690</u>	<u>\$ 36,863</u>	<u>\$ 3,945</u>	<u>\$ 668,498</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 649,402	\$ 0	\$ 0	\$ 649,402
Administration of Justice	0	0	3,945	3,945
Public Safety	0	13,299	0	13,299
Total Expenditures	<u>\$ 649,402</u>	<u>\$ 13,299</u>	<u>\$ 3,945</u>	<u>\$ 666,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,712)</u>	<u>\$ 23,564</u>	<u>\$ 0</u>	<u>\$ 1,852</u>
Net Change in Fund Balances	\$ (21,712)	\$ 23,564	\$ 0	\$ 1,852
Fund Balance, July 1, 2018	<u>275,047</u>	<u>111,888</u>	<u>0</u>	<u>386,935</u>
Fund Balance, June 30, 2019	<u>\$ 253,335</u>	<u>\$ 135,452</u>	<u>\$ 0</u>	<u>\$ 388,787</u>

Exhibit G-3

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 308,243	\$ 0	\$ 0	\$ 308,243	\$ 310,000	\$ 310,000	\$ (1,757)
Charges for Current Services	319,239	0	0	319,239	300,000	300,000	19,239
Other Local Revenues	208	0	0	208	188	188	20
Total Revenues	<u>\$ 627,690</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 627,690</u>	<u>\$ 610,188</u>	<u>\$ 610,188</u>	<u>\$ 17,502</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 649,402	\$ (9,900)	\$ 19,645	\$ 659,147	\$ 682,023	\$ 693,923	\$ 34,776
Total Expenditures	<u>\$ 649,402</u>	<u>\$ (9,900)</u>	<u>\$ 19,645</u>	<u>\$ 659,147</u>	<u>\$ 682,023</u>	<u>\$ 693,923</u>	<u>\$ 34,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,712)</u>	<u>\$ 9,900</u>	<u>\$ (19,645)</u>	<u>\$ (31,457)</u>	<u>\$ (71,835)</u>	<u>\$ (83,735)</u>	<u>\$ 52,278</u>
Net Change in Fund Balance	\$ (21,712)	\$ 9,900	\$ (19,645)	\$ (31,457)	\$ (71,835)	\$ (83,735)	\$ 52,278
Fund Balance, July 1, 2018	<u>275,047</u>	<u>(9,900)</u>	<u>0</u>	<u>265,147</u>	<u>146,744</u>	<u>146,744</u>	<u>118,403</u>
Fund Balance, June 30, 2019	<u>\$ 253,335</u>	<u>\$ 0</u>	<u>\$ (19,645)</u>	<u>\$ 233,690</u>	<u>\$ 74,909</u>	<u>\$ 63,009</u>	<u>\$ 170,681</u>

Exhibit G-4

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 20,863	\$ 12,000	\$ 12,000	\$ 8,863
Charges for Current Services	16,000	16,000	16,000	0
Other Local Revenues	0	1,500	1,500	(1,500)
Total Revenues	<u>\$ 36,863</u>	<u>\$ 29,500</u>	<u>\$ 29,500</u>	<u>\$ 7,363</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 13,299	\$ 59,361	\$ 59,361	\$ 46,062
Total Expenditures	<u>\$ 13,299</u>	<u>\$ 59,361</u>	<u>\$ 59,361</u>	<u>\$ 46,062</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 23,564</u>	<u>\$ (29,861)</u>	<u>\$ (29,861)</u>	<u>\$ 53,425</u>
Net Change in Fund Balance	\$ 23,564	\$ (29,861)	\$ (29,861)	\$ 53,425
Fund Balance, July 1, 2018	111,888	64,738	64,738	47,150
Fund Balance, June 30, 2019	<u>\$ 135,452</u>	<u>\$ 34,877</u>	<u>\$ 34,877</u>	<u>\$ 100,575</u>

Major Governmental Funds

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.

General Capital Projects Fund

The General Capital Projects Fund is used to account for general capital expenditures of the county and the Sumner County School Department.

Exhibit H-1

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,082,333	\$ 13,637,046	\$ 13,634,166	\$ 448,167
Other Local Revenues	3,751,710	350,000	350,000	3,401,710
State of Tennessee	11,183	8,437	11,317	(134)
Total Revenues	<u>\$ 17,845,226</u>	<u>\$ 13,995,483</u>	<u>\$ 13,995,483</u>	<u>\$ 3,849,743</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,630,630	\$ 1,630,630	\$ 1,630,630	\$ 0
Education	13,594,370	13,594,370	13,594,370	0
<u>Interest on Debt</u>				
General Government	473,377	473,376	473,376	(1)
Education	5,405,693	5,405,692	5,405,692	(1)
<u>Other Debt Service</u>				
General Government	183,140	486,431	486,431	303,291
Education	1,830	3,000	3,000	1,170
Total Expenditures	<u>\$ 21,289,040</u>	<u>\$ 21,593,499</u>	<u>\$ 21,593,499</u>	<u>\$ 304,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,443,814)</u>	<u>\$ (7,598,016)</u>	<u>\$ (7,598,016)</u>	<u>\$ 4,154,202</u>
Net Change in Fund Balance	\$ (3,443,814)	\$ (7,598,016)	\$ (7,598,016)	\$ 4,154,202
Fund Balance, July 1, 2018	<u>23,684,584</u>	<u>22,606,008</u>	<u>22,606,008</u>	<u>1,078,576</u>
Fund Balance, June 30, 2019	<u>\$ 20,240,770</u>	<u>\$ 15,007,992</u>	<u>\$ 15,007,992</u>	<u>\$ 5,232,778</u>

Exhibit H-2

Sumner 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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 20,131,009	\$ 0	\$ 0	\$ 20,131,009	\$ 19,939,224	\$ 19,939,224	\$ 191,785
Other Local Revenues	32,704	0	0	32,704	0	0	32,704
State of Tennessee	40,985	0	0	40,985	0	553,902	(512,917)
Federal Government	399,823	0	0	399,823	600,000	1,062,697	(662,874)
Total Revenues	\$ 20,604,521	\$ 0	\$ 0	\$ 20,604,521	\$ 20,539,224	\$ 21,555,823	\$ (951,302)
<u>Expenditures</u>							
<u>Other Debt Service</u>							
Education	\$ 335,497	\$ 0	\$ 0	\$ 335,497	\$ 0	\$ 339,331	\$ 3,834
<u>Capital Projects</u>							
General Administration Projects	399,009	0	0	399,009	133,952	400,000	991
Administration of Justice Projects	1,557,512	(175,837)	4,371,546	5,753,221	0	7,085,574	1,332,353
Public Safety Projects	3,298,775	(29,290)	5,782,781	9,052,266	737,925	10,561,776	1,509,510
Public Health and Welfare Projects	1,646,813	(89,035)	12,900	1,570,678	1,144,900	2,192,505	621,827
Social, Cultural, and Recreation Projects	148,031	(135,906)	46,376	58,501	0	888,431	829,930
Agriculture and Natural Resources Projects	0	0	0	0	0	53,850	53,850
Other General Government Projects	611,917	(326,023)	1,149,890	1,435,784	1,622,609	4,144,700	2,708,916
Highway and Street Capital Projects	0	0	0	0	550,000	550,000	550,000
Education Capital Projects	184,055	(184,055)	0	0	0	0	0
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	13,000,786	(8,369,810)	2,982,939	7,613,915	3,780,921	110,356,208	102,742,293
Total Expenditures	\$ 21,182,395	\$ (9,309,956)	\$ 14,346,432	\$ 26,218,871	\$ 7,970,307	\$ 136,572,375	\$ 110,353,504
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (577,874)	\$ 9,309,956	\$ (14,346,432)	\$ (5,614,350)	\$ 12,568,917	\$ (115,016,552)	\$ 109,402,202
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 95,415,000	\$ 0	\$ 0	\$ 95,415,000	\$ 0	\$ 95,415,000	\$ 0
Premiums on Debt Sold	7,924,331	0	0	7,924,331	0	7,924,331	0
Total Other Financing Sources	\$ 103,339,331	\$ 0	\$ 0	\$ 103,339,331	\$ 0	\$ 103,339,331	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 102,761,457	\$ 9,309,956	\$ (14,346,432)	\$ 97,724,981	\$ 12,568,917	\$ (11,677,221)	\$ 109,402,202
	22,382,527	(9,309,956)	0	13,072,571	7,972,600	11,875,272	1,197,299
Fund Balance, June 30, 2019	\$ 125,143,984	\$ 0	\$ (14,346,432)	\$ 110,797,552	\$ 20,541,517	\$ 198,051	\$ 110,599,501

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

Sumner County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds				
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 9,590,806	\$ 1,289,190	\$ 0	\$ 10,879,996
Equity in Pooled Cash and Investments	0	0	63,517	64,111	127,628
Accounts Receivable	0	0	51,329	1,520	52,849
Due from Other Governments	4,581,382	0	2,036	0	4,583,418
Due from Other Funds	0	0	0	300	300
Total Assets	<u>\$ 4,581,382</u>	<u>\$ 9,590,806</u>	<u>\$ 1,406,072</u>	<u>\$ 65,931</u>	<u>\$ 15,644,191</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 30,425	\$ 450	\$ 30,875
Due to State of Tennessee	0	0	2,522	0	2,522
Due to Other Taxing Units	4,581,382	0	0	0	4,581,382
Due to Litigants, Heirs, and Others	0	9,590,806	1,280,346	65,481	10,936,633
Due to Joint Ventures	0	0	92,779	0	92,779
Total Liabilities	<u>\$ 4,581,382</u>	<u>\$ 9,590,806</u>	<u>\$ 1,406,072</u>	<u>\$ 65,931</u>	<u>\$ 15,644,191</u>

Exhibit I-2

Sumner County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 25,882,298	\$ 25,882,298	\$ 0
Due from Other Governments	4,305,254	4,581,382	4,305,254	4,581,382
Total Assets	\$ 4,305,254	\$ 30,463,680	\$ 30,187,552	\$ 4,581,382
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,305,254	\$ 30,463,680	\$ 30,187,552	\$ 4,581,382
Total Liabilities	\$ 4,305,254	\$ 30,463,680	\$ 30,187,552	\$ 4,581,382
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 8,623,312	\$ 52,930,489	\$ 51,962,995	\$ 9,590,806
Total Assets	\$ 8,623,312	\$ 52,930,489	\$ 51,962,995	\$ 9,590,806
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 8,623,312	\$ 52,930,489	\$ 51,962,995	\$ 9,590,806
Total Liabilities	\$ 8,623,312	\$ 52,930,489	\$ 51,962,995	\$ 9,590,806
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 1,131,153	\$ 323,878	\$ 165,841	\$ 1,289,190
Equity in Pooled Cash and Investments	168,875	216,455	321,813	63,517
Accounts Receivable	3,545	51,329	3,545	51,329
Due from Other Governments	2,036	0	0	2,036
Total Assets	\$ 1,305,609	\$ 591,662	\$ 491,199	\$ 1,406,072
<u>Liabilities</u>				
Accounts Payable	\$ 31,924	\$ 30,425	\$ 31,924	\$ 30,425
Due to Other Funds	41,162	0	41,162	0
Due to State of Tennessee	2,422	2,522	2,422	2,522
Due to Litigants, Heirs, and Others	1,125,601	323,878	169,133	1,280,346
Due to Joint Ventures	104,500	234,837	246,558	92,779
Total Liabilities	\$ 1,305,609	\$ 591,662	\$ 491,199	\$ 1,406,072
<u>District Attorney General</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 69,702	\$ 18,593	\$ 24,184	\$ 64,111
Accounts Receivable	1,819	1,520	1,819	1,520
Due from Other Funds	0	300	0	300
Total Assets	\$ 71,521	\$ 20,413	\$ 26,003	\$ 65,931
<u>Liabilities</u>				
Accounts Payables	\$ 0	\$ 450	\$ 0	\$ 450
Due to Other Funds	4,122	0	4,122	0
Due to Litigants, Heirs, and Others	67,399	19,963	21,881	65,481
Total Liabilities	\$ 71,521	\$ 20,413	\$ 26,003	\$ 65,931

(Continued)

Sumner County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 9,754,465	\$ 53,254,367	\$ 52,128,836	\$ 10,879,996
Equity in Pooled Cash and Investments	238,577	26,117,346	26,228,295	127,628
Accounts Receivable	5,364	52,849	5,364	52,849
Due from Other Governments	4,307,290	4,581,382	4,305,254	4,583,418
Due from Other Funds	0	300	0	300
	<hr/>			
Total Assets	\$ 14,305,696	\$ 84,006,244	\$ 82,667,749	\$ 15,644,191
	<hr/>			
<u>Liabilities</u>				
Accounts Payable	\$ 31,924	\$ 30,875	\$ 31,924	\$ 30,875
Due to Other Funds	45,284	0	45,284	0
Due to State of Tennessee	2,422	2,522	2,422	2,522
Due to Other Taxing Units	4,305,254	30,463,680	30,187,552	4,581,382
Due to Litigants, Heirs, and Others	9,816,312	53,274,330	52,154,009	10,936,633
Due to Joint Ventures	104,500	234,837	246,558	92,779
	<hr/>			
Total Liabilities	\$ 14,305,696	\$ 84,006,244	\$ 82,667,749	\$ 15,644,191
	<hr/>			

Sumner County School Department

This section presents fund financial statements for the Sumner County School Department, a discretely presented component unit. The school department uses a General Fund, one Special Revenue Fund, and one Internal Service 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.

Employee Insurance Fund – The Employee Insurance Fund is used to account for transactions pertaining to the school department’s self-insurance group medical and prescription drug plans.

Exhibit J-1

Sumner County, Tennessee
Statement of Activities
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 151,962,553	\$ 697,636	\$ 8,717,687	\$ 0	\$ (142,547,230)
Support Services	96,650,355	580,904	2,494,745	10,980,371	(82,594,335)
Operation of Non-instructional Services	15,186,057	7,643,738	7,713,327	0	171,008
Total Governmental Activities	\$ 263,798,965	\$ 8,922,278	\$ 18,925,759	\$ 10,980,371	\$ (224,970,557)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 65,140,084
Local Option Sales Taxes					19,418,462
Wheel Tax					5,071,463
Mixed Drink Tax					330,904
Grants and Contributions Not Restricted to Specific Programs					154,669,104
Interest Income					113,954
Miscellaneous					257,893
Total General Revenues					\$ 245,001,864
Change in Net Position					\$ 20,031,307
Net Position, July 1, 2018					273,251,704
Prior-period adjustment - See Note I.D.11.					16,349,359
Net Position, June 30, 2019					\$ 309,632,370

Exhibit J-2

Sumner County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Sumner County School Department
June 30, 2019

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Fund</u>	<u>Total</u>
	General Purpose School	School Federal Projects	Governmental Funds
<u>ASSETS</u>			
Cash	\$ 7,685	\$ 0	\$ 7,685
Equity in Pooled Cash and Investments	51,472,858	216,511	51,689,369
Accounts Receivable	77,023	160	77,183
Due from Other Governments	8,245,840	329,025	8,574,865
Due from Other Funds	11,150	0	11,150
Property Taxes Receivable	83,625,566	0	83,625,566
Allowance for Uncollectible Property Taxes	(1,214,345)	0	(1,214,345)
Prepaid Items	21,422	0	21,422
Restricted Assets	514,582	0	514,582
Total Assets	<u>\$ 142,761,781</u>	<u>\$ 545,696</u>	<u>\$ 143,307,477</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,656,081	\$ 39,943	\$ 1,696,024
Payroll Deductions Payable	3,612,469	0	3,612,469
Due to Other Funds	0	5,753	5,753
Current Liabilities Payable From Restricted Assets	195,145	0	195,145
Total Liabilities	<u>\$ 5,463,695</u>	<u>\$ 45,696</u>	<u>\$ 5,509,391</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 81,645,544	\$ 0	\$ 81,645,544
Deferred Delinquent Property Taxes	627,362	0	627,362
Other Deferred/Unavailable Revenue	1,697,919	0	1,697,919
Total Deferred Inflows of Resources	<u>\$ 83,970,825</u>	<u>\$ 0</u>	<u>\$ 83,970,825</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 21,422	\$ 0	\$ 21,422
Restricted:			
Restricted for Education	2,749,490	0	2,749,490
Restricted for Operation of Non-instructional Services	3,498,977	0	3,498,977
Restricted for Hybrid Retirement Stabilization Funds	514,582	0	514,582
Committed:			
Committed for Education	20,930,240	500,000	21,430,240
Assigned:			
Assigned for Education	1,309,278	0	1,309,278
Unassigned	24,303,272	0	24,303,272
Total Fund Balances	<u>\$ 53,327,261</u>	<u>\$ 500,000</u>	<u>\$ 53,827,261</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 142,761,781</u>	<u>\$ 545,696</u>	<u>\$ 143,307,477</u>

Sumner County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Sumner County School Department
June 30, 2019

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 53,827,261
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 11,726,831	
Add: construction in progress	34,677,211	
Add: buildings and improvements net of accumulated depreciation	190,039,407	
Add: other capital assets net of accumulated depreciation	<u>13,848,193</u>	250,291,642
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		23,530,421
(3) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (2,349,696)	
Less: other postemployment benefits liability - school insurance plan	<u>(44,602,978)</u>	(46,952,674)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,325,281
(5) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 25,093,550	
Less: deferred inflows of resources related to pensions	(16,477,903)	
Add: deferred outflows of resources related to OPEB	5,533,491	
Less: deferred inflows of resources related to OPEB	<u>(1,463,250)</u>	12,685,888
(6) Net pension asset of the agent, teacher retirement, and teacher legacy plans is not current financial resources and therefore is not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 3,408,885	
Add: net pension asset - teacher retirement plan	985,332	
Add: net pension asset - teacher legacy plan	<u>9,530,334</u>	<u>13,924,551</u>
Net position of governmental activities (Exhibit A)		<u>\$ 309,632,370</u>

Exhibit J-4

Sumner County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

	<u>Major Fund</u>		<u>Nonmajor</u>	
	General	School	Fund	Total
	Purpose	Federal	Projects	Governmental
	School			Funds
<u>Revenues</u>				
Local Taxes	\$ 90,693,969	\$ 0	\$ 0	\$ 90,693,969
Licenses and Permits	7,919	0	0	7,919
Charges for Current Services	8,763,080	0	0	8,763,080
Other Local Revenues	1,166,277	0	0	1,166,277
State of Tennessee	151,401,952	5,000	0	151,406,952
Federal Government	7,883,005	12,796,746	0	20,679,751
Total Revenues	<u>\$ 259,916,202</u>	<u>\$ 12,801,746</u>	<u>\$ 0</u>	<u>\$ 272,717,948</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 155,916,153	\$ 7,892,119	\$ 0	\$ 163,808,272
Support Services	81,393,321	4,166,671	0	85,559,992
Operation of Non-Instructional Services	15,259,621	627,069	0	15,886,690
Capital Outlay	1,393,317	0	0	1,393,317
Total Expenditures	<u>\$ 253,962,412</u>	<u>\$ 12,685,859</u>	<u>\$ 0</u>	<u>\$ 266,648,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,953,790</u>	<u>\$ 115,887</u>	<u>\$ 0</u>	<u>\$ 6,069,677</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,664	\$ 0	\$ 0	\$ 1,664
Transfers In	115,887	300,000	0	415,887
Transfers Out	(587,170)	(115,887)	0	(703,057)
Total Other Financing Sources (Uses)	<u>\$ (469,619)</u>	<u>\$ 184,113</u>	<u>\$ 0</u>	<u>\$ (285,506)</u>
Net Change in Fund Balances	\$ 5,484,171	\$ 300,000	\$ 0	\$ 5,784,171
Fund Balance, July 1, 2018	47,843,090	200,000	0	48,043,090
Fund Balance, June 30, 2019	<u>\$ 53,327,261</u>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 53,827,261</u>

Sumner County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 5,784,171
(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	\$ 3,387,782	
Less: current-year depreciation expense	<u>(18,474,417)</u>	(15,086,635)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 10,980,371	
Less: book value of capital assets disposed	<u>(47,371)</u>	10,933,000
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2018	\$ (2,270,872)	
Add: deferred delinquent property taxes and other deferred June 30, 2019	<u>2,325,281</u>	54,409
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in OPEB liability - school insurance plan	\$ (1,077,658)	
Change in deferred outflows of resources related to OPEB	576,083	
Change in deferred inflows of resources related to OPEB	(1,463,250)	
Change in compensated absences payable	2,579	
Change in termination benefits liability	49,088	
Change in deferred outflows of resources related to pensions	1,103,358	
Change in deferred inflows of resources related to pensions	3,425,650	
Change in net pension asset/liability - agent plan	1,266,164	
Change in net pension asset/liability - teacher retirement plan	343,594	
Change in net pension asset/liability - teacher legacy plan	<u>8,635,282</u>	12,860,890
(5) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>5,485,472</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 20,031,307</u></u>

Exhibit J-6

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sumner County School Department
General Purpose School Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 90,693,969	\$ 0	\$ 0	\$ 90,693,969	\$ 88,670,352	\$ 88,658,521	\$ 2,035,448
Licenses and Permits	7,919	0	0	7,919	8,079	8,079	(160)
Charges for Current Services	8,763,080	0	0	8,763,080	8,645,000	9,115,657	(352,577)
Other Local Revenues	1,166,277	0	0	1,166,277	666,576	791,534	374,743
State of Tennessee	151,401,952	0	0	151,401,952	149,491,277	151,360,328	41,624
Federal Government	7,883,005	0	0	7,883,005	7,891,910	8,063,308	(180,303)
Total Revenues	\$ 259,916,202	\$ 0	\$ 0	\$ 259,916,202	\$ 255,373,194	\$ 257,997,427	\$ 1,918,775
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 118,133,457	\$ (928,930)	\$ 945,773	\$ 118,150,300	\$ 124,107,208	\$ 124,806,151	\$ 6,655,851
Alternative Instruction Program	2,796,940	0	0	2,796,940	3,189,339	3,184,685	387,745
Special Education Program	25,062,668	0	0	25,062,668	25,849,181	26,183,799	1,121,131
Career and Technical Education Program	9,923,088	0	0	9,923,088	10,972,909	10,937,909	1,014,821
<u>Support Services</u>							
Attendance	525,218	0	0	525,218	583,175	583,175	57,957
Health Services	3,030,672	0	0	3,030,672	3,108,468	3,305,362	274,690
Other Student Support	6,308,799	0	0	6,308,799	7,053,151	6,967,349	658,550
Regular Instruction Program	7,349,892	0	0	7,349,892	8,074,003	8,410,761	1,060,869
Alternative Instruction Program	588,350	0	0	588,350	832,797	831,797	243,447
Special Education Program	2,699,931	0	0	2,699,931	2,878,344	3,240,257	540,326
Career and Technical Education Program	179,196	0	0	179,196	195,793	214,121	34,925
Technology	2,844,818	0	0	2,844,818	3,048,483	3,048,483	203,665
Board of Education	5,493,755	0	0	5,493,755	7,199,992	7,199,992	1,706,237
Director of Schools	697,746	0	0	697,746	851,252	851,252	153,506
Office of the Principal	16,196,248	0	0	16,196,248	17,259,009	17,259,009	1,062,761
Fiscal Services	2,148,555	0	0	2,148,555	2,423,326	2,423,326	274,771
Human Services/Personnel	770,227	0	0	770,227	808,166	808,166	37,939
Operation of Plant	15,239,771	(2,384)	0	15,237,387	16,760,679	16,736,063	1,498,676

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 7,618,278	\$ (27,300)	\$ 113,330	\$ 7,704,308	\$ 7,309,939	\$ 8,481,251	\$ 776,943
Transportation	9,701,865	(17,039)	0	9,684,826	11,225,243	11,269,281	1,584,455
<u>Operation of Non-Instructional Services</u>							
Food Service	12,519,515	0	0	12,519,515	14,363,775	14,308,404	1,788,889
Community Services	2,324,417	0	0	2,324,417	2,683,548	4,375,950	2,051,533
Early Childhood Education	415,689	0	0	415,689	210,962	475,587	59,898
<u>Capital Outlay</u>							
Regular Capital Outlay	1,393,317	(14,442)	250,175	1,629,050	2,530,000	2,685,112	1,056,062
Total Expenditures	\$ 253,962,412	\$ (990,095)	\$ 1,309,278	\$ 254,281,595	\$ 273,518,742	\$ 278,587,242	\$ 24,305,647
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 5,953,790	\$ 990,095	\$ (1,309,278)	\$ 5,634,607	\$ (18,145,548)	\$ (20,589,815)	\$ 26,224,422
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,664	\$ 0	\$ 0	\$ 1,664	\$ 25,000	\$ 25,000	\$ (23,336)
Transfers In	115,887	0	0	115,887	160,000	95,664	20,223
Transfers Out	(587,170)	0	0	(587,170)	(287,175)	(600,250)	13,080
Total Other Financing Sources	\$ (469,619)	\$ 0	\$ 0	\$ (469,619)	\$ (102,175)	\$ (479,586)	\$ 9,967
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 5,484,171	\$ 990,095	\$ (1,309,278)	\$ 5,164,988	\$ (18,247,723)	\$ (21,069,401)	\$ 26,234,389
Fund Balance, June 30, 2019	47,843,090	(990,095)	0	46,852,995	33,461,897	33,461,897	13,391,098
Fund Balance, June 30, 2019	\$ 53,327,261	\$ 0	\$ (1,309,278)	\$ 52,017,983	\$ 15,214,174	\$ 12,392,496	\$ 39,625,487

Exhibit J-7

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Sumner County School Department
School Federal Projects Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Federal Government	12,796,746	11,004,711	15,020,986	(2,224,240)
Total Revenues	<u>\$ 12,801,746</u>	<u>\$ 11,004,711</u>	<u>\$ 15,025,986</u>	<u>\$ (2,224,240)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,829,943	\$ 3,821,804	\$ 4,538,859	\$ 708,916
Alternative Instruction Program	40,414	39,526	48,675	8,261
Special Education Program	3,753,446	3,192,346	4,128,236	374,790
Career and Technical Education Program	268,316	255,630	275,280	6,964
<u>Support Services</u>				
Health Services	157,056	218,346	223,414	66,358
Other Student Support	409,925	246,006	620,844	210,919
Regular Instruction Program	1,207,155	743,734	1,814,352	607,197
Special Education Program	2,386,023	2,382,895	2,574,353	188,330
Technology	0	0	1,080	1,080
Transportation	6,512	14,000	22,500	15,988
<u>Operation of Non-Instructional Services</u>				
Community Services	627,069	0	633,140	6,071
Total Expenditures	<u>\$ 12,685,859</u>	<u>\$ 10,914,287</u>	<u>\$ 14,880,733</u>	<u>\$ 2,194,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 115,887</u>	<u>\$ 90,424</u>	<u>\$ 145,253</u>	<u>\$ (29,366)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Transfers Out	(115,887)	(90,424)	(145,253)	29,366
Total Other Financing Sources	<u>\$ 184,113</u>	<u>\$ (90,424)</u>	<u>\$ 154,747</u>	<u>\$ 29,366</u>
Net Change in Fund Balance	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Fund Balance, July 1, 2018	200,000	0	0	200,000
Fund Balance, June 30, 2019	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 200,000</u>

Exhibit J-8

Sumner County, Tennessee
Statement of Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
June 30, 2019

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 28,702,428
Accounts Receivable	116,818
Total Assets	<u>\$ 28,819,246</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 331,242
Claims and Judgments Payable	4,952,186
Due to Other Funds	5,397
Total Liabilities	<u>\$ 5,288,825</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 23,530,421</u>
Total Net Position	<u>\$ 23,530,421</u>

Exhibit J-9

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service Fund <u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 52,076,218
Other Local Revenues:	
Retirees' Insurance Payments	1,729,683
State of Tennessee:	
On-Behalf Contributions for OPEB	173,800
Total Operating Revenues	<u>\$ 53,979,701</u>
<u>Operating Expenses</u>	
Other Programs:	
On-behalf Payments to OPEB	\$ 173,800
Central and Other:	
Handling Charges and Administrative Costs	2,957,439
Legal Services	2,494
Medical and Dental Services	1,595,286
Drugs and Medical Supplies	470,447
Excess Risk Insurance	1,336,054
Other Charges	73
Medical Claims	42,869,294
Total Operating Expenses	<u>\$ 49,404,887</u>
Operating Income (Loss)	<u>\$ 4,574,814</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 545,944
Investment Income	77,544
Total Nonoperating Revenues (Expenses)	<u>\$ 623,488</u>
Income(Loss) Before Transfers	\$ 5,198,302
Transfers In (Out)	287,170
Change in Net Position	<u>\$ 5,485,472</u>
Net Position, July 1, 2018	<u>18,044,949</u>
Net Position, June 30, 2019	<u><u>\$ 23,530,421</u></u>

Sumner County, Tennessee
Statement of Cash Flows
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service Fund <u>Employee Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 54,479,796
Payments to Suppliers	(6,355,274)
Claims Paid	(42,351,833)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,772,689</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers from Other Funds	\$ 287,170
Insurance Recovery	545,944
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 833,114</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 77,544
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 77,544</u>
Net Increase (Decrease) In Cash	\$ 6,683,347
Cash, July 1, 2018	<u>22,019,081</u>
Cash, June 30, 2019	<u><u>\$ 28,702,428</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 4,574,814
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	500,095
Increase (Decrease) in Accounts Payable	174,922
Increase (Decrease) in Due to Other Funds	5,397
Increase (Decrease) in Claims and Judgments Payable	<u>517,461</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,772,689</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Sumner County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation	\$ 6,555,000	2.83 %	1-29-10	6-1-20	\$ 2,900,000	\$ 0	\$ 1,425,000	\$ 1,475,000
School Refunding	112,210,000	2.86	5-17-11	6-1-23	56,175,000	0	9,350,000	46,825,000
General Obligation	30,000,000	1.5 to 5	6-7-13	12-1-23	20,970,000	0	2,060,000	18,910,000
General Obligation	69,400,000	2 to 5	4-29-15	12-1-35	63,415,000	0	2,390,000	61,025,000
General Obligation School and Public Improvement	95,415,000	2 to 5	1-31-19	12-1-38	0	95,415,000	0	95,415,000
Total Bonds Payable					<u>\$ 143,460,000</u>	<u>\$ 95,415,000</u>	<u>\$ 15,225,000</u>	<u>\$ 223,650,000</u>

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2020	\$ 17,725,000	\$ 10,304,267	\$ 28,029,267
2021	19,840,000	8,144,037	27,984,037
2022	20,730,000	7,161,637	27,891,637
2023	21,650,000	6,193,514	27,843,514
2024	16,665,000	5,087,762	21,752,762
2025	6,995,000	4,596,262	11,591,262
2026	7,350,000	4,237,637	11,587,637
2027	7,715,000	3,895,713	11,610,713
2028	8,100,000	3,571,387	11,671,387
2029	8,465,000	3,212,487	11,677,487
2030	8,820,000	2,838,087	11,658,087
2031	9,190,000	2,466,738	11,656,738
2032	9,525,000	2,134,162	11,659,162
2033	9,820,000	1,843,987	11,663,987
2034	10,135,000	1,541,078	11,676,078
2035	10,465,000	1,218,254	11,683,254
2036	10,815,000	878,232	11,693,232
2037	6,320,000	598,776	6,918,776
2038	6,540,000	381,764	6,921,764
2039	6,785,000	135,700	6,920,700
Total	<u>\$ 223,650,000</u>	<u>\$ 70,441,481</u>	<u>\$ 294,091,481</u>

Exhibit K-3

Sumner County, Tennessee
Schedule of Notes Receivable
Primary Government
June 30, 2019

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>PRIMARY GOVERNMENT</u>						
<u>General Fund</u>						
Various Capital Improvements	Sumner County Regional Airport Authority	\$ 800,000	1-2-14	1-2-23	3 %	<u>\$ 800,000</u>
Total Notes Receivable						<u><u>\$ 800,000</u></u>

Exhibit K-4

Sumner County, Tennessee
Schedule of Transfers
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

<u>To Fund</u>	<u>From Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Purpose School	School Federal Projects	Indirect costs	\$ 115,887
School Federal Projects	General Purpose School	Operations	300,000
Employee Insurance	"	Mixed drink tax	<u>287,170</u>
Total Transfers Discretely Presented Sumner County School Department			<u><u>\$ 703,057</u></u>

Exhibit K-5

Sumner County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Sections 8-24-102 and 5-1-310, <i>TCA</i>	\$ 116,465	(1)	\$ 100,000	Hartford Fire Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	109,490		100,000	"
Director of Schools	State Board of Education and Local Board of Education	197,439	(5)	100,000	Western Surety Company
Trustee:					
Marty Nelson (7-1-2018 through 8-31-2018)	Sections 8-24-102 and 5-1-310, <i>TCA</i>	18,724	(1)	6,294,119	Hartford Fire Insurance Company
Cindy Williams (9-1-2018 through 6-30-2019)	Sections 8-24-102 and 5-1-310, <i>TCA</i>	82,312		7,584,768	Ohio Casualty Insurance Company
Assessor of Property	Sections 8-24-102 and 5-1-310, <i>TCA</i>	102,036	(1)(6)	50,000	Western Surety Company
Director of Finance	County Commission	129,603	(2)	100,000	Hartford Fire Insurance Company
County Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	101,036	(1)	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	101,036	(1)	100,000	"
Clerk and Master	Sections 8-24-102 and 5-1-310, <i>TCA</i> , and Chancery Court	99,536	(3)	100,000	"
Register of Deeds	Sections 8-24-102 and 5-1-310, <i>TCA</i>	101,036	(1)	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i>	109,490	(4)	100,000	The Cincinnati Insurance Company
Employee Blanket Bonds					
Public Employee Dishonesty - County Departments				150,000	Travelers Casualty and Surety Company of America
Public Employee Dishonesty - School Department				150,000	"

- (1) Includes an education supplement of \$1,500.
- (2) Includes longevity pay of \$975 and vacation leave payout of \$4,800.
- (3) Does not include special commissioner fees totaling \$3,945.
- (4) Does not include a law enforcement training supplement of \$600.
- (5) Does not include a 403(b) retirement contribution of \$5,000 and vacation leave payout of \$15,188.
- (6) Includes Tennessee certified assessor's pay of \$1,000.

Exhibit K-6

Sumner County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types
 For the Year Ended June 30, 2019

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 24,282,444	\$ 0	\$ 0	\$ 0	\$ 655,093	\$ 1,316,207
Trustee's Collections - Prior Year	250,843	0	0	0	5,341	45,335
Trustee's Collections - Bankruptcy	1,607	0	0	0	46	803
Circuit Clerk/Clerk and Master Collections - Prior Years	217,341	0	0	0	5,851	46,178
Interest and Penalty	61,825	0	0	0	1,670	9,688
Payments in-Lieu-of Taxes - T.V.A.	1,084	0	0	0	29	59
Payments in-Lieu-of Taxes - Local Utilities	144,117	0	0	0	3,880	7,811
Payments in-Lieu-of Taxes - Other	54,326	0	0	0	1,745	27,442
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	9,659,172
Hotel/Motel Tax	937,692	0	0	0	0	0
Local Amusement Tax	1,687	0	0	0	0	0
Wheel Tax	0	0	0	0	2,173,926	0
Litigation Tax - General	306,660	0	0	0	0	126,202
Litigation Tax - Special Purpose	164,411	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	308,243	0	0	0	0
Litigation Tax - Courthouse Security	306,210	0	0	0	0	0
Business Tax	2,410,875	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	224,966	0
Adequate Facilities/Development Tax	0	0	0	0	0	2,843,436
<u>Statutory Local Taxes</u>						
Bank Excise Tax	669,531	0	0	0	0	0
Wholesale Beer Tax	442,792	0	0	0	0	0
Beer Privilege Tax	2,636	0	0	0	0	0
Other Statutory Local Taxes	7,659	0	0	0	0	0
Total Local Taxes	\$ 30,263,740	\$ 308,243	\$ 0	\$ 0	\$ 3,072,547	\$ 14,082,333

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 6,094	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	549,196	0	0	0	0	0
<u>Permits</u>						
Beer Permits	950	0	0	0	0	0
Building Permits	512,337	0	0	0	0	0
Other Permits	2,420	0	0	0	1,400	0
Total Licenses and Permits	<u>\$ 1,070,997</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,400</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 13,749	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	47,918	0	0	0	0	0
Drug Control Fines	0	0	3,520	0	0	0
DUI Treatment Fines	2,660	0	0	0	0	0
Data Entry Fee - Circuit Court	71,651	0	0	0	0	0
Courtroom Security Fee	1,601	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	20,746	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	65,871	0	0	0	0	0
Officers Costs	251,604	0	0	0	0	0
Drug Control Fines	0	0	9,769	0	0	0
Drug Court Fees	36,523	0	0	0	0	0
DUI Treatment Fines	30,132	0	0	0	0	0
Courtroom Security Fee	8,291	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 8,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	36,422	0	0	0	0	0
Drug Control Fines	0	0	150	0	0	0
<u>Chancery Court</u>						
Officers Costs	7,642	0	0	0	0	0
Data Entry Fee - Chancery Court	10,924	0	0	0	0	0
Courtroom Security Fee	17	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines for Littering	247	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	7,424	0	0	0
Other Fines, Forfeitures, and Penalties	563	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 615,071	\$ 0	\$ 20,863	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 101,599	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	7,240,627	0	0	0	0	0
Zoning Studies	11,100	0	0	0	0	0
Work Release Charges for Board	1,170	0	0	0	0	0
Other General Service Charges	0	0	16,000	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	100,490	0	0	0	0	0
Engineer Review Fees	9,010	0	0	0	0	0
Copy Fees	2,836	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 50,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	1,350	0	0	0	0	0
Telephone Commissions	0	319,239	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	3,945	0	0
Data Processing Fee - Register	69,692	0	0	0	0	0
Probation Fees	498,192	0	0	0	0	0
Data Processing Fee - Sheriff	17,146	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	10,350	0	0	0	0	0
Data Processing Fee - County Clerk	81,459	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	3,255	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	58,649	0	0	0	0	0
Total Charges for Current Services	\$ 8,257,827	\$ 319,239	\$ 16,000	\$ 3,945	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 135,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,751,710
Lease/Rentals	182,620	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	128	0
Commissary Sales	304,989	0	0	0	0	0
Sale of Gasoline	0	0	0	0	26,140	0
Sale of Recycled Materials	3,651	0	0	0	6,151	0
E-Rate Funding	427	0	0	0	0	0
Sale of Animals/Livestock	53,548	0	0	0	0	0
Miscellaneous Refunds	34,145	0	0	0	1,879	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 55,678	\$ 0	\$ 0	\$ 0	\$ 37,195	\$ 0
Damages Recovered from Individuals	3,519	0	0	0	0	0
Contributions and Gifts	148,101	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,325,942	208	0	0	0	0
Total Other Local Revenues	\$ 3,247,812	\$ 208	\$ 0	\$ 0	\$ 71,493	\$ 3,751,710
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 2,304,374	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	2,217,180	0	0	0	0	0
Clerk and Master	389,469	0	0	0	0	0
Register	1,207,784	0	0	0	0	0
Sheriff	84,126	0	0	0	0	0
Trustee	3,413,110	0	0	0	0	0
Total Fees Received From County Officials	\$ 9,616,043	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	60,600	0	0	0	0	0
Other Public Safety Grants	83,429	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,193,514	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 812,096	\$ 0
Litter Program	0	0	0	0	83,038	0
<u>Other State Revenues</u>						
Flood Control	92,891	0	0	0	0	0
Income Tax	160,247	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	19,138	0	0	0	0	0
Alcoholic Beverage Tax	262,207	0	0	0	0	0
State Revenue Sharing - T.V.A.	2,267,903	0	0	0	0	0
State Revenue Sharing - Telecommunications	50,671	0	0	0	1,364	2,746
Emergency Hospital - Prisoners	290,560	0	0	0	0	0
Contracted Prisoner Boarding	2,980,142	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	3,818,580	0
Petroleum Special Tax	0	0	0	0	115,913	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	4,751	0	0	0	0	0
Other State Revenues	216,215	0	0	0	0	8,437
Total State of Tennessee	\$ 7,724,391	\$ 0	\$ 0	\$ 0	\$ 4,830,991	\$ 11,183
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 9,216	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	142,098	0	0	0	0	0
Law Enforcement Grants	79,659	0	0	0	0	0
Other Federal through State	10,093	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	\$ 16,516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	51,089	0	0	0	0	0
Total Federal Government	\$ 308,671	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	240,530	\$ 0
Contributions	344,953	0	0	0	0	0
Contracted Services	3,800	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	1,000	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 349,753	\$ 0	\$ 0	\$ 0	240,530	\$ 0
Total	\$ 61,454,305	\$ 627,690	\$ 36,863	\$ 3,945	\$ 8,216,961	\$ 17,845,226

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 19,640,856	\$ 45,894,600
Trustee's Collections - Prior Year	171,094	472,613
Trustee's Collections - Bankruptcy	573	3,029
Circuit Clerk/Clerk and Master Collections - Prior Years	141,400	410,770
Interest and Penalty	43,607	116,790
Payments in-Lieu-of Taxes - T.V.A.	877	2,049
Payments in-Lieu-of Taxes - Local Utilities	116,569	272,377
Payments in-Lieu-of Taxes - Other	16,033	99,546
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	9,659,172
Hotel/Motel Tax	0	937,692
Local Amusement Tax	0	1,687
Wheel Tax	0	2,173,926
Litigation Tax - General	0	432,862
Litigation Tax - Special Purpose	0	164,411
Litigation Tax - Jail, Workhouse, or Courthouse	0	308,243
Litigation Tax - Courthouse Security	0	306,210
Business Tax	0	2,410,875
Mineral Severance Tax	0	224,966
Adequate Facilities/Development Tax	0	2,843,436
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	669,531
Wholesale Beer Tax	0	442,792
Beer Privilege Tax	0	2,636
Other Statutory Local Taxes	0	7,659
Total Local Taxes	<u>\$ 20,131,009</u>	<u>\$ 67,857,872</u>

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	General Capital Projects	Total
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 6,094
Cable TV Franchise	0	549,196
<u>Permits</u>		
Beer Permits	0	950
Building Permits	0	512,337
Other Permits	0	3,820
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,072,397</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 13,749
Officers Costs	0	47,918
Drug Control Fines	0	3,520
DUI Treatment Fines	0	2,660
Data Entry Fee - Circuit Court	0	71,651
Courtroom Security Fee	0	1,601
<u>Criminal Court</u>		
Drug Court Fees	0	20,746
<u>General Sessions Court</u>		
Fines	0	65,871
Officers Costs	0	251,604
Drug Control Fines	0	9,769
Drug Court Fees	0	36,523
DUI Treatment Fines	0	30,132
Courtroom Security Fee	0	8,291

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	<u>General</u>	<u>Capital</u>	<u>Total</u>
	Projects	Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Juvenile Court</u>			
Fines	\$ 0	\$ 8,510	
Officers Costs	0	36,422	
Drug Control Fines	0	150	
<u>Chancery Court</u>			
Officers Costs	0	7,642	
Data Entry Fee - Chancery Court	0	10,924	
Courtroom Security Fee	0	17	
<u>Other Courts - In-county</u>			
Fines for Littering	0	247	
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	7,424	
Other Fines, Forfeitures, and Penalties	0	563	
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 635,934</u>	
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Self-Insurance Premiums/Contributions	\$ 0	\$ 101,599	
Patient Charges	0	7,240,627	
Zoning Studies	0	11,100	
Work Release Charges for Board	0	1,170	
Other General Service Charges	0	16,000	
<u>Fees</u>			
Subdivision Lot Fees	0	100,490	
Engineer Review Fees	0	9,010	
Copy Fees	0	2,836	

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	Total
	Projects	Projects	
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Library Fees	\$ 0	\$ 0	50,902
Greenbelt Late Application Fee	0	0	1,350
Telephone Commissions	0	0	319,239
Special Commissioner Fees/Special Master Fees	0	0	3,945
Data Processing Fee - Register	0	0	69,692
Probation Fees	0	0	498,192
Data Processing Fee - Sheriff	0	0	17,146
Sexual Offender Registration Fee - Sheriff	0	0	10,350
Data Processing Fee - County Clerk	0	0	81,459
Vehicle Insurance Coverage and Reinstatement Fees	0	0	3,255
<u>Education Charges</u>			
Other Charges for Services	0	0	58,649
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>8,597,011</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	3,886,902
Lease/Rentals	0	0	182,620
Sale of Materials and Supplies	0	0	128
Commissary Sales	0	0	304,989
Sale of Gasoline	0	0	26,140
Sale of Recycled Materials	0	0	9,802
E-Rate Funding	0	0	427
Sale of Animals/Livestock	0	0	53,548
Miscellaneous Refunds	0	0	36,024

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	Total
	Projects	Projects	
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 0	\$ 92,873	
Damages Recovered from Individuals	0	3,519	
Contributions and Gifts	0	148,101	
<u>Other Local Revenues</u>			
Other Local Revenues	32,704	2,358,854	
Total Other Local Revenues	<u>\$ 32,704</u>	<u>\$ 7,103,927</u>	
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 2,304,374	
Circuit Court Clerk	0	2,217,180	
Clerk and Master	0	389,469	
Register	0	1,207,784	
Sheriff	0	84,126	
Trustee	0	3,413,110	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 9,616,043</u>	
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 9,000	
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	60,600	
Other Public Safety Grants	0	83,429	
<u>Health and Welfare Grants</u>			
Health Department Programs	0	1,193,514	

(Continued)

Exhibit K-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	<u>General</u>	<u>Capital</u>	<u>Total</u>
	Projects	Projects	
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
State Aid Program	\$ 0	\$ 0	812,096
Litter Program		0	83,038
<u>Other State Revenues</u>			
Flood Control		0	92,891
Income Tax		0	160,247
Beer Tax		0	17,959
Vehicle Certificate of Title Fees		0	19,138
Alcoholic Beverage Tax		0	262,207
State Revenue Sharing - T.V.A.		0	2,267,903
State Revenue Sharing - Telecommunications	40,985		95,766
Emergency Hospital - Prisoners		0	290,560
Contracted Prisoner Boarding		0	2,980,142
Gasoline and Motor Fuel Tax		0	3,818,580
Petroleum Special Tax		0	115,913
Registrar's Salary Supplement		0	15,164
Other State Grants		0	4,751
Other State Revenues		0	224,652
Total State of Tennessee	<u>\$ 40,985</u>	<u>\$ 0</u>	<u>\$ 12,607,550</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Disaster Relief		\$ 0	\$ 9,216
Homeland Security Grants		0	142,098
Law Enforcement Grants		0	79,659
Other Federal through State	399,823		409,916

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>		
	<u>General</u>	<u>Capital</u>	<u>Total</u>
	<u>Projects</u>		
<hr/>			
<u>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue</u>			
Police Service (Lake Area)	\$	0	\$ 16,516
Other Direct Federal Revenue		0	51,089
Total Federal Government	<u>\$</u>	<u>399,823</u>	<u>\$ 708,494</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Paving and Maintenance	\$	0	\$ 240,530
Contributions		0	344,953
Contracted Services		0	3,800
<u>Citizens Groups</u>			
Donations		0	1,000
Total Other Governments and Citizens Groups	<u>\$</u>	<u>0</u>	<u>\$ 590,283</u>
 Total	 <u>\$</u>	 <u>20,604,521</u>	 <u>\$ 108,789,511</u>

Exhibit K-7

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 63,770,595	\$ 0	\$ 63,770,595
Trustee's Collections - Prior Year	663,167	0	663,167
Circuit Clerk/Clerk and Master Collections - Prior Years	570,899	0	570,899
Interest and Penalty	162,434	0	162,434
Payments in-Lieu-of Taxes - T.V.A.	2,848	0	2,848
Payments in-Lieu-of Taxes - Local Utilities	378,558	0	378,558
Payments in-Lieu-of Taxes - Other	421,859	0	421,859
<u>County Local Option Taxes</u>			
Local Option Sales Tax	19,321,242	0	19,321,242
Wheel Tax	5,071,463	0	5,071,463
Mixed Drink Tax	330,904	0	330,904
Total Local Taxes	<u>\$ 90,693,969</u>	<u>\$ 0</u>	<u>\$ 90,693,969</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 6,094	\$ 0	\$ 6,094
<u>Permits</u>			
Other Permits	1,825	0	1,825
Total Licenses and Permits	<u>\$ 7,919</u>	<u>\$ 0</u>	<u>\$ 7,919</u>
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Tuition - Regular Day Students	\$ 15,000	\$ 0	\$ 15,000
Tuition - Other	13,989	0	13,989
Lunch Payments - Children	4,868,089	0	4,868,089
Lunch Payments - Adults	81,843	0	81,843
Income from Breakfast	472,154	0	472,154
Receipts from Individual Schools	622,395	0	622,395
Community Service Fees - Children	2,226,652	0	2,226,652
Other Charges for Services	462,958	0	462,958
Total Charges for Current Services	<u>\$ 8,763,080</u>	<u>\$ 0</u>	<u>\$ 8,763,080</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 36,410	\$ 0	\$ 36,410
Lease/Rentals	93,115	0	93,115
Sale of Materials and Supplies	46,252	0	46,252
Miscellaneous Refunds	178,071	0	178,071

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 88,342	\$ 0	\$ 88,342
Damages Recovered from Individuals	2,280	0	2,280
Contributions and Gifts	696,976	0	696,976
<u>Other Local Revenues</u>			
Other Local Revenues	24,831	0	24,831
Total Other Local Revenues	<u>\$ 1,166,277</u>	<u>\$ 0</u>	<u>\$ 1,166,277</u>
<u>State of Tennessee</u>			
<u>State Education Funds</u>			
Basic Education Program	\$ 148,574,596	\$ 0	\$ 148,574,596
Early Childhood Education	364,480	0	364,480
School Food Service	110,792	0	110,792
Other State Education Funds	34,356	0	34,356
Career Ladder Program	455,906	0	455,906
Other Vocational	8,126	0	8,126
<u>Other State Revenues</u>			
State Revenue Sharing - Telecommunications	133,099	0	133,099
Other State Grants	660,972	5,000	665,972
Safe Schools	1,042,748	0	1,042,748
Other State Revenues	16,877	0	16,877
Total State of Tennessee	<u>\$ 151,401,952</u>	<u>\$ 5,000</u>	<u>\$ 151,406,952</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$ 4,974,157	\$ 0	\$ 4,974,157
USDA - Commodities	897,644	0	897,644
Breakfast	1,542,382	0	1,542,382
USDA - Other	75,058	0	75,058
Vocational Education - Basic Grants to States	0	344,692	344,692
Other Vocational	0	12,686	12,686
Title I Grants to Local Education Agencies	0	4,436,372	4,436,372
Special Education - Grants to States	164,647	6,257,486	6,422,133
Special Education Preschool Grants	0	86,384	86,384
English Language Acquisition Grants	0	61,902	61,902
Education for Homeless Children and Youth	0	89,631	89,631
Eisenhower Professional Development State Grants	0	692,073	692,073
Other Federal through State	1,017	815,520	816,537
<u>Direct Federal Revenue</u>			
ROTC Reimbursement	228,100	0	228,100
Total Federal Government	<u>\$ 7,883,005</u>	<u>\$ 12,796,746</u>	<u>\$ 20,679,751</u>
Total	<u>\$ 259,916,202</u>	<u>\$ 12,801,746</u>	<u>\$ 272,717,948</u>

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

Other Salaries and Wages	\$	25,800	
Board and Committee Members Fees		144,000	
Social Security		9,365	
Pensions		1,621	
Employer Medicare		2,288	
Audit Services		77,845	
Data Processing Services		9,500	
Dues and Memberships		29,455	
Legal Notices, Recording, and Court Costs		873	
Postal Charges		8	
Printing, Stationery, and Forms		338	
Travel		356	
Electricity		1,005	
Food Supplies		523	
Refunds		5,121	
In Service/Staff Development		130	
Other Charges		1,325	
Other Equipment		913	
Total County Commission			\$ 310,466

Board of Equalization

Board and Committee Members Fees	\$	7,500	
Legal Notices, Recording, and Court Costs		84	
Postal Charges		490	
Total Board of Equalization			8,074

Other Boards and Committees

Board and Committee Members Fees	\$	4,800	
Evaluation and Testing		2,775	
Total Other Boards and Committees			7,575

County Mayor/Executive

County Official/Administrative Officer	\$	116,465	
Assistant(s)		154,642	
Longevity Pay		2,475	
Social Security		16,184	
Pensions		31,888	
Life Insurance		515	
Medical Insurance		43,051	
Dental Insurance		1,309	
Employer Medicare		3,785	
Communication		1,825	
Data Processing Services		1,326	
Dues and Memberships		2,374	
Maintenance Agreements		1,236	
Postal Charges		284	
Printing, Stationery, and Forms		231	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Travel	\$	5,765	
Data Processing Supplies		1,005	
Food Preparation Supplies		49	
Food Supplies		832	
Office Supplies		611	
Periodicals		71	
In Service/Staff Development		1,510	
Other Charges		2,900	
Food Service Equipment		510	
Total County Mayor/Executive			\$ 390,843

County Attorney

County Official/Administrative Officer	\$	172,545	
Longevity Pay		4,125	
Other Salaries and Wages		179,551	
Social Security		18,870	
Pensions		41,856	
Life Insurance		514	
Medical Insurance		33,287	
Dental Insurance		1,164	
Disability Insurance		2,759	
Employer Medicare		5,013	
Communication		3,164	
Data Processing Services		10,441	
Dues and Memberships		1,350	
Legal Notices, Recording, and Court Costs		142	
Maintenance Agreements		2,341	
Postal Charges		693	
Printing, Stationery, and Forms		25	
Travel		1,314	
Other Contracted Services		74	
Custodial Supplies		98	
Data Processing Supplies		1,413	
Food Preparation Supplies		34	
Food Supplies		540	
General Construction Materials		15	
Office Supplies		2,187	
Periodicals		7,188	
Chemicals		22	
In Service/Staff Development		1,132	
Other Charges		409	
Data Processing Equipment		8,887	
Furniture and Fixtures		54	
Office Equipment		59	
Total County Attorney			501,266

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	89,583	
Secretary(ies)		203,673	
Longevity Pay		3,450	
Other Salaries and Wages		49,191	
Election Commission		5,100	
Election Workers		187,608	
Social Security		26,882	
Pensions		35,052	
Life Insurance		587	
Medical Insurance		70,199	
Dental Insurance		2,383	
Employer Medicare		6,248	
Communication		737	
Data Processing Services		64,747	
Dues and Memberships		600	
Legal Notices, Recording, and Court Costs		8,276	
Maintenance Agreements		3,537	
Maintenance and Repair Services - Buildings		479	
Maintenance and Repair Services - Equipment		181	
Maintenance and Repair Services - Office Equipment		661	
Postal Charges		26,754	
Printing, Stationery, and Forms		10,202	
Travel		2,063	
Maintenance and Repair Services - Records		585	
Other Contracted Services		552	
Custodial Supplies		81	
Data Processing Supplies		3,387	
Food Preparation Supplies		212	
Food Supplies		1,029	
Gasoline		18	
Office Supplies		3,958	
Periodicals		855	
Uniforms		791	
Other Supplies and Materials		4,066	
In Service/Staff Development		1,450	
Other Charges		18	
Data Processing Equipment		4,780	
Furniture and Fixtures		246	
Office Equipment		110	
Other Equipment		965	
Total Election Commission			\$ 821,296

Register of Deeds

County Official/Administrative Officer	\$	101,036
Deputy(ies)		338,182
Longevity Pay		7,650
Social Security		25,556

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Pensions	\$	52,260	
Life Insurance		896	
Medical Insurance		101,497	
Dental Insurance		3,430	
Employer Medicare		5,977	
Communication		1,264	
Data Processing Services		47,911	
Dues and Memberships		973	
Maintenance Agreements		2,762	
Postal Charges		3,274	
Printing, Stationery, and Forms		1,103	
Travel		2,325	
Maintenance and Repair Services - Records		9,521	
Data Processing Supplies		2,078	
Food Preparation Supplies		153	
Office Supplies		3,719	
Periodicals		20	
In Service/Staff Development		565	
Data Processing Equipment		28,969	
Furniture and Fixtures		3,387	
Total Register of Deeds			\$ 744,508

Planning

Supervisor/Director	\$	83,501
Investigator(s)		127,171
Secretary(ies)		44,322
Part-time Personnel		14,879
Longevity Pay		3,075
Social Security		15,577
Pensions		30,323
Life Insurance		519
Medical Insurance		59,993
Dental Insurance		2,214
Employer Medicare		3,643
Advertising		2,216
Communication		1,912
Data Processing Services		1,443
Dues and Memberships		16,094
Laundry Service		1,394
Legal Notices, Recording, and Court Costs		32
Maintenance Agreements		5,453
Maintenance and Repair Services - Vehicles		2,269
Postal Charges		2,172
Printing, Stationery, and Forms		1,802
Travel		1,752
Permits		3,460
Other Contracted Services		65,437

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Food Supplies	\$	1,751	
Gasoline		6,277	
Office Supplies		3,033	
Periodicals		20	
Uniforms		1,538	
Vehicle Parts		178	
Other Supplies and Materials		587	
In Service/Staff Development		1,120	
Other Charges		52	
Data Processing Equipment		2,402	
Furniture and Fixtures		636	
Office Equipment		190	
Other Equipment		611	
Total Planning			\$ 509,048

Building

Supervisor/Director	\$	75,487
Investigator(s)		144,377
Secretary(ies)		70,971
Longevity Pay		3,300
Social Security		17,069
Pensions		33,650
Life Insurance		597
Medical Insurance		65,013
Dental Insurance		2,118
Employer Medicare		3,992
Communication		3,050
Data Processing Services		2,252
Dues and Memberships		640
Evaluation and Testing		536
Licenses		630
Maintenance Agreements		2,626
Maintenance and Repair Services - Office Equipment		27
Maintenance and Repair Services - Vehicles		5,310
Postal Charges		596
Printing, Stationery, and Forms		1,272
Travel		1,879
Maintenance and Repair Services - Records		152
Other Contracted Services		3,800
Data Processing Supplies		466
Food Supplies		927
Gasoline		7,840
Office Supplies		2,191
Periodicals		40
Small Tools		77
Uniforms		1,377
Vehicle Parts		191

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Other Supplies and Materials	\$	1,262	
In Service/Staff Development		1,098	
Other Charges		309	
Communication Equipment		318	
Furniture and Fixtures		938	
Total Building			\$ 456,378

County Buildings

Maintenance Personnel	\$	262,388	
Longevity Pay		5,625	
Social Security		15,343	
Pensions		29,272	
Life Insurance		492	
Medical Insurance		75,605	
Dental Insurance		2,727	
Employer Medicare		3,588	
Communication		41,191	
Data Processing Services		4,723	
Engineering Services		5,737	
Maintenance Agreements		2,731	
Maintenance and Repair Services - Buildings		8,838	
Maintenance and Repair Services - Equipment		26,779	
Maintenance and Repair Services - Vehicles		16	
Pest Control		290	
Printing, Stationery, and Forms		300	
Rentals		235	
Travel		14	
Permits		100	
Other Contracted Services		120,508	
Custodial Supplies		8,813	
Electricity		739,150	
Equipment and Machinery Parts		4,846	
Food Supplies		26	
General Construction Materials		57,178	
Lubricants		38	
Natural Gas		208,750	
Propane Gas		5,131	
Small Tools		1,726	
Vehicle Parts		2,784	
Water and Sewer		269,403	
Other Supplies and Materials		96	
Other Charges		52	
Building Improvements		21,223	
Data Processing Equipment		766	
Furniture and Fixtures		55	
Other Equipment		8,161	
Total County Buildings			1,934,700

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

Clerical Personnel	\$	59,160	
Longevity Pay		1,125	
Social Security		3,475	
Pensions		7,084	
Life Insurance		89	
Medical Insurance		13,181	
Dental Insurance		455	
Employer Medicare		813	
Communication		2,205	
Data Processing Services		557	
Dues and Memberships		100	
Maintenance Agreements		1,186	
Maintenance and Repair Services - Office Equipment		80	
Postal Charges		120	
Printing, Stationery, and Forms		50	
Data Processing Supplies		560	
Office Supplies		890	
In Service/Staff Development		85	
Total Preservation of Records			\$ 91,215

Risk Management

Building and Contents Insurance	\$	56,158	
Liability Insurance		902,933	
Premiums on Corporate Surety Bonds		34,654	
Workers' Compensation Insurance		390,635	
Total Risk Management			1,384,380

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	129,603	
Accountants/Bookkeepers		378,428	
Librarians		13,100	
Longevity Pay		9,300	
Social Security		29,941	
Pensions		60,202	
Life Insurance		967	
Medical Insurance		94,753	
Dental Insurance		3,476	
Employer Medicare		7,191	
Advertising		2,472	
Communication		3,175	
Data Processing Services		9,558	
Dues and Memberships		440	
Licenses		110	
Maintenance Agreements		2,834	
Postal Charges		4,817	
Travel		572	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Records	\$	476	
Other Contracted Services		200	
Custodial Supplies		21	
Data Processing Supplies		3,038	
Food Supplies		1,002	
Office Supplies		5,218	
Periodicals		872	
Software		558	
Other Supplies and Materials		11	
In Service/Staff Development		2,264	
Other Charges		3,610	
Data Processing Equipment		5,823	
Furniture and Fixtures		1,163	
Total Accounting and Budgeting			\$ 775,195

Property Assessor's Office

County Official/Administrative Officer	\$	102,036	
Data Processing Personnel		154,598	
Assessment Personnel		112,012	
Longevity Pay		16,125	
Other Salaries and Wages		104,060	
Social Security		27,764	
Pensions		56,821	
Life Insurance		960	
Medical Insurance		117,115	
Dental Insurance		4,254	
Employer Medicare		6,493	
Data Processing Services		26,266	
Dues and Memberships		3,445	
Maintenance Agreements		1,147	
Postal Charges		2,975	
Printing, Stationery, and Forms		854	
Travel		1,705	
Office Supplies		518	
Software		40	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		2,330	
Communication Equipment		271	
Data Processing Equipment		696	
Total Property Assessor's Office			742,660

Reappraisal Program

Supervisor/Director	\$	123,697	
Data Processing Personnel		32,195	
Longevity Pay		8,175	
Other Salaries and Wages		184,583	
Social Security		20,028	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Pensions	\$	37,080	
Life Insurance		632	
Medical Insurance		63,207	
Dental Insurance		2,770	
Employer Medicare		4,684	
Audit Services		57,370	
Communication		3,874	
Data Processing Services		65,030	
Evaluation and Testing		63	
Maintenance and Repair Services - Vehicles		2,034	
Postal Charges		25,539	
Printing, Stationery, and Forms		6,005	
Travel		1,823	
Data Processing Supplies		414	
Food Supplies		696	
Gasoline		7,356	
Office Supplies		2,221	
Periodicals		669	
Small Tools		90	
Software		162	
Data Processing Equipment		1,757	
Total Reappraisal Program			\$ 652,154

County Trustee's Office

County Official/Administrative Officer	\$	101,036
Deputy(ies)		205,149
Longevity Pay		4,125
Social Security		18,033
Pensions		33,742
Life Insurance		583
Medical Insurance		60,013
Dental Insurance		2,031
Employer Medicare		4,217
Communication		1,085
Contracts with Government Agencies		37,279
Data Processing Services		18,487
Dues and Memberships		993
Legal Notices, Recording, and Court Costs		110
Maintenance Agreements		2,100
Postal Charges		8,310
Printing, Stationery, and Forms		3,107
Travel		3,026
Maintenance and Repair Services - Records		1,022
Data Processing Supplies		894
Food Preparation Supplies		83
Food Supplies		734
General Construction Materials		106

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Supplies	\$	1,176	
In Service/Staff Development		765	
Data Processing Equipment		2,111	
Furniture and Fixtures		81	
Office Equipment		334	
Total County Trustee's Office			\$ 510,732

County Clerk's Office

County Official/Administrative Officer	\$	101,036	
Deputy(ies)		933,200	
Longevity Pay		26,100	
Social Security		57,211	
Pensions		113,023	
Life Insurance		1,857	
Medical Insurance		249,728	
Dental Insurance		9,265	
Employer Medicare		14,133	
Communication		4,767	
Data Processing Services		44,677	
Dues and Memberships		998	
Maintenance Agreements		6,051	
Maintenance and Repair Services - Office Equipment		35	
Postal Charges		44,842	
Printing, Stationery, and Forms		4,628	
Travel		7,338	
Maintenance and Repair Services - Records		550	
Data Processing Supplies		14,724	
Food Preparation Supplies		46	
Food Supplies		107	
Office Supplies		8,312	
Periodicals		552	
In Service/Staff Development		825	
Data Processing Equipment		29,657	
Furniture and Fixtures		2,404	
Office Equipment		466	
Total County Clerk's Office			1,676,532

Data Processing

Supervisor/Director	\$	112,201	
Data Processing Personnel		163,213	
Longevity Pay		1,125	
Social Security		15,897	
Pensions		32,345	
Life Insurance		529	
Medical Insurance		58,917	
Dental Insurance		1,892	
Employer Medicare		3,718	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Communication	\$	6,531	
Contracts with Private Agencies		3,175	
Data Processing Services		278,144	
Dues and Memberships		145	
Evaluation and Testing		129	
Maintenance and Repair Services - Equipment		280	
Postal Charges		12	
Printing, Stationery, and Forms		74	
Travel		1,285	
Data Processing Supplies		4,198	
Food Preparation Supplies		69	
Food Supplies		826	
Instructional Supplies and Materials		31	
Office Supplies		1,380	
In Service/Staff Development		501	
Data Processing Equipment		16,241	
Furniture and Fixtures		962	
Total Data Processing			\$ 703,820

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	101,036
Clerical Personnel		1,039,593
Longevity Pay		20,775
Jury and Witness Expense		30,470
Social Security		67,925
Pensions		129,340
Life Insurance		2,233
Medical Insurance		205,129
Dental Insurance		6,307
Employer Medicare		15,886
Communication		2,276
Data Processing Services		48,617
Dues and Memberships		1,093
Legal Notices, Recording, and Court Costs		105
Maintenance Agreements		12,619
Postal Charges		18,082
Printing, Stationery, and Forms		6,693
Travel		2,655
Maintenance and Repair Services - Records		1,210
Other Contracted Services		153
Custodial Supplies		169
Data Processing Supplies		3,505
Food Supplies		1,448
Office Supplies		16,687
Periodicals		1,047
In Service/Staff Development		315

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Other Charges	\$	310	
Data Processing Equipment		3,697	
Food Service Equipment		2,631	
Furniture and Fixtures		4,269	
Total Circuit Court Clerk			\$ 1,746,275

General Sessions Court

Judge(s)	\$	166,869	
Secretary(ies)		45,650	
Longevity Pay		450	
Social Security		10,701	
Pensions		25,024	
Life Insurance		298	
Medical Insurance		20,037	
Dental Insurance		706	
Employer Medicare		3,018	
Data Processing Services		700	
Dues and Memberships		250	
Maintenance Agreements		2,079	
Postal Charges		28	
Printing, Stationery, and Forms		1,045	
Travel		763	
Other Contracted Services		390	
Food Preparation Supplies		30	
Food Supplies		63	
Office Supplies		1,158	
Periodicals		503	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		275	
Other Charges		92	
Total General Sessions Court			280,229

General Sessions Judge

Judge(s)	\$	166,869
Secretary(ies)		51,000
Longevity Pay		2,100
Social Security		11,250
Pensions		25,846
Life Insurance		310
Medical Insurance		20,037
Dental Insurance		479
Employer Medicare		3,136
Communication		1,382
Data Processing Services		350
Dues and Memberships		250
Licenses		50
Maintenance Agreements		2,079

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Postal Charges	\$	110	
Printing, Stationery, and Forms		2,003	
Travel		763	
Other Contracted Services		2,199	
Data Processing Supplies		533	
Office Supplies		1,111	
Periodicals		1,264	
In Service/Staff Development		275	
Other Charges		100	
Furniture and Fixtures		218	
Total General Sessions Judge			\$ 293,714

Drug Court

County Official/Administrative Officer	\$	56,091	
Assistant(s)		45,076	
Part-time Personnel		31,091	
Longevity Pay		2,325	
Social Security		8,200	
Pensions		12,160	
Life Insurance		210	
Medical Insurance		6,590	
Dental Insurance		455	
Employer Medicare		1,918	
Communication		418	
Data Processing Services		646	
Dues and Memberships		200	
Evaluation and Testing		1,370	
Maintenance Agreements		1,090	
Postal Charges		198	
Printing, Stationery, and Forms		765	
Rentals		2,100	
Travel		1,522	
Drug Treatment		4,000	
Other Contracted Services		4,300	
Custodial Supplies		97	
Data Processing Supplies		541	
Drugs and Medical Supplies		396	
Electricity		220	
Instructional Supplies and Materials		4,659	
Office Supplies		1,893	
Testing		40,000	
Software		576	
In Service/Staff Development		750	
Data Processing Equipment		1,751	
Furniture and Fixtures		2,093	
Total Drug Court			233,701

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	99,536	
Clerical Personnel		332,664	
Longevity Pay		11,850	
Social Security		24,926	
Pensions		52,003	
Life Insurance		876	
Medical Insurance		136,654	
Dental Insurance		5,361	
Employer Medicare		5,829	
Communication		3,689	
Data Processing Services		18,903	
Dues and Memberships		1,417	
Maintenance Agreements		5,558	
Postal Charges		18,491	
Printing, Stationery, and Forms		341	
Data Processing Supplies		1,465	
Food Preparation Supplies		62	
Food Supplies		1,282	
Office Supplies		3,120	
Periodicals		624	
In Service/Staff Development		255	
Other Charges		719	
Data Processing Equipment		170	
Office Equipment		921	
Total Chancery Court			\$ 726,716

Juvenile Court

Judge(s)	\$	166,869
Assistant(s)		138,977
Secretary(ies)		91,366
Longevity Pay		4,950
Social Security		22,166
Pensions		47,254
Life Insurance		677
Medical Insurance		34,774
Dental Insurance		1,235
Employer Medicare		5,663
Communication		7,706
Data Processing Services		7,567
Dues and Memberships		920
Maintenance Agreements		4,250
Maintenance and Repair Services - Buildings		110
Maintenance and Repair Services - Equipment		147
Postal Charges		1,050
Printing, Stationery, and Forms		966
Travel		3,560
Maintenance and Repair Services - Records		451

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Other Contracted Services	\$	325	
Data Processing Supplies		1,270	
Drugs and Medical Supplies		157	
Office Supplies		910	
Periodicals		1,128	
Other Supplies and Materials		60	
In Service/Staff Development		505	
Data Processing Equipment		290	
Total Juvenile Court			\$ 545,303

District Attorney General

Rentals	\$	3,600	
Other Contracted Services		85,848	
Total District Attorney General			89,448

Judicial Commissioners

County Official/Administrative Officer	\$	459,257	
Longevity Pay		4,500	
Social Security		27,438	
Pensions		52,792	
Life Insurance		856	
Medical Insurance		56,168	
Dental Insurance		2,383	
Employer Medicare		6,417	
Communication		2,824	
Maintenance Agreements		2,852	
Maintenance and Repair Services - Records		108	
Custodial Supplies		238	
Data Processing Supplies		283	
General Construction Materials		50	
Office Supplies		2,896	
Periodicals		556	
Software		325	
Communication Equipment		247	
Data Processing Equipment		2,928	
Furniture and Fixtures		7,970	
Office Equipment		135	
Total Judicial Commissioners			631,223

Other Administration of Justice

Part-time Personnel	\$	12,493	
Employer Medicare		181	
Contracts with Other Public Agencies		492,670	
Postal Charges		438	
Office Supplies		382	
Other Supplies and Materials		7,971	
Office Equipment		312	
Total Other Administration of Justice			514,447

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services

Probation Officer(s)	\$	237,215	
Clerical Personnel		41,787	
Longevity Pay		6,450	
Social Security		15,712	
Pensions		31,976	
Life Insurance		552	
Medical Insurance		56,831	
Dental Insurance		1,958	
Employer Medicare		3,872	
Communication		576	
Data Processing Services		627	
Maintenance Agreements		1,905	
Postal Charges		354	
Printing, Stationery, and Forms		1,710	
Travel		285	
Data Processing Supplies		592	
Food Preparation Supplies		138	
Food Supplies		347	
Instructional Supplies and Materials		5,672	
Office Supplies		2,038	
In Service/Staff Development		60	
Other Charges		500	
Data Processing Equipment		10,002	
Furniture and Fixtures		231	
Total Probation Services			\$ 421,390

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	109,490
Deputy(ies)		4,017,264
Detective(s)		495,074
Captain(s)		116,071
Lieutenant(s)		317,968
Sergeant(s)		367,908
Data Processing Personnel		71,521
Guards		486,233
Clerical Personnel		850,201
Maintenance Personnel		163,389
Part-time Personnel		134,014
Longevity Pay		166,575
Overtime Pay		11,598
Other Salaries and Wages		60,600
Social Security		422,644
Pensions		849,318
Life Insurance		14,321
Medical Insurance		1,630,970
Dental Insurance		62,023

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employer Medicare	\$	98,843	
Advertising		751	
Communication		23,956	
Data Processing Services		142,163	
Dues and Memberships		3,575	
Evaluation and Testing		8,685	
Licenses		220	
Maintenance Agreements		8,582	
Maintenance and Repair Services - Buildings		3,672	
Maintenance and Repair Services - Equipment		2,813	
Maintenance and Repair Services - Vehicles		106,121	
Postal Charges		8,818	
Printing, Stationery, and Forms		16,652	
Rentals		70	
Towing Services		2,125	
Transportation - Other than Students		33,442	
Travel		23,124	
Veterinary Services		60,509	
Maintenance and Repair Services - Records		1,470	
Other Contracted Services		1,470	
Animal Food and Supplies		28,294	
Custodial Supplies		403	
Data Processing Supplies		12,525	
Diesel Fuel		932	
Drugs and Medical Supplies		5,345	
Food Supplies		214	
Gasoline		291,900	
General Construction Materials		2,860	
Law Enforcement Supplies		26,565	
Lubricants		7,555	
Office Supplies		15,333	
Propane Gas		2,984	
Small Tools		583	
Uniforms		131,189	
Vehicle Parts		35,369	
Software		44,732	
Other Supplies and Materials		3,074	
Premiums on Corporate Surety Bonds		1,065	
In Service/Staff Development		36,218	
Other Charges		534	
Communication Equipment		13,506	
Data Processing Equipment		61,366	
Furniture and Fixtures		5,365	
Law Enforcement Equipment		55,655	
Maintenance Equipment		1,389	
Motor Vehicles		4,592	
Office Equipment		156	
Other Equipment		5,554	
Total Sheriff's Department			\$ 11,689,500

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Data Processing Services	\$	3,366	
Printing, Stationery, and Forms		161	
Data Processing Supplies		302	
Other Charges		3,250	
Total Administration of the Sexual Offender Registry			\$ 7,079

Jail

Assistant(s)	\$	71,199	
Captain(s)		65,734	
Lieutenant(s)		214,885	
Sergeant(s)		286,986	
Guards		4,471,492	
Cafeteria Personnel		71,566	
Part-time Personnel		10,804	
Longevity Pay		77,025	
Social Security		304,645	
Pensions		616,730	
Life Insurance		10,796	
Medical Insurance		1,047,566	
Dental Insurance		39,990	
Employer Medicare		71,232	
Contracts with Private Agencies		865	
Medical and Dental Services		2,038,513	
Custodial Supplies		101,991	
Food Preparation Supplies		11,098	
Food Supplies		775,793	
Prisoners Clothing		20,175	
Other Supplies and Materials		105,260	
Law Enforcement Equipment		3,930	
Health Equipment		4,205	
Total Jail			10,422,480

Juvenile Services

Youth Service Officer(s)	\$	416,933	
Salary Supplements		5,196	
Longevity Pay		12,525	
Social Security		24,953	
Pensions		50,998	
Life Insurance		855	
Medical Insurance		92,931	
Dental Insurance		3,602	
Employer Medicare		5,836	
Communication		3,337	
Printing, Stationery, and Forms		327	
Travel		3,423	
Custodial Supplies		120	
Data Processing Supplies		401	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Food Preparation Supplies	\$	285	
Food Supplies		1,858	
Office Supplies		2,034	
Testing		1,423	
In Service/Staff Development		1,330	
Total Juvenile Services			\$ 628,367

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Total Fire Prevention and Control			2,000

Rural Fire Protection

Contributions	\$	312,000	
Total Rural Fire Protection			312,000

Other Emergency Management

Supervisor/Director	\$	87,066	
Deputy(ies)		21,637	
Clerical Personnel		29,344	
Part-time Personnel		19,418	
Longevity Pay		1,200	
Social Security		9,497	
Pensions		13,819	
Life Insurance		238	
Medical Insurance		16,543	
Dental Insurance		479	
Employer Medicare		2,221	
Communication		12,112	
Data Processing Services		2,826	
Evaluation and Testing		72	
Maintenance Agreements		1,448	
Maintenance and Repair Services - Equipment		1,195	
Maintenance and Repair Services - Vehicles		4,052	
Postal Charges		22	
Printing, Stationery, and Forms		187	
Towing Services		280	
Travel		169	
Other Contracted Services		4,583	
Custodial Supplies		698	
Data Processing Supplies		404	
Diesel Fuel		704	
Fertilizer, Lime, and Seed		1,459	
Food Supplies		1,230	
Garage Supplies		545	
Gasoline		9,482	
Lubricants		249	
Office Supplies		981	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Small Tools	\$	1,293	
Uniforms		2,567	
Vehicle Parts		1,209	
Other Supplies and Materials		3,774	
Vehicle and Equipment Insurance		23,446	
Workers' Compensation Insurance		3,273	
In Service/Staff Development		2,580	
Other Charges		12,000	
Data Processing Equipment		4,999	
Law Enforcement Equipment		53,461	
Maintenance Equipment		2,799	
Motor Vehicles		139	
Other Equipment		22,206	
Total Other Emergency Management			\$ 377,906

County Coroner/Medical Examiner

Medical and Dental Services	\$	61,980	
Travel		1,032	
Other Contracted Services		22,000	
In Service/Staff Development		3,400	
Other Charges		1,161	
Total County Coroner/Medical Examiner			89,573

Other Public Safety

Supervisor/Director	\$	81,746	
Data Processing Personnel		65,327	
Dispatchers/Radio Operators		1,569,641	
Clerical Personnel		45,677	
Part-time Personnel		89,545	
Longevity Pay		21,300	
Overtime Pay		228,469	
Other Salaries and Wages		500	
Social Security		123,175	
Pensions		232,013	
Life Insurance		3,549	
Medical Insurance		396,005	
Dental Insurance		13,061	
Employer Medicare		28,807	
Advertising		928	
Communication		3,157	
Data Processing Services		34,989	
Dues and Memberships		119	
Evaluation and Testing		149	
Janitorial Services		490	
Maintenance Agreements		36,254	
Maintenance and Repair Services - Buildings		141	
Maintenance and Repair Services - Equipment		736	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Maintenance and Repair Services - Vehicles	\$	117	
Postal Charges		85	
Printing, Stationery, and Forms		4,084	
Travel		636	
Custodial Supplies		2,699	
Data Processing Supplies		1,693	
Drugs and Medical Supplies		485	
Duplicating Supplies		1,172	
Food Preparation Supplies		219	
Food Supplies		1,305	
Gasoline		1,107	
General Construction Materials		82	
Office Supplies		3,198	
Small Tools		97	
Textbooks - Bound		132	
Uniforms		6,515	
Other Supplies and Materials		2,402	
In Service/Staff Development		1,102	
Communication Equipment		7,562	
Data Processing Equipment		3,879	
Food Service Equipment		360	
Furniture and Fixtures		633	
Office Equipment		953	
Other Equipment		85	
Total Other Public Safety			\$ 3,016,380

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	30,381
Longevity Pay		19,500
Other Salaries and Wages		890,081
Social Security		54,763
Pensions		98,660
Life Insurance		1,686
Medical Insurance		172,257
Dental Insurance		7,382
Employer Medicare		12,807
Advertising		2,495
Communication		24,589
Data Processing Services		345
Dues and Memberships		1,280
Evaluation and Testing		203
Maintenance Agreements		3,461
Maintenance and Repair Services - Buildings		1,001
Maintenance and Repair Services - Equipment		1,286
Postal Charges		229
Printing, Stationery, and Forms		3,981

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Rentals	\$	96	
Travel		20,560	
Disposal Fees		3,431	
Other Contracted Services		1,525	
Custodial Supplies		2,794	
Data Processing Supplies		190	
Drugs and Medical Supplies		396	
Electricity		60,865	
Equipment and Machinery Parts		573	
Food Preparation Supplies		345	
Food Supplies		2,177	
General Construction Materials		2,349	
Instructional Supplies and Materials		2,343	
Natural Gas		10,031	
Office Supplies		1,374	
Periodicals		30	
Propane Gas		213	
Small Tools		87	
Uniforms		1,165	
Water and Sewer		4,642	
Chemicals		307	
Other Supplies and Materials		1,037	
Liability Insurance		1,273	
In Service/Staff Development		1,140	
Other Charges		195	
Communication Equipment		1,260	
Data Processing Equipment		513	
Furniture and Fixtures		1,290	
Health Equipment		112	
Total Local Health Center			\$ 1,448,700

Ambulance/Emergency Medical Services

Supervisor/Director	\$	107,597
Mechanic(s)		75,098
Clerical Personnel		228,832
Attendants		3,835,020
Part-time Personnel		60,993
Longevity Pay		89,700
Overtime Pay		1,437,202
Social Security		337,288
Pensions		677,316
Life Insurance		10,390
Medical Insurance		1,108,565
Dental Insurance		39,833
Employer Medicare		78,882
Communication		40,162
Contracts with Government Agencies		90,850

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Data Processing Services	\$	30,644
Debt Collection Services		285,023
Dues and Memberships		915
Evaluation and Testing		2,662
Licenses		7,650
Maintenance Agreements		9,112
Maintenance and Repair Services - Buildings		402
Maintenance and Repair Services - Equipment		5,735
Maintenance and Repair Services - Vehicles		5,948
Postal Charges		939
Printing, Stationery, and Forms		3,081
Rentals		5,535
Towing Services		420
Travel		7,408
Disposal Fees		2,048
Other Contracted Services		4,682
Custodial Supplies		11,080
Data Processing Supplies		3,423
Diesel Fuel		144,763
Drugs and Medical Supplies		321,466
Equipment and Machinery Parts		1,595
Fertilizer, Lime, and Seed		480
Food Preparation Supplies		256
Food Supplies		255
Gasoline		19,691
General Construction Materials		3,636
Instructional Supplies and Materials		1,055
Lubricants		11,345
Office Supplies		3,155
Small Tools		3,610
Textbooks - Bound		1,352
Tires and Tubes		16,482
Uniforms		70,012
Vehicle Parts		63,958
Chemicals		239
Other Supplies and Materials		2,137
Liability Insurance		24,288
Refunds		12,814
In Service/Staff Development		36,593
Criminal Investigation of Applicants - TBI		578
Other Charges		269
Communication Equipment		4,972
Data Processing Equipment		24,751
Food Service Equipment		2,922
Furniture and Fixtures		7,040
Office Equipment		309
Traffic Control Equipment		4,265

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Health Equipment	\$ 6,115	
Other Equipment	65,944	
Total Ambulance/Emergency Medical Services		\$ 9,460,782

Appropriation to State

Contracts with Government Agencies	\$ 213,181	
Total Appropriation to State		213,181

General Welfare Assistance

Pauper Burials	\$ 7,150	
Total General Welfare Assistance		7,150

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 50,500	
Tax Relief Program	199,933	
Total Senior Citizens Assistance		250,433

Libraries

Librarians	\$ 1,231,847	
Longevity Pay	20,475	
Social Security	72,111	
Pensions	109,608	
Life Insurance	1,843	
Medical Insurance	237,707	
Dental Insurance	7,414	
Employer Medicare	17,037	
Advertising	419	
Communication	10,530	
Data Processing Services	44,583	
Dues and Memberships	2,051	
Janitorial Services	44,666	
Licenses	648	
Maintenance Agreements	22,563	
Maintenance and Repair Services - Buildings	8,879	
Maintenance and Repair Services - Equipment	2,496	
Pest Control	1,337	
Postal Charges	1,540	
Printing, Stationery, and Forms	9,044	
Travel	5,034	
Disposal Fees	2,179	
Permits	165	
Other Contracted Services	18,596	
Custodial Supplies	7,578	
Data Processing Supplies	5,698	
Drugs and Medical Supplies	157	
Duplicating Supplies	122	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Electricity	\$	104,688	
Fertilizer, Lime, and Seed		155	
Food Preparation Supplies		623	
Food Supplies		2,155	
General Construction Materials		2,799	
Instructional Supplies and Materials		6,072	
Library Books/Media		147,162	
Natural Gas		3,887	
Office Supplies		23,445	
Periodicals		6,372	
Small Tools		74	
Water and Sewer		9,428	
Other Supplies and Materials		3,082	
In Service/Staff Development		1,440	
Other Charges		148	
Communication Equipment		1,670	
Data Processing Equipment		39,053	
Furniture and Fixtures		4,871	
Office Equipment		839	
Other Equipment		2,230	
Total Libraries			\$ 2,246,520

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	127,576	
Assistant(s)		120,142	
Secretary(ies)		17,465	
Longevity Pay		4,815	
Social Security		12,705	
Pensions		35,261	
Life Insurance		278	
Medical Insurance		66,523	
Dental Insurance		1,908	
Unemployment Compensation		23	
Employer Medicare		3,532	
Other Fringe Benefits		115	
Communication		1,292	
Data Processing Services		915	
Dues and Memberships		435	
Maintenance Agreements		1,228	
Maintenance and Repair Services - Buildings		85	
Maintenance and Repair Services - Equipment		45	
Travel		5,450	
Food Supplies		181	
Office Supplies		2,614	
Data Processing Equipment		6,184	
Total Agricultural Extension Service			408,772

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	31,276	
Longevity Pay		2,100	
Social Security		1,759	
Pensions		3,922	
Life Insurance		65	
Medical Insurance		16,543	
Dental Insurance		616	
Employer Medicare		411	
Data Processing Services		15	
Dues and Memberships		1,100	
Travel		1,290	
Data Processing Supplies		193	
Periodicals		25	
In Service/Staff Development		490	
Total Soil Conservation			\$ 59,805

Other Operations

Tourism

Contributions	\$	650,000	
Total Tourism			650,000

Industrial Development

Contributions	\$	100,000	
Total Industrial Development			100,000

Veterans' Services

County Official/Administrative Officer	\$	49,579	
Assistant(s)		18,215	
Part-time Personnel		4,308	
Longevity Pay		600	
Social Security		4,422	
Pensions		8,036	
Life Insurance		136	
Dental Insurance		479	
Employer Medicare		1,034	
Communication		936	
Data Processing Services		1,080	
Maintenance Agreements		520	
Postal Charges		304	
Printing, Stationery, and Forms		96	
Travel		123	
Maintenance and Repair Services - Records		40	
Data Processing Supplies		249	
Food Supplies		158	
Office Supplies		811	
Data Processing Equipment		1,369	
Furniture and Fixtures		263	
Total Veterans' Services			92,758

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Legal Services	\$	487	
Disposal Fees		150,082	
Trustee's Commission		697,632	
Other Charges		16,408	
Total Other Charges			\$ 864,609

Contributions to Other Agencies

Contributions	\$	271,654	
Total Contributions to Other Agencies			271,654

Employee Benefits

Pensions	\$	4,488	
Medical Insurance		57,152	
Unemployment Compensation		8,148	
Total Employee Benefits			69,788

Miscellaneous

Investigator(s)	\$	31,378	
Clerical Personnel		38,262	
Longevity Pay		825	
Overtime Pay		9,641	
Other Salaries and Wages		5,000	
Social Security		5,092	
Pensions		7,678	
Life Insurance		117	
Medical Insurance		9,336	
Dental Insurance		723	
Employer Medicare		1,191	
Total Miscellaneous			109,243

Highways

Traffic Control

Maintenance and Repair Services - Equipment	\$	445	
Total Traffic Control			445

Capital Projects

Social, Cultural, and Recreation Projects

Building Improvements	\$	21,000	
Other Equipment		10,000	
Total Social, Cultural, and Recreation Projects			31,000

Total General Fund \$ 60,533,413

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Data Processing Services	\$	9,542	
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(Continued)

Exhibit K-8

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

Courthouse and Jail Maintenance Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Dues and Memberships	\$	45	
Evaluation and Testing		45	
Maintenance Agreements		256,811	
Maintenance and Repair Services - Buildings		43,533	
Maintenance and Repair Services - Equipment		77,698	
Maintenance and Repair Services - Vehicles		3,370	
Pest Control		11,244	
Printing, Stationery, and Forms		486	
Rentals		401	
Travel		132	
Disposal Fees		21,474	
Permits		375	
Other Contracted Services		21,458	
Concrete		463	
Custodial Supplies		16,780	
Data Processing Supplies		321	
Equipment and Machinery Parts		17,039	
Food Supplies		420	
Gasoline		3,428	
General Construction Materials		109,278	
Road Signs		304	
Small Tools		7,497	
Uniforms		662	
Vehicle Parts		633	
Chemicals		61	
Other Supplies and Materials		1,667	
Trustee's Commission		6,171	
Building Improvements		11,345	
Data Processing Equipment		3,520	
Food Service Equipment		3,696	
Furniture and Fixtures		1,018	
Maintenance Equipment		560	
Other Equipment		17,925	
Total County Buildings			\$ 649,402

Total Courthouse and Jail Maintenance Fund \$ 649,402

Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Government Agencies	\$	2,680	
Data Processing Services		4,500	
Evaluation and Testing		1,840	
Drugs and Medical Supplies		3,864	
Other Supplies and Materials		67	
Trustee's Commission		348	
Total Drug Enforcement			\$ 13,299

Total Drug Control Fund 13,299

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 3,945	
Total Chancery Court		\$ 3,945

Total Constitutional Officers - Fees Fund \$ 3,945

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 109,490	
Clerical Personnel	86,030	
Advertising	530	
Data Processing Services	21,748	
Dues and Memberships	4,910	
Legal Services	4,700	
Legal Notices, Recording, and Court Costs	120	
Maintenance Agreements	1,636	
Postal Charges	122	
Printing, Stationery, and Forms	452	
Travel	1,610	
Other Contracted Services	445	
Data Processing Supplies	251	
Drugs and Medical Supplies	29	
Office Supplies	1,300	
In Service/Staff Development	525	
Other Charges	13	
Total Administration		\$ 233,911

Highway and Bridge Maintenance

Foremen	\$ 196,576
Equipment Operators	837,526
Truck Drivers	560,671
Laborers	43,496
Engineering Services	14,904
Evaluation and Testing	1,406
Rentals	21,073
Permits	500
Other Contracted Services	225
Asphalt - Cold Mix	10,927
Asphalt - Hot Mix	2,563,638
Asphalt - Liquid	87,140
Concrete	35,627
Crushed Stone	134,453
Fertilizer, Lime, and Seed	4,247
Food Supplies	189
General Construction Materials	39,201
Other Road Materials	44,583
Pipe	13,296

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Concrete	\$	83,248	
Pipe - Metal		6,741	
Propane Gas		443	
Road Signs		8,727	
Small Tools		2,743	
Structural Steel		2,810	
Uniforms		983	
Wood Products		1,525	
Fencing		2,158	
Chemicals		8,947	
In Service/Staff Development		1,025	
Total Highway and Bridge Maintenance			\$ 4,729,028

Operation and Maintenance of Equipment

Foremen	\$	55,599	
Mechanic(s)		130,507	
Truck Drivers		40,778	
Laborers		38,085	
Custodial Personnel		22,625	
Evaluation and Testing		482	
Laundry Service		1,790	
Maintenance and Repair Services - Buildings		940	
Maintenance and Repair Services - Equipment		17,596	
Maintenance and Repair Services - Vehicles		14,843	
Rentals		1,404	
Disposal Fees		2,342	
Permits		400	
Custodial Supplies		4,431	
Diesel Fuel		254,626	
Equipment and Machinery Parts		148,834	
Garage Supplies		5,670	
Gasoline		52,648	
General Construction Materials		5,648	
Lubricants		22,031	
Small Tools		3,296	
Tires and Tubes		60,612	
Vehicle Parts		95,349	
Other Supplies and Materials		159	
In Service/Staff Development		450	
Total Operation and Maintenance of Equipment			981,145

Quarry Operations

Engineering Services	\$	8,160	
Permits		2,080	
Other Contracted Services		16,795	
Electricity		1,139	
Explosives and Drilling Supplies		454	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

General Construction Materials	\$	533	
Propane Gas		560	
Water and Sewer		415	
In Service/Staff Development		400	
Total Quarry Operations			\$ 30,536

Litter and Trash Collection

Guards	\$	22,618	
Clerical Personnel		3,760	
Instructional Supplies and Materials		31,864	
Other Supplies and Materials		6,803	
Other Charges		3,660	
Total Litter and Trash Collection			68,705

Other Charges

Communication	\$	4,609	
Data Processing Services		1,555	
Electricity		20,762	
Natural Gas		3,214	
Propane Gas		751	
Water and Sewer		2,362	
Building and Contents Insurance		3,715	
Liability Insurance		277,219	
Trustee's Commission		79,890	
Vehicle and Equipment Insurance		86,527	
Total Other Charges			480,604

Employee Benefits

Longevity Pay	\$	39,600	
Social Security		126,499	
Pensions		234,103	
Life Insurance		4,014	
Medical Insurance		498,553	
Dental Insurance		17,642	
Unemployment Compensation		6,642	
Employer Medicare		29,585	
Workers' Compensation Insurance		174,803	
Total Employee Benefits			1,131,441

Capital Outlay

Communication Equipment	\$	3,730	
Data Processing Equipment		1,088	
Furniture and Fixtures		333	
Highway Equipment		88,287	
Motor Vehicles		427,396	
Total Capital Outlay			520,834

Total Highway/Public Works Fund \$ 8,176,204

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,630,630	
Total General Government		\$ 1,630,630

Education

Principal on Bonds	\$ 13,594,370	
Total Education		13,594,370

Interest on Debt

General Government

Interest on Bonds	\$ 473,377	
Total General Government		473,377

Education

Interest on Bonds	\$ 5,405,693	
Total Education		5,405,693

Other Debt Service

General Government

Trustee's Commission	\$ 182,640	
Other Charges	500	
Total General Government		183,140

Education

Other Charges	\$ 1,830	
Total Education		1,830

Total General Debt Service Fund		\$ 21,289,040
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General Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 119,039	
Other Debt Issuance Charges	216,458	
Total Education		\$ 335,497

Capital Projects

General Administration Projects

Trustee's Commission	\$ 399,009	
Total General Administration Projects		399,009

Administration of Justice Projects

Other Contracted Services	\$ 1,162,460	
Heating and Air Conditioning Equipment	12,905	
Land	203,250	
Other Construction	178,897	
Total Administration of Justice Projects		1,557,512

(Continued)

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Architects	\$	1,950	
Maintenance and Repair Services - Vehicles		8,701	
Building Construction		3,550	
Building Improvements		23,328	
Communication Equipment		28,000	
Heating and Air Conditioning Equipment		23,697	
Motor Vehicles		686,125	
Other Equipment		9,577	
Other Capital Outlay		2,513,847	
Total Public Safety Projects	\$		3,298,775

Public Health and Welfare Projects

Data Processing Equipment	\$	40,172	
Land		500,603	
Motor Vehicles		646,415	
Health Equipment		450,570	
Other Equipment		9,053	
Total Public Health and Welfare Projects			1,646,813

Social, Cultural, and Recreation Projects

Maintenance and Repair Services - Buildings	\$	115,325	
Other Contracted Services		5,904	
Building Improvements		7,625	
Site Development		10,485	
Other Construction		4,192	
Other Capital Outlay		4,500	
Total Social, Cultural, and Recreation Projects			148,031

Other General Government Projects

Software	\$	27,901	
Building Improvements		58,362	
Communication Equipment		23,633	
Data Processing Equipment		70,803	
Heating and Air Conditioning Equipment		72,504	
Motor Vehicles		79,088	
Other Equipment		33,585	
Other Construction		5,782	
Other Capital Outlay		240,259	
Total Other General Government Projects			611,917

Education Capital Projects

Architects	\$	54,473	
Building Improvements		129,582	
Total Education Capital Projects			184,055

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Architects	\$ 2,781,708	
Textbooks - Bound	1,885,611	
Building Improvements	6,211,312	
Heating and Air Conditioning Equipment	47,783	
Highway Construction	46,583	
Transportation Equipment	1,702,590	
Other Construction	325,199	
Total Capital Projects Donated to School Department		<u>\$ 13,000,786</u>
Total General Capital Projects Fund		<u>\$ 21,182,395</u>
Total Governmental Funds - Primary Government		<u><u>\$ 111,847,698</u></u>

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 75,074,321	
Career Ladder Program	237,130	
Homebound Teachers	125,910	
Educational Assistants	2,014,000	
Other Salaries and Wages	561,923	
Certified Substitute Teachers	838,357	
Non-certified Substitute Teachers	278,250	
Social Security	4,556,465	
Pensions	7,464,692	
Life Insurance	133,809	
Medical Insurance	19,909,072	
Dental Insurance	850,274	
Employer Medicare	1,075,283	
Other Contracted Services	61,268	
Instructional Supplies and Materials	1,919,478	
Textbooks - Bound	1,537,525	
Software	332,992	
Other Supplies and Materials	9,094	
Fee Waivers	141,984	
Other Charges	22,173	
Regular Instruction Equipment	924,852	
Other Equipment	64,605	
Total Regular Instruction Program		\$ 118,133,457

Alternative Instruction Program

Teachers	\$ 1,195,237	
Career Ladder Program	2,485	
Educational Assistants	259,414	
Other Salaries and Wages	197,516	
Certified Substitute Teachers	9,712	
Non-certified Substitute Teachers	2,907	
Social Security	93,693	
Pensions	168,361	
Life Insurance	2,664	
Medical Insurance	551,313	
Dental Insurance	25,138	
Employer Medicare	22,076	
Other Contracted Services	200,798	
Instructional Supplies and Materials	12,471	
Textbooks - Bound	50,279	
Other Supplies and Materials	50	
Other Charges	2,826	
Total Alternative Instruction Program		2,796,940

Special Education Program

Teachers	\$ 10,851,448	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	35,569	
Homebound Teachers		152,485	
Educational Assistants		3,392,302	
Speech Pathologist		1,981,461	
Other Salaries and Wages		78,833	
Certified Substitute Teachers		62,425	
Non-certified Substitute Teachers		121,380	
Social Security		951,217	
Pensions		1,613,674	
Life Insurance		23,511	
Medical Insurance		5,034,034	
Dental Insurance		213,693	
Employer Medicare		223,314	
Contracts with Private Agencies		217,520	
Maintenance and Repair Services - Equipment		9,506	
Other Contracted Services		5,134	
Instructional Supplies and Materials		53,705	
Other Supplies and Materials		19,811	
Other Charges		776	
Special Education Equipment		20,870	
Total Special Education Program			\$ 25,062,668

Career and Technical Education Program

Teachers	\$	6,845,579	
Career Ladder Program		22,625	
Certified Substitute Teachers		74,588	
Non-certified Substitute Teachers		22,899	
Social Security		405,224	
Pensions		662,502	
Life Insurance		11,553	
Medical Insurance		1,511,350	
Dental Insurance		68,304	
Employer Medicare		95,126	
Maintenance and Repair Services - Equipment		10,700	
Instructional Supplies and Materials		135,650	
Textbooks - Bound		1,000	
Fee Waivers		500	
Other Charges		10,287	
Vocational Instruction Equipment		45,201	
Total Career and Technical Education Program			9,923,088

Support Services

Attendance

Supervisor/Director	\$	76,251	
Clerical Personnel		36,524	
Other Salaries and Wages		194,381	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	17,468	
Pensions		34,964	
Life Insurance		497	
Medical Insurance		99,118	
Dental Insurance		4,614	
Employer Medicare		4,085	
Communication		1,878	
Travel		1,441	
Software		48,366	
Other Supplies and Materials		2,393	
In Service/Staff Development		1,173	
Other Charges		1,577	
Attendance Equipment		488	
Total Attendance			\$ 525,218

Health Services

Supervisor/Director	\$	38,876	
Medical Personnel		1,527,837	
Other Salaries and Wages		347,944	
Social Security		111,746	
Pensions		153,779	
Life Insurance		1,622	
Medical Insurance		464,543	
Dental Insurance		20,239	
Employer Medicare		26,137	
Communication		13,400	
Postal Charges		6,435	
Travel		13,222	
Other Contracted Services		25,559	
Drugs and Medical Supplies		30,201	
Other Supplies and Materials		31,166	
In Service/Staff Development		8,551	
Other Charges		978	
Health Equipment		65,542	
Other Equipment		51,635	
Other Construction		91,260	
Total Health Services			3,030,672

Other Student Support

Career Ladder Program	\$	15,726	
Guidance Personnel		3,639,663	
Social Workers		156,735	
Clerical Personnel		235,317	
Other Salaries and Wages		291,604	
Social Security		251,832	
Pensions		418,008	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	6,902	
Medical Insurance		1,010,634	
Dental Insurance		41,817	
Employer Medicare		59,258	
Evaluation and Testing		79,059	
Other Contracted Services		5,881	
Software		89,980	
Other Supplies and Materials		1,428	
Other Charges		4,955	
Total Other Student Support			\$ 6,308,799

Regular Instruction Program

Supervisor/Director	\$	1,008,913	
Career Ladder Program		29,088	
Librarians		2,756,986	
Instructional Computer Personnel		331,871	
Secretary(ies)		107,720	
Clerical Personnel		259,078	
Other Salaries and Wages		376,258	
Social Security		270,725	
Pensions		483,566	
Life Insurance		9,181	
Medical Insurance		1,028,087	
Dental Insurance		45,398	
Employer Medicare		66,654	
Travel		29,392	
Other Contracted Services		75,788	
Library Books/Media		219,195	
Office Supplies		3,062	
Software		44,971	
Other Supplies and Materials		29,030	
In Service/Staff Development		81,246	
Other Charges		30,619	
Other Equipment		63,064	
Total Regular Instruction Program			7,349,892

Alternative Instruction Program

Supervisor/Director	\$	243,194	
Career Ladder Program		6,899	
Guidance Personnel		114,566	
Librarians		16,735	
Secretary(ies)		20,528	
Clerical Personnel		39,057	
Social Security		17,688	
Pensions		29,844	
Life Insurance		512	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Medical Insurance	\$	76,502	
Dental Insurance		3,301	
Employer Medicare		6,180	
Other Contracted Services		2,570	
Library Books/Media		843	
Office Supplies		9,075	
Other Charges		856	
Total Alternative Instruction Program			\$ 588,350

Special Education Program

Supervisor/Director	\$	543,520	
Career Ladder Program		10,000	
Psychological Personnel		496,207	
Secretary(ies)		66,125	
Clerical Personnel		88,763	
Speech Pathologist		79,062	
Other Salaries and Wages		444,715	
Social Security		99,810	
Pensions		178,496	
Life Insurance		3,186	
Medical Insurance		450,670	
Dental Insurance		19,435	
Employer Medicare		23,374	
Maintenance and Repair Services - Equipment		1,695	
Travel		71,489	
Other Contracted Services		38,011	
Software		9,392	
Other Supplies and Materials		61,370	
In Service/Staff Development		13,394	
Other Charges		899	
Other Equipment		318	
Total Special Education Program			2,699,931

Career and Technical Education Program

Supervisor/Director	\$	68,624	
Secretary(ies)		28,217	
Social Security		5,588	
Pensions		10,494	
Life Insurance		146	
Medical Insurance		32,479	
Dental Insurance		1,177	
Employer Medicare		1,307	
Travel		21,147	
Other Contracted Services		417	
Other Supplies and Materials		4,971	
In Service/Staff Development		95	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Other Charges	\$	4,277	
Other Equipment		257	
Total Career and Technical Education Program			\$ 179,196

Technology

Supervisor/Director	\$	76,143	
Computer Programmer(s)		473,061	
Data Processing Personnel		386,474	
Clerical Personnel		24,159	
Other Salaries and Wages		146,151	
Social Security		64,716	
Pensions		126,850	
Life Insurance		1,692	
Medical Insurance		275,289	
Dental Insurance		10,968	
Employer Medicare		15,135	
Communication		6,085	
Maintenance and Repair Services - Equipment		2,500	
Internet Connectivity		373,125	
Travel		40	
Other Contracted Services		33,666	
Gasoline		13,101	
Office Supplies		2,057	
Software		380,536	
Other Supplies and Materials		75,535	
In Service/Staff Development		18,053	
Other Charges		3,000	
Data Processing Equipment		336,482	
Total Technology			2,844,818

Board of Education

Other Salaries and Wages	\$	10,822	
Board and Committee Members Fees		66,000	
Social Security		3,286	
Unemployment Compensation		19,400	
Employer Medicare		1,114	
Other Fringe Benefits		1,578,718	
Audit Services		29,000	
Dues and Memberships		54,137	
Legal Services		584,422	
Travel		1,395	
Other Contracted Services		73,960	
Other Supplies and Materials		1,280	
Liability Insurance		331,850	
Trustee's Commission		1,799,324	
Workers' Compensation Insurance		848,886	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

In Service/Staff Development	\$	1,375	
Criminal Investigation of Applicants - TBI		16,956	
Refund to Applicant for Criminal Investigation		11,351	
Other Charges		48,495	
Administration Equipment		11,984	
Total Board of Education			\$ 5,493,755

Director of Schools

County Official/Administrative Officer	\$	197,439	
Secretary(ies)		100,124	
Other Salaries and Wages		70,702	
Social Security		15,320	
Pensions		34,005	
Life Insurance		621	
Medical Insurance		40,308	
Dental Insurance		934	
Employer Medicare		5,299	
Communication		183,784	
Dues and Memberships		8,757	
Postal Charges		26,914	
Travel		3,275	
Other Contracted Services		3,388	
Office Supplies		2,197	
Other Charges		715	
Administration Equipment		3,964	
Total Director of Schools			697,746

Office of the Principal

Principals	\$	4,002,741	
Career Ladder Program		29,618	
Assistant Principals		3,631,069	
Secretary(ies)		1,166,085	
Clerical Personnel		1,711,900	
Social Security		606,591	
Pensions		1,128,043	
Life Insurance		21,283	
Medical Insurance		3,103,741	
Dental Insurance		134,482	
Employer Medicare		141,959	
Office Supplies		468,732	
Software		20,304	
Administration Equipment		29,700	
Total Office of the Principal			16,196,248

Fiscal Services

Supervisor/Director	\$	124,075	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Internal Audit Personnel	\$	146,636	
Accountants/Bookkeepers		159,631	
Purchasing Personnel		112,557	
Secretary(ies)		38,747	
Clerical Personnel		96,935	
Other Salaries and Wages		439,147	
Social Security		66,892	
Pensions		127,457	
Life Insurance		1,426	
Medical Insurance		234,659	
Dental Insurance		12,110	
Employer Medicare		15,702	
Advertising		2,684	
Communication		928	
Dues and Memberships		1,828	
Maintenance and Repair Services - Equipment		1,798	
Travel		2,461	
Other Contracted Services		153,310	
Office Supplies		6,691	
Software		388,602	
Other Supplies and Materials		1,557	
In Service/Staff Development		4,658	
Other Charges		199	
Administration Equipment		7,865	
Total Fiscal Services			\$ 2,148,555

Human Services/Personnel

Supervisor/Director	\$	85,833	
Secretary(ies)		63,554	
Clerical Personnel		145,491	
Other Salaries and Wages		142,800	
Social Security		24,876	
Pensions		49,655	
Life Insurance		371	
Medical Insurance		140,542	
Dental Insurance		6,297	
Employer Medicare		5,818	
Advertising		4,341	
Communication		2,327	
Dues and Memberships		1,198	
Travel		1,478	
Other Contracted Services		1,417	
Office Supplies		3,050	
Software		87,391	
Other Charges		1,359	
Administration Equipment		2,429	
Total Human Services/Personnel			770,227

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	3,633,450	
Other Salaries and Wages		489,473	
Social Security		230,350	
Pensions		364,831	
Life Insurance		4,907	
Medical Insurance		1,153,087	
Dental Insurance		47,181	
Employer Medicare		55,426	
Communication		1,358	
Maintenance Agreements		81,892	
Maintenance and Repair Services - Equipment		645	
Pest Control		59,133	
Travel		643	
Disposal Fees		279,336	
Permits		8,670	
Other Contracted Services		3,817	
Custodial Supplies		649,766	
Electricity		5,840,353	
Gasoline		14,249	
Natural Gas		393,058	
Water and Sewer		1,273,411	
Software		22,235	
Other Supplies and Materials		48,888	
Building and Contents Insurance		384,251	
Other Charges		1,000	
Administration Equipment		1,209	
Furniture and Fixtures		142,998	
Plant Operation Equipment		54,154	
Total Operation of Plant			\$ 15,239,771

Maintenance of Plant

Supervisor/Director	\$	85,833
Secretary(ies)		35,783
Maintenance Personnel		2,787,042
Other Salaries and Wages		85,527
Social Security		169,237
Pensions		343,204
Life Insurance		4,826
Medical Insurance		905,574
Dental Insurance		37,052
Employer Medicare		40,213
Communication		7,215
Maintenance and Repair Services - Buildings		332,464
Maintenance and Repair Services - Equipment		136,599
Maintenance and Repair Services - Vehicles		16,661
Travel		8,957

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Contracted Services	\$	194,801	
Equipment and Machinery Parts		155,290	
Gasoline		164,149	
Software		16,988	
Other Supplies and Materials		1,082,719	
In Service/Staff Development		6,457	
Other Charges		1,508	
Administration Equipment		825,323	
Maintenance Equipment		174,856	
Total Maintenance of Plant			\$ 7,618,278

Transportation

Supervisor/Director	\$	75,770	
Mechanic(s)		334,870	
Bus Drivers		2,877,060	
Clerical Personnel		29,412	
Other Salaries and Wages		716,621	
Social Security		215,587	
Pensions		468,516	
Life Insurance		5,885	
Medical Insurance		2,470,981	
Dental Insurance		105,826	
Employer Medicare		50,583	
Communication		8,854	
Laundry Service		3,810	
Maintenance and Repair Services - Vehicles		36,731	
Other Contracted Services		135,857	
Diesel Fuel		835,704	
Garage Supplies		9,295	
Gasoline		12,888	
Lubricants		23,409	
Tires and Tubes		181,497	
Vehicle Parts		373,756	
Software		19,463	
Other Supplies and Materials		6,345	
Vehicle and Equipment Insurance		488,723	
In Service/Staff Development		4,948	
Other Charges		43,371	
Administration Equipment		8,700	
Transportation Equipment		157,403	
Total Transportation			9,701,865

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	91,590	
Career Ladder Program		500	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Clerical Personnel	\$	133,710	
Cafeteria Personnel		3,225,138	
Other Salaries and Wages		179,092	
Social Security		193,845	
Pensions		374,656	
Life Insurance		5,603	
Medical Insurance		1,807,488	
Dental Insurance		76,493	
Employer Medicare		46,049	
Communication		2,367	
Maintenance and Repair Services - Equipment		83,245	
Travel		7,728	
Other Contracted Services		45,912	
Food Preparation Supplies		390,301	
Food Supplies		4,560,315	
Office Supplies		19,184	
Utilities		241,711	
USDA - Commodities		897,644	
Software		42,409	
Other Supplies and Materials		7,671	
In Service/Staff Development		12,198	
Other Charges		1,992	
Food Service Equipment		72,674	
Total Food Service			\$ 12,519,515

Community Services

Supervisor/Director	\$	339,173
Clerical Personnel		2,542
Educational Assistants		98,827
Other Salaries and Wages		891,608
Social Security		78,855
Pensions		80,887
Life Insurance		772
Medical Insurance		190,973
Dental Insurance		8,492
Employer Medicare		18,953
Communication		5,607
Travel		4,989
Other Contracted Services		43,881
Food Supplies		75,656
Instructional Supplies and Materials		2,472
Software		6,495
Other Supplies and Materials		158,742
In Service/Staff Development		2,657
Other Charges		114,314
Data Processing Equipment		27,372

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Furniture and Fixtures	\$	3,474	
Other Equipment		381	
Other Capital Outlay		167,295	
Total Community Services			\$ 2,324,417

Early Childhood Education

Teachers	\$	151,827	
Educational Assistants		45,801	
Certified Substitute Teachers		950	
Non-certified Substitute Teachers		536	
Social Security		11,711	
Pensions		15,999	
Life Insurance		53	
Medical Insurance		39,781	
Dental Insurance		1,896	
Employer Medicare		2,739	
Communication		2,368	
Maintenance and Repair Services - Equipment		1,100	
Travel		5,144	
Other Contracted Services		4,800	
Instructional Supplies and Materials		55,049	
Other Supplies and Materials		9,322	
In Service/Staff Development		9,512	
Other Charges		24,496	
Other Equipment		32,605	
Total Early Childhood Education			415,689

Capital Outlay

Regular Capital Outlay

Building Construction	\$	112,460	
Building Improvements		355,724	
Data Processing Equipment		100,000	
Furniture and Fixtures		224,808	
Other Equipment		33,396	
Other Construction		434,692	
Other Capital Outlay		132,237	
Total Regular Capital Outlay			1,393,317

Total General Purpose School Fund \$ 253,962,412

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,056,405	
Educational Assistants		841,665	
Other Salaries and Wages		102,232	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$	1,312	
Non-certified Substitute Teachers		688	
Social Security		113,259	
Pensions		218,627	
Life Insurance		4,026	
Medical Insurance		773,365	
Dental Insurance		31,391	
Employer Medicare		26,494	
Tuition		1,606	
Other Contracted Services		10,001	
Instructional Supplies and Materials		316,309	
Other Supplies and Materials		32,512	
Other Charges		2,585	
Regular Instruction Equipment		297,466	
Total Regular Instruction Program			\$ 3,829,943

Alternative Instruction Program

Educational Assistants	\$	33,607	
Social Security		2,079	
Pensions		3,949	
Life Insurance		5	
Dental Insurance		289	
Employer Medicare		485	
Total Alternative Instruction Program			40,414

Special Education Program

Teachers	\$	35,806	
Educational Assistants		1,907,714	
Speech Pathologist		47,820	
Non-certified Substitute Teachers		350	
Social Security		104,099	
Pensions		231,292	
Life Insurance		2,788	
Medical Insurance		1,203,298	
Dental Insurance		54,106	
Employer Medicare		24,348	
Contracts with Private Agencies		29,001	
Maintenance and Repair Services - Equipment		6,707	
Instructional Supplies and Materials		70,427	
Other Supplies and Materials		14,404	
Special Education Equipment		21,286	
Total Special Education Program			3,753,446

Career and Technical Education Program

Instructional Supplies and Materials	\$	41,000	
Other Supplies and Materials		12,686	
Vocational Instruction Equipment		214,630	
Total Career and Technical Education Program			268,316

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services

Health Services

Medical Personnel	\$	99,475	
Social Security		5,430	
Pensions		7,808	
Life Insurance		151	
Medical Insurance		40,972	
Dental Insurance		1,950	
Employer Medicare		1,270	
Total Health Services			\$ 157,056

Other Student Support

Social Workers	\$	40,815	
Other Salaries and Wages		73,160	
Social Security		6,024	
Pensions		10,031	
Life Insurance		95	
Medical Insurance		7,023	
Dental Insurance		289	
Employer Medicare		1,599	
Evaluation and Testing		5,025	
Travel		68,500	
Other Contracted Services		70,611	
Other Supplies and Materials		50,876	
In Service/Staff Development		65,211	
Other Charges		10,666	
Total Other Student Support			409,925

Regular Instruction Program

Supervisor/Director	\$	61,495	
Instructional Computer Personnel		65,930	
Secretary(ies)		29,907	
Clerical Personnel		11,739	
Other Salaries and Wages		277,677	
Social Security		26,429	
Pensions		47,202	
Life Insurance		553	
Medical Insurance		45,702	
Dental Insurance		2,247	
Employer Medicare		6,181	
Travel		3,064	
Other Supplies and Materials		7,627	
In Service/Staff Development		319,406	
Other Charges		297,166	
Other Equipment		4,830	
Total Regular Instruction Program			1,207,155

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	78,172	
Psychological Personnel		458,010	
Other Salaries and Wages		1,003,232	
In-service Training		1,138	
Social Security		88,679	
Pensions		154,588	
Life Insurance		2,941	
Medical Insurance		402,209	
Dental Insurance		18,431	
Employer Medicare		20,740	
Travel		3,551	
Other Contracted Services		55,770	
Other Supplies and Materials		57,062	
In Service/Staff Development		27,703	
Other Charges		1,673	
Other Equipment		12,124	
Total Special Education Program			\$ 2,386,023

Transportation

Contracts with Parents	\$	6,512	
Total Transportation			6,512

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	461,763	
Social Security		26,825	
Pensions		36,992	
Life Insurance		135	
Medical Insurance		25,012	
Dental Insurance		781	
Employer Medicare		6,537	
Travel		1,173	
Food Supplies		15,747	
Instructional Supplies and Materials		2,500	
Other Supplies and Materials		35,403	
In Service/Staff Development		3,638	
Other Charges		10,563	
Total Community Services			627,069

Total School Federal Projects Fund \$ 12,685,859

Total Governmental Funds - Sumner County School Department \$ 266,648,271

Exhibit K-10

Sumner County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 25,882,298
Total Cash Receipts	<u>\$ 25,882,298</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 25,623,475
Trustee's Commission	<u>258,823</u>
Total Cash Disbursements	<u>\$ 25,882,298</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2018	<u>0</u>
 Cash Balance, June 30, 2019	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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

Sumner County Mayor and
Board of County Commissioners
Sumner 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 Sumner County, Tennessee as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sumner County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sumner County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sumner 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 deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sumner 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sumner County's Response to the Finding

Sumner County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Sumner County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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 Sumner County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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

Sumner County Mayor and
Board of County Commissioners
Sumner, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Sumner County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sumner County's major federal programs for the year ended June 30, 2019. Sumner County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sumner County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sumner County's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sumner County's compliance.

Opinion on Each Major Federal Program

In our opinion, Sumner County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Sumner County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sumner County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sumner County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

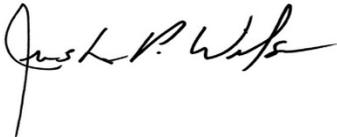
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements. We issued our report thereon dated February 26, 2020, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2020

JPW/yu

Sumner County, Tennessee, and the Sumner County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2019

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 934,128 (9)
Child and Adult Care Food Program	10.558	(3)	38,574
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	(3)	1,542,382
National School Lunch Program	10.555	(3)	4,974,158 (9)
Total U.S. Department of Agriculture			<u>\$ 7,489,242</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 29,359
Total U.S. Department of the Interior			<u>\$ 29,359</u>
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 3,930
Total U.S. Department of Justice			<u>\$ 3,930</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster: (4)			
Highway Planning and Construction	20.205	(5)	\$ 399,823
Alcohol Open Container Requirements	20.607	(6)	24,363
Highway Safety Cluster: (4)			
National Priority Safety Programs	20.616	(7)	55,296
Total U.S. Department of Transportation			<u>\$ 479,482</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(8)	\$ 10,093
Total U.S. Institute of Museum and Library Services			<u>\$ 10,093</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(3)	\$ 4,436,372
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	(3)	6,422,133
Special Education - Preschool Grants	84.173	(3)	86,384
Career and Technical Education - Basic Grants to States	84.048	(3)	357,379
Education for Homeless Children and Youth	84.196	(3)	89,631
Twenty-first Century Community Learning Centers	84.287	(3)	639,673
English Language Acquisition State Grants	84.365	(3)	61,902
Supporting Effective Instruction State Grants	84.367	(3)	692,074
Student Support and Academic Enrichment Program	84.424	(3)	175,847
Total U.S. Department of Education			<u>\$ 12,961,395</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services: Passed-through State Department of Education: Competitive Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	(3)	\$ 1,017
Total U.S. Department of Health and Human Services			<u>\$ 1,017</u>
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants Homeland Security Grant Program	97.042 97.067	(3) (3)	\$ 46,350 95,748
Total U.S. Department of Homeland Security			<u>\$ 142,098</u>
Total Expenditures of Federal Awards			<u>\$ 21,116,616</u>

State Grants

		Contract Number	
Litter Program - State Department of Transportation	N/A	(3)	\$ 83,038
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(3)	9,000
Law Enforcement Training - State Department of Public Safety	N/A	(3)	60,600
Lottery for Education: Afterschool Program - State Department of Education	N/A	(3)	316,916
Early Childhood Education - State Department of Education	N/A	(3)	364,480
Health Department Programs - State Department of Health	N/A	(3)	1,193,514
Family Resource Center - State Department of Education	N/A	(3)	29,468
Coordinated School Health Initiative - State Department of Education	N/A	(3)	154,589
Safe Schools Act - State Department of Education	N/A	(3)	1,042,748
Drug Court Grant Program - State Department of Mental Health and Substance Abuse Services	N/A	(3)	83,429
Project Diabetes - State Department of Health	N/A	(3)	149,999
Teacher Leader District Grant - State Department of Education	N/A	(3)	5,000
Read to be Ready - State Department of Education	N/A	(3)	10,000
Work Based Learning - State Department of Economic and Community Development	N/A	(3)	8,126
STEM Grant - TN Office of the Secretary of State - State Library and Archives	N/A	(3)	<u>2,751</u>
Total State Grants			<u>\$ 3,513,658</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sumner County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$7,450,668; Highway Planning and Construction Cluster total \$399,823; Highway Safety Cluster total \$55,296; Special Education Cluster total \$6,508,517.
- (5) Contract No. 150068: \$166,334; 150129: \$233,489.
- (6) Contract No. Z-18THS-302: \$3,073; Z-19THS-273: \$21,290.
- (7) Contract No. Z-19THS-272: \$40,599; Z-18THS-301: \$14,697.
- (8) Contract No. 30501-00118-48: \$3,073; 30501-00118-94: \$2,054; contract number not available: \$4,966.
- (9) Total CFDA No. 10.555 \$5,908,286.

Sumner County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

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 Sumner County, Tennessee, for the year ended June 30, 2019.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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SUMNER COUNTY

2018	247	2018-001	Sumner County has not fully implemented the Financial Management Modernization System Private Act of 2012	N/A	Corrected
------	-----	----------	---	-----	-----------

Prior-year Federal Awards Findings

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

SUMNER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Sumner 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:
 - * CFDA No. 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATED TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, are presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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.

DIRECTOR OF SCHOOLS

FINDING 2019-001 **INFORMATION TECHNOLOGY EQUIPMENT IS
MISSING**
(Internal Control – Significant Deficiency Under *Government
Auditing Standards*)

On June 17, 2019, the school department received six boxes of purchased computer equipment. A department employee received the bill of lading and signed for the delivery. On June 25, 2019, the Information Technology Department discovered one box containing 24 hard drives, valued at \$8,000, was missing. Management conducted an internal investigation and concluded that established internal controls related to receiving and verifying merchandise were not followed, but could not identify an individual responsible for the missing items. On July 2, 2019, a Fraud Reporting Form was filed with the state Comptroller's Office as required by Section 8-4-503, *Tennessee Code Annotated*.

RECOMMENDATION

Management should review its internal control procedures related to receiving, verifying, and securing merchandise and should train employees on how to properly implement those controls.

MANAGEMENT'S RESPONSE – SCHOOL DEPARTMENT CHIEF FINANCIAL OFFICER

We concur with the finding and took immediate action to mitigate the issue when it was reported.

**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, 2019.

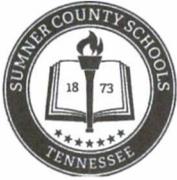
Sumner County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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DIRECTOR OF SCHOOLS

2019-001	Information Technology Equipment is Missing	242
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Sumner County Board of Education

Del R. Phillips III, Ph.D.

Director of Schools

695 East Main Street Gallatin, TN 37066-2472

Phone: (615) 451-5200 Fax: (615) 451-5216

Corrective Action Plan

FINDING 2019-001

INFORMATION TECHNOLOGY EQUIPMENT IS MISSING

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

Response and Corrective Action Plan Prepared by:

Andy Brown, Director of Maintenance; Chris Brown, Director of IT; Amanda Prichard, CFO

Person Responsible for Implementing the Corrective Action:

Andy Brown, Director of Maintenance; Chris Brown, Director of IT

Anticipated Completion Date of Corrective Action:

July 2019

Repeat Finding:

No

Planned Corrective Action:

Internal Audit investigated the missing inventory immediately. Internal Audit worked with the CFO and directors to assist with identifying any internal control issues and recommending changes within the process.

New procedures have now been put into place to more accurately track all of our receivables, not just limiting it to technology. All non-palletized orders are received through an electronic check in. Alerts are sent out to the appropriate recipients and their packages are held in a secured cage outfitted with biometric locks. Once these packages are picked up there is also an electronic record of the recipient. Any order received for technology that is palletized, has a mandatory restriction requiring a member of that department to visually count, verify and sign off on the shipping manifest thus bypassing the secured cage.

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Board of Education Members

Sarah Andrews Alice Bachman Tim Brewer Patricia Brown Andy Daniels Jeff Duncan Glen Gregory Betsy Hawkins Tammy Hayes Ted Wise David Wilkerson

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 Sumner County.

SUMNER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING COVERING ALL COUNTY DEPARTMENTS

Sumner County operates under provisions of the Chapter 70, Private Acts of 2012, and Chapter 8, Private Acts of 2019, which provide for all funds under the supervision of the county mayor and superintendent of roads to be centralized. However, these provisions do not require the funds under the supervision of the school department to be centralized. Sound business practices dictate that establishing a central system for all county departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing covering all departments has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing covering all departments is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sumner County. Therefore, we recommend that the county commission consider amending their existing private act to require a central system of accounting, budgeting, and purchasing covering all county departments.