

ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2019

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

TERYN McNEAL, CPA
Senior Auditor

LAUREN SHARPE
DELANEY OLDHAM
CHRISVONTA SMITH
State Auditors

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

**HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
TABLE OF CONTENTS**

	Exhibit	Page(s)
Summary of Audit Findings		7
<u>INTRODUCTORY SECTION</u>		8
Hartsville/Trousdale County Government Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	26-29
Special Purpose Fund	C-6	30
Proprietary Fund:		
Statement of Net Position	D-1	31-32
Statement of Revenues, Expenses, and Changes in Net Position	D-2	33
Statement of Cash Flows	D-3	34-35
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	36
Index and Notes to the Financial Statements		37-105
REQUIRED SUPPLEMENTARY INFORMATION:		106
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Metropolitan Government	F-1	107
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Former City of Hartsville Plan	F-2	108

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Metropolitan Government	F-3	109
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Former City of Hartsville Plan	F-4	110
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-5	111
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-6	112
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Pension Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-7	113
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-8	114
Schedule of Changes in the Total OPEB Liability and Related Ratios – Local Government Plan	F-9	115
Schedule of Changes in the Total OPEB Liability and Related Ratios – Tennessee Plan - Medicare - Metropolitan Government	F-10	116
Schedule of Changes in the Total OPEB Liability and Related Ratios – Local Education Plan - Discretely Presented Hartsville/Trousdale County School Department	F-11	117
Notes to the Required Supplementary Information		118-119
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		120
Nonmajor Governmental Funds:		121-122
Combining Balance Sheet	G-1	123-128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	129-132
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Urban Services Fund	G-3	133-134
Solid Waste/Sanitation Fund	G-4	135
Ambulance Service Fund	G-5	136
Drug Control Fund	G-6	137
Highway/Public Works Fund	G-7	138
General Debt Service Fund	G-8	139
Education Debt Service Fund	G-9	140
Fiduciary Funds:		141
Combining Statement of Fiduciary Assets and Liabilities	H-1	142
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	143-144

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Hartsville/Trousdale County School Department:		145
Statement of Activities	I-1	146
Balance Sheet – Governmental Funds	I-2	147
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	148
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	149
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	150
Combining Balance Sheet - Nonmajor Governmental Funds	I-6	151
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	I-7	152
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	153-154
School Federal Projects Fund	I-9	155
Central Cafeteria Fund	I-10	156
Miscellaneous Schedules:		157
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	158-159
Schedule of Long-term Debt Requirements by Year	J-2	160-162
Schedule of Transfers	J-3	163
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hartsville/ Trousdale County School Department	J-4	164
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	165-176
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hartsville/Trousdale County School Department	J-6	177-179
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	180-202
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hartsville/Trousdale County School Department	J-8	203-212
Schedule of Detailed Revenue and Expenses - Proprietary Fund	J-9	213-214
 <u>STATUTORY SECTION</u>		 215
	<u>Table</u>	
Demographic and Economic Information:		
Schedule of Utility Rates	1	216
Schedule of Unaccounted for Water	2	217-218

	Page(s)
<u>SINGLE AUDIT SECTION</u>	219
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>	220-221
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance	222-224
Schedule of Expenditures of Federal Awards and State Grants	225-226
Summary Schedule of Prior-year Findings	227
Schedule of Findings and Questioned Costs	228-231
Management's Corrective Action Plan	232-234
Best Practice	235

Summary of Audit Findings

Annual Financial Report
Hartsville/Trousdale County Government, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2019.

Results

Our report on Hartsville/Trousdale County Government is unmodified.

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

Findings

The following is a summary of the audit finding:

WATER AND SEWER UTILITY DEPARTMENT

- ◆ The office had deficiencies in the maintenance of capital asset records.

INTRODUCTORY SECTION

Hartsville/Trousdale County Officials
June 30, 2019

Officials

Stephen Chambers, County Mayor
Billy Scruggs, Superintendent of Roads
Clint Satterfield, Director of Schools
Cindy Carman, Trustee
Dewayne Byrd, Assessor of Property
Rita Crowder, County Clerk
Kim Taylor, Circuit, General Sessions, and Juvenile Courts Clerk
Shelly Jones, Clerk and Master
Candice Hall, Register of Deeds
Ray Russell, Sheriff

Hartsville/Trousdale County Government Commissioners

Ken Buckmaster	David Nollner
Shane Burton	Landon Gulley
Jerry Ford	Gary Walsh
Grace Thomas	Terry Gregory
Coy Dickey	Linda Sue Johnson
Richard Harsh	Amber Russell
Gary Claridy	Dwight Jewell
William Fergusson	Steve Whittaker
Richard Johnson	Rachel Jones
Beverly Atwood	Mary Ann Baker

Highway Commission

Stephen Chambers, County Mayor, Chairman
Billy Scruggs, Superintendent of Roads
Bobby Joe Lewis

Board of Education

Regina Waller, Chairman
Anthony Crook
Denice Jackson
John Kerr
Mary Helen McGowan

Audit Committee

Richard Harsh, Chairman
Beverly Atwood
Mary Ann Baker
Coy Dickey
Rachel Jones
Grace Thomas
Steve Whittaker

Water and Sewer Board

Mark Beeler, Chairman
Stephen Chambers, County Mayor
Todd Webber
Mark White
Craig Moreland
Jerry Ford

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, 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 Special Purpose funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hartsville/Trousdale County Government's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Hartsville/Trousdale 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, combining and individual fund financial statements of the Hartsville/Trousdale County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were

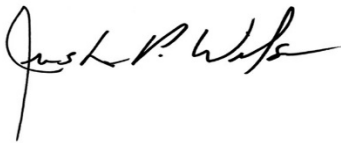
derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing 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, combining and individual fund financial statements of the Hartsville/Trousdale 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 November 25, 2019, on our consideration of Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2019

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental	Business-type	Total	Hartsville/ Trousdale County School Department
	Activities	Activities		
ASSETS				
Cash	\$ 414	\$ 3,017,302	\$ 3,017,716	\$ 0
Equity in Pooled Cash and Investments	12,885,070	0	12,885,070	4,540,333
Accounts Receivable	203,776	352,035	555,811	1,386
Allowance for Uncollectibles	(22,973)	0	(22,973)	0
Due from Other Governments	5,394,210	0	5,394,210	518,431
Due from Other Funds	4,276	0	4,276	0
Due from Component Units	2,470,387	0	2,470,387	0
Property Taxes Receivable	5,249,542	0	5,249,542	1,604,883
Allowance for Uncollectible Property Taxes	(466,810)	0	(466,810)	(143,147)
Net Pension Asset - Agent Plan	790,086	28,370	818,456	64,770
Net Pension Asset - Teacher Legacy Plan	0	0	0	393,796
Net Pension Asset - Teacher Retirement Plan	0	0	0	69,656
Prepaid Items	0	79,703	79,703	0
Internal Balances	19,826	(19,826)	0	0
Restricted Assets:				
Revenue Bond Future Debt Service	0	94,300	94,300	0
Amounts Accumulated for Pension Benefits	0	0	0	34,826
Capital Assets:				
Assets Not Depreciated:				
Land	1,225,244	408,043	1,633,287	689,883
Construction in Progress	0	131,781	131,781	40,000
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,038,100	15,919	5,054,019	14,764,551
Infrastructure	5,237,853	18,054,923	23,292,776	0
Other Capital Assets	2,674,699	511,051	3,185,750	669,750
Intangibles	0	0	0	37,863
Total Assets	\$ 40,703,700	\$ 22,673,601	\$ 63,377,301	\$ 23,286,981
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	\$ 397,620	\$ 56,420	\$ 454,040	\$ 212,355
Pension Changes in Assumptions	200,122	20,646	220,768	282,999
Pension Changes in Proportion	0	0	0	31,811
Pension Contributions After Measurement Date	247,262	32,843	280,105	497,485
OPEB Changes in Experience	0	0	0	10,795
OPEB Changes in Proportion	0	0	0	14,956
OPEB Benefits Paid After Measurement Date	2,850	0	2,850	30,508
Total Deferred Outflows of Resources	\$ 847,854	\$ 109,909	\$ 957,763	\$ 1,080,909
LIABILITIES				
Accounts Payable	\$ 10,007,070	\$ 77,867	\$ 10,084,937	\$ 307,725
Accrued Payroll	32,142	15,137	47,279	27,344
Payroll Deductions Payable	770	0	770	364,651
Accrued Interest Payable	3,243	0	3,243	0
Due to Primary Government	0	0	0	2,470,387
Due to State of Tennessee	1,523	18,451	19,974	0
Due to Litigants, Heirs, and Others	314	0	314	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	1,000	4,000	5,000	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,212,101	94,300	1,306,401	0
Due Within One Year - Other	64,973	27,822	92,795	0
Due in More Than One Year - Debt	7,728,978	5,160,805	12,889,783	0
Due in More Than One Year - Other	221,775	0	221,775	751,891
Total Liabilities	\$ 19,273,889	\$ 5,398,382	\$ 24,672,271	\$ 3,921,998

(Continued)

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hartsville/ Trousdale County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,617,015	\$ 0	\$ 4,617,015	\$ 1,419,872
Pension Changes in Experience	570,323	47,689	618,012	642,910
Pension Changes in Investment Earnings	65,335	6,464	71,799	104,399
Pension Changes in Proportion	0	0	0	86,065
OPEB Changes in Experience	37,731	0	37,731	115,797
OPEB Changes in Assumptions	9,725	0	9,725	36,435
Total Deferred Inflows of Resources	<u>\$ 5,300,129</u>	<u>\$ 54,153</u>	<u>\$ 5,354,282</u>	<u>\$ 2,405,478</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 11,853,896	\$ 13,866,612	\$ 25,720,508	\$ 16,202,047
Restricted for:				
General Government	55,040	0	55,040	0
Finance	15,622	0	15,622	0
Administration of Justice	65,894	0	65,894	0
Public Safety	144,113	0	144,113	0
Public Health and Welfare	33,629	0	33,629	0
Highway/Public Works	924,039	0	924,039	0
Debt Service	235,302	343,934	579,236	0
Capital Projects	21,684	0	21,684	0
Pensions	790,086	0	790,086	563,048
Education	0	0	0	131,043
Central Cafeteria	0	0	0	224,968
Unrestricted	<u>2,838,231</u>	<u>3,120,429</u>	<u>5,958,660</u>	<u>919,308</u>
Total Net Position	<u>\$ 16,977,536</u>	<u>\$ 17,330,975</u>	<u>\$ 34,308,511</u>	<u>\$ 18,040,414</u>

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

Exhibit B

Hartsville/Trousdale County Government, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,361,148	\$ 256,595	\$ 24,993	\$ 0	\$ (1,079,560)	\$ 0	\$ (1,079,560)	\$ 0
Finance	500,027	316,700	0	0	(183,327)	0	(183,327)	0
Administration of Justice	485,298	225,836	9,000	0	(250,462)	0	(250,462)	0
Public Safety	58,555,725	55,441,614	20,433	0	(3,093,678)	0	(3,093,678)	0
Public Health and Welfare	2,028,162	1,031,096	82,477	20,000	(894,589)	0	(894,589)	0
Social, Cultural, and Recreational Services	308,541	38,696	15,099	0	(254,746)	0	(254,746)	0
Agriculture and Natural Resources	46,503	0	0	0	(46,503)	0	(46,503)	0
Highways/Public Works	2,266,471	0	1,729,757	614,510	77,796	0	77,796	0
Education	77,806	0	0	449,014	371,208	0	371,208	0
Interest on Long-term Debt	304,579	0	0	0	(304,579)	0	(304,579)	0
Total Governmental Activities	<u>\$ 65,934,260</u>	<u>\$ 57,310,537</u>	<u>\$ 1,881,759</u>	<u>\$ 1,083,524</u>	<u>\$ (5,658,440)</u>	<u>\$ 0</u>	<u>\$ (5,658,440)</u>	<u>\$ 0</u>
Business-type Activities:								
Public Utility - Water and Sewer	\$ 2,773,945	\$ 3,005,592	\$ 0	\$ 696,884	\$ 0	\$ 928,531	\$ 928,531	\$ 0
Total Business-type Activities	<u>\$ 2,773,945</u>	<u>\$ 3,005,592</u>	<u>\$ 0</u>	<u>\$ 696,884</u>	<u>\$ 0</u>	<u>\$ 928,531</u>	<u>\$ 928,531</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 68,708,205</u>	<u>\$ 60,316,129</u>	<u>\$ 1,881,759</u>	<u>\$ 1,780,408</u>	<u>\$ (5,658,440)</u>	<u>\$ 928,531</u>	<u>\$ (4,729,909)</u>	<u>\$ 0</u>
Component Unit:								
School Department	\$ 12,883,802	\$ 89,595	\$ 1,931,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ (10,862,420)
Total Component Unit	<u>\$ 12,883,802</u>	<u>\$ 89,595</u>	<u>\$ 1,931,787</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,862,420)</u>

(Continued)

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,571,481	\$ 0	\$ 4,571,481	\$ 1,538,078
Property Taxes Levied for Debt Service					485,710	0	485,710	0
Local Option Sales Tax					608,743	0	608,743	709,560
Wheel Tax					356,852	0	356,852	0
Wholesale Beer Tax					150,235	0	150,235	0
Litigation Tax					115,639	0	115,639	0
Business Tax					36,254	0	36,254	13,802
Mixed Drink Tax					5,606	0	5,606	4,067
Adequate Facilities/Development Tax					129,727	0	129,727	0
Local Amusement Tax					47	0	47	0
Grants and Contributions Not Restricted for Specific Programs					251,269	0	251,269	8,209,580
Unrestricted Investment Income					248,130	37,842	285,972	1,758
Miscellaneous					7,581	7,200	14,781	13,190
Total General Revenues					<u>\$ 6,967,274</u>	<u>\$ 45,042</u>	<u>\$ 7,012,316</u>	<u>\$ 10,490,035</u>
Special Item - See Note I.D.10.					\$ 228,365	\$ 26,877	\$ 255,242	\$ 0
Change in Net Position					\$ 1,537,199	\$ 1,000,450	\$ 2,537,649	\$ (372,385)
Net Position, July 1, 2018					15,440,337	16,330,525	31,770,862	18,412,799
Net Position, June 30, 2019					<u>\$ 16,977,536</u>	<u>\$ 17,330,975</u>	<u>\$ 34,308,511</u>	<u>\$ 18,040,414</u>

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

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Special Purpose	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 314	\$ 414
Equity in Pooled Cash and Investments	3,728,078	4,936,892	4,220,100	12,885,070
Accounts Receivable	27,126	0	176,646	203,772
Allowance for Uncollectibles	0	0	(22,973)	(22,973)
Due from Other Governments	192,595	4,735,775	465,840	5,394,210
Due from Other Funds	21,088	0	54,621	75,709
Due from Component Units	1,167	0	0	1,167
Property Taxes Receivable	3,025,125	0	2,224,417	5,249,542
Allowance for Uncollectible Property Taxes	(270,732)	0	(196,078)	(466,810)
Accrued Interest Receivable	0	0	4	4
Total Assets	<u>\$ 6,724,547</u>	<u>\$ 9,672,667</u>	<u>\$ 6,922,891</u>	<u>\$ 23,320,105</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 37,995	\$ 9,672,667	\$ 296,408	\$ 10,007,070
Accrued Payroll	6,165	0	25,977	32,142
Payroll Deductions Payable	735	0	35	770
Due to Other Funds	0	0	51,607	51,607
Due to State of Tennessee	0	0	1,523	1,523
Due to Litigants, Heirs, and Others	0	0	314	314
Current Liabilities Payable From Restricted Assets	1,000	0	0	1,000
Total Liabilities	<u>\$ 45,895</u>	<u>\$ 9,672,667</u>	<u>\$ 375,864</u>	<u>\$ 10,094,426</u>

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds		Nonmajor	Total
	General	Special Purpose	Other Governmental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,673,263	\$ 0	\$ 1,943,752	\$ 4,617,015
Deferred Delinquent Property Taxes	76,296	0	79,890	156,186
Other Deferred/Unavailable Revenue	40,000	0	244,842	284,842
Total Deferred Inflows of Resources	<u>\$ 2,789,559</u>	<u>\$ 0</u>	<u>\$ 2,268,484</u>	<u>\$ 5,058,043</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 16,994	\$ 0	\$ 0	\$ 16,994
Restricted for Finance	15,622	0	0	15,622
Restricted for Administration of Justice	65,894	0	0	65,894
Restricted for Public Safety	80,962	0	63,151	144,113
Restricted for Public Health and Welfare	33,629	0	0	33,629
Restricted for Highways/Public Works	0	0	800,958	800,958
Restricted for Debt Service	0	0	226,139	226,139
Restricted for Capital Projects	0	0	21,684	21,684
Committed:				
Committed for General Government	0	0	1,104,706	1,104,706
Committed for Public Safety	3,435	0	0	3,435
Committed for Public Health and Welfare	0	0	1,146,832	1,146,832
Committed for Social, Cultural, and Recreational Services	65,538	0	0	65,538
Committed for Debt Service	0	0	909,518	909,518
Assigned:				
Assigned for General Government	589	0	2,614	3,203
Assigned for Finance	8,050	0	0	8,050
Assigned for Administration of Justice	129	0	0	129

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Special Purpose</u>	<u>Funds</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	
<u>FUND BALANCES (Cont.)</u>				
Assigned (Cont.):				
Assigned for Public Safety	\$ 54,354	\$ 0	\$ 0	\$ 54,354
Assigned for Public Health and Welfare	7,623	0	2,941	10,564
Assigned for Social, Cultural, and Recreational Services	3,022	0	0	3,022
Assigned for Agriculture and Natural Resources	159	0	0	159
Assigned for Other Operations	14,501	0	0	14,501
Unassigned	3,518,592	0	0	3,518,592
Total Fund Balances	<u>\$ 3,889,093</u>	<u>\$ 0</u>	<u>\$ 4,278,543</u>	<u>\$ 8,167,636</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,724,547</u>	<u>\$ 9,672,667</u>	<u>\$ 6,922,891</u>	<u>\$ 23,320,105</u>

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

Hartsville/Trousdale County Government, 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)		\$ 8,167,636
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,225,244	
Add: buildings and improvements net of accumulated depreciation	5,038,100	
Add: infrastructure net of accumulated depreciation	5,237,853	
Add: other capital assets net of accumulated depreciation	<u>2,674,699</u>	14,175,896
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (716,000)	
Less: other loans payable	(8,225,079)	
Add: debt to be contributed by the school department	2,469,220	
Less: landfill postclosure care costs	(147,268)	
Less: other postemployment benefits liability - medicare supplement plan	(36,250)	
Less: compensated absences payable	(103,230)	
Less: accrued interest on notes	<u>(3,243)</u>	(6,761,850)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 845,004	
Less: deferred inflows of resources related to pensions	(635,658)	
Add: deferred outflows of resources related to OPEB	2,850	
Less: deferred inflows of resources related to OPEB	<u>(47,456)</u>	164,740
(4) Net pension assets of the county agent plans are not current financial resources and therefore are not reported in the governmental funds:		
Add: County Agent Plan Asset	\$ 199,936	
Add: Former City of Hartsville Agent Plan Asset	<u>590,150</u>	790,086
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>441,028</u>
Net position of governmental activities (Exhibit A)		<u>\$ 16,977,536</u>

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

Exhibit C-3

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Special Purpose</u>	<u>Funds</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 4,067,079	\$ 0	\$ 2,636,446	\$ 6,703,525
Licenses and Permits	118,113	0	50,947	169,060
Fines, Forfeitures, and Penalties	82,573	0	9,737	92,310
Charges for Current Services	35,330	0	1,017,900	1,053,230
Other Local Revenues	310,138	0	92,823	402,961
Fees Received From County Officials	495,016	0	0	495,016
State of Tennessee	368,005	55,192,622	2,302,558	57,863,185
Federal Government	150,666	0	0	150,666
Other Governments and Citizens Groups	20,219	0	334,150	354,369
Total Revenues	\$ 5,647,139	\$ 55,192,622	\$ 6,444,561	\$ 67,284,322
<u>Expenditures</u>				
Current:				
General Government	\$ 863,508	\$ 0	\$ 0	\$ 863,508
Finance	464,483	0	0	464,483
Administration of Justice	509,068	0	0	509,068
Public Safety	2,701,134	55,192,622	373,553	58,267,309
Public Health and Welfare	119,080	0	1,922,826	2,041,906
Social, Cultural, and Recreational Services	268,973	0	7,872	276,845
Agriculture and Natural Resources	52,687	0	0	52,687
Other Operations	361,380	0	203,718	565,098
Highways	0	0	2,418,674	2,418,674
Debt Service:				
Principal on Debt	0	0	1,182,621	1,182,621
Interest on Debt	0	0	306,001	306,001
Other Debt Service	0	0	40,872	40,872

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Special</u> <u>Purpose</u>	<u>Other</u> <u>Govern-</u> <u>mental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 0	\$ 46,922	\$ 46,922
Total Expenditures	\$ 5,340,313	\$ 55,192,622	\$ 6,503,059	\$ 67,035,994
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>				
	\$ 306,826	\$ 0	\$ (58,498)	\$ 248,328
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 10,578	\$ 0	\$ 9,158	\$ 19,736
Transfers In	0	0	146,099	146,099
Transfers Out	(122,315)	0	(23,784)	(146,099)
Total Other Financing Sources (Uses)	\$ (111,737)	\$ 0	\$ 131,473	\$ 19,736
<u>Net Change in Fund Balances</u>				
Fund Balance, July 1, 2018	\$ 3,694,004	\$ 0	\$ 4,205,568	\$ 7,899,572
<u>Fund Balance, June 30, 2019</u>				
	\$ 3,889,093	\$ 0	\$ 4,278,543	\$ 8,167,636

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

Exhibit C-4

Hartsville/Trousdale County Government, 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)		\$ 268,064
(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 outlays purchased in the current period	\$ 517,322	
Less: current-year depreciation expense	<u>(929,271)</u>	(411,949)
(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	\$ 268,786	
Less: book value of capital assets disposed	<u>(98,729)</u>	170,057
(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	\$ (474,421)	
Add: deferred delinquent property taxes and other deferred June 30, 2019	<u>441,028</u>	(33,393)
(4) The issuance of long-term debt (e.g., notes, other loans) 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.		
Less: contributions from the school department for other loans payable	\$ (264,621)	
Add: principal payments on notes	187,000	
Add: principal payments on other loans	<u>995,621</u>	918,000
(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	\$ 1,422	
Change in landfill postclosure care costs	17,255	
Change in compensated absences	(6,143)	
Change in other postemployment benefits liability - local government plan	219,623	
Change in other postemployment benefits liability - medicare supplement plan	97,688	
Change in deferred outflows of resources related to pensions	(207,226)	
Change in deferred inflows of resources related to pensions	(172,320)	
Change in deferred outflows of resources related to OPEB	(4,326)	
Change in deferred inflows of resources related to OPEB	(26,211)	
Change in net pension liability/asset - county agent plan	342,551	
Change in net pension liability/asset - former City of Hartsville agent plan	<u>364,107</u>	626,420
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,537,199</u>

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

Exhibit C-5

Hartsville/Trousdale County Government, 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)	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	\$ 4,067,079	\$ 0	\$ 4,067,079	\$ 3,893,226	\$ 3,885,526	\$ 181,553
Licenses and Permits	118,113	0	118,113	111,300	111,300	6,813
Fines, Forfeitures, and Penalties	82,573	0	82,573	98,280	98,280	(15,707)
Charges for Current Services	35,330	0	35,330	43,825	43,825	(8,495)
Other Local Revenues	310,138	0	310,138	121,977	125,201	184,937
Fees Received From County Officials	495,016	0	495,016	482,000	482,000	13,016
State of Tennessee	368,005	0	368,005	376,864	878,664	(510,659)
Federal Government	150,666	0	150,666	126,936	158,019	(7,353)
Other Governments and Citizens Groups	20,219	0	20,219	15,220	16,720	3,499
Total Revenues	\$ 5,647,139	\$ 0	\$ 5,647,139	\$ 5,269,628	\$ 5,799,535	\$ (152,396)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 62,361	\$ 0	\$ 62,361	\$ 96,500	\$ 88,745	\$ 26,384
Beer Board	606	0	606	400	900	294
County Mayor/Executive	259,181	23	259,204	279,213	280,461	21,257
County Attorney	22,997	0	22,997	30,100	30,100	7,103
Election Commission	114,684	840	115,524	123,558	123,558	8,034
Register of Deeds	98,225	37	98,262	105,135	106,991	8,729
Planning	108,480	147	108,627	131,389	131,389	22,762
Codes Compliance	0	0	0	1,500	1,500	1,500
County Buildings	196,008	472	196,480	211,917	215,417	18,937
Preservation of Records	966	174	1,140	2,000	2,000	860
<u>Finance</u>						
Property Assessor's Office	130,724	15	130,739	135,321	135,321	4,582
County Trustee's Office	130,416	0	130,416	132,737	132,737	2,321

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	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	\$ 124,315	\$ 0	\$ 124,315	\$ 128,479	\$ 128,479	\$ 4,164
Data Processing	79,028	6,930	85,958	82,000	92,000	6,042
<u>Administration of Justice</u>						
Circuit Court	187,012	54	187,066	196,678	197,908	10,842
General Sessions Court	92,465	0	92,465	96,419	96,419	3,954
Chancery Court	107,146	0	107,146	108,295	109,472	2,326
Judicial Commissioners	29,433	75	29,508	32,478	32,778	3,270
Courtroom Security	93,012	0	93,012	127,458	127,958	34,946
<u>Public Safety</u>						
Sheriff's Department	1,266,387	15,170	1,281,557	1,374,206	1,384,784	103,227
Drug Enforcement	66,305	0	66,305	70,897	70,897	4,592
Administration of the Sexual Offender Registry	1,311	0	1,311	6,400	6,400	5,089
Jail	1,018,218	4,193	1,022,411	1,046,263	1,046,263	23,852
Workhouse	71,015	0	71,015	86,502	86,502	15,487
Juvenile Services	42,772	0	42,772	49,356	49,356	6,584
Fire Prevention and Control	56,748	17,641	74,389	82,110	89,110	14,721
Rescue Squad	46,582	15,757	62,339	58,700	68,700	6,361
Other Emergency Management	94,478	1,593	96,071	94,600	97,933	1,862
Inspection and Regulation	273	0	273	1,500	1,500	1,227
County Coroner/Medical Examiner	37,045	0	37,045	20,500	51,500	14,455
<u>Public Health and Welfare</u>						
Local Health Center	24,019	0	24,019	32,549	32,549	8,530
Rabies and Animal Control	40,273	3,231	43,504	46,992	50,216	6,712
Alcohol and Drug Programs	2,824	1,466	4,290	8,980	8,980	4,690
Other Local Health Services	1,166	0	1,166	0	1,350	184

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	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>Public Health and Welfare (Cont.)</u>						
Sanitation Education/Information	\$ 41,298	\$ 2,927	\$ 44,225	\$ 44,200	\$ 44,225	\$ 0
Other Public Health and Welfare	9,500	0	9,500	9,500	9,500	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	44,051	114	44,165	40,180	44,885	720
Libraries	118,754	10	118,764	115,621	118,764	0
Parks and Fair Boards	106,168	2,898	109,066	152,583	172,083	63,017
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	39,460	159	39,619	50,508	50,508	10,889
Soil Conservation	13,227	0	13,227	13,228	13,228	1
<u>Other Operations</u>						
Other Economic and Community Development	985	40	1,025	17,500	517,500	516,475
Veterans' Services	16,095	100	16,195	17,136	17,136	941
Other Charges	273,213	14,361	287,574	332,177	332,177	44,603
Contributions to Other Agencies	51,053	0	51,053	0	51,053	0
Employee Benefits	1,552	0	1,552	10,720	10,720	9,168
Miscellaneous	18,482	0	18,482	18,600	18,600	118
Total Expenditures	\$ 5,340,313	\$ 88,427	\$ 5,428,740	\$ 5,823,085	\$ 6,480,552	\$ 1,051,812
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 306,826	\$ (88,427)	\$ 218,399	\$ (553,457)	\$ (681,017)	\$ 899,416
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 10,578	\$ 0	\$ 10,578	\$ 0	\$ 10,578	\$ 0
Transfers Out	(122,315)	0	(122,315)	(122,316)	(122,316)	1
Total Other Financing Sources	\$ (111,737)	\$ 0	\$ (111,737)	\$ (122,316)	\$ (111,738)	\$ 1

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 195,089	\$ (88,427)	\$ 106,662	\$ (675,773)	\$ (792,755)	\$ 899,417
Fund Balance, July 1, 2018	3,694,004	0	3,694,004	3,523,018	3,523,018	170,986
Fund Balance, June 30, 2019	\$ 3,889,093	\$ (88,427)	\$ 3,800,666	\$ 2,847,245	\$ 2,730,263	\$ 1,070,403

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

Exhibit C-6

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose 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	\$ 55,192,622	\$ 58,000,000	\$ 58,000,000	\$ (2,807,378)
Total Revenues	\$ 55,192,622	\$ 58,000,000	\$ 58,000,000	\$ (2,807,378)
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 55,192,622	\$ 58,000,000	\$ 58,000,000	\$ 2,807,378
Total Expenditures	\$ 55,192,622	\$ 58,000,000	\$ 58,000,000	\$ 2,807,378
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2018	0	43,500	43,500	(43,500)
Fund Balance, June 30, 2019	\$ 0	\$ 43,500	\$ 43,500	\$ (43,500)

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

Exhibit D-1

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2019

	<u>Business-type Activities Major Enterprise Fund Water and Sewer Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,017,302
Accounts Receivable	352,035
Due from Other Funds	368
Prepaid Items	79,703
Total Current Assets	<u>\$ 3,449,408</u>
Noncurrent Assets:	
Restricted Assets:	
Revenue Bond Future Debt Service	\$ 94,300
Net Pension Asset	28,370
Capital Assets (Net of Accumulated Depreciation):	
Land	408,043
Construction in Progress	131,781
Buildings and Improvements	15,919
Infrastructure	18,054,923
Other Capital Assets	511,051
Total Noncurrent Assets	<u>\$ 19,244,387</u>
Total Assets	<u>\$ 22,693,795</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 56,420
Pension Changes in Assumptions	20,646
Pension Contributions After Measurement Date	32,843
Total Deferred Outflows of Resources	<u>\$ 109,909</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 77,867
Accrued Payroll	15,137
Compensated Absences Payable	27,822
Due to Other Funds	20,194
Due to State of Tennessee	18,451
Revenue Bonds Payable	94,300
Customer Deposits Payable	4,000
Total Current Liabilities	<u>\$ 257,771</u>
Noncurrent Liabilities:	
Revenue Bonds Payable	\$ 5,160,805
Total Noncurrent Liabilities	<u>\$ 5,160,805</u>
Total Liabilities	<u>\$ 5,418,576</u>

(Continued)

Exhibit D-1

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 47,689
Pension Changes in Investment Earnings	6,464
Total Deferred Inflows of Resources	<u>\$ 54,153</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 13,866,612
Restricted for Rural Development Bond Covenants	343,934
Unrestricted	<u>3,120,429</u>
Total Net Position	<u>\$ 17,330,975</u>

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

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 2,747,700
Other Local Revenues	7,200
Total Operating Revenues	<u>\$ 2,754,900</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 2,038,658
Depreciation Expense	620,643
Total Operating Expenses	<u>\$ 2,659,301</u>
Operating Income (Loss)	<u>\$ 95,599</u>
<u>Nonoperating Revenues (Expenses)</u>	
Grant Income	\$ 448,167
Insurance Recovery	5,856
Investment Income	37,842
Interest Expense	(114,644)
Donations	242,861
Total Nonoperating Revenues (Expenses)	<u>\$ 620,082</u>
Income (Loss) Before Contributions and Special Item	\$ 715,681
Capital Contributions	257,892
Special Item - See Note I.D.10.	26,877
Change in Net Position	<u>\$ 1,000,450</u>
Net Position, July 1, 2018	<u>16,330,525</u>
Net Position, June 30, 2019	<u><u>\$ 17,330,975</u></u>

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

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 2,682,340
Payments to Suppliers	(1,206,862)
Payments to Employees	(834,533)
Other Receipts (Payments)	(38,225)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 602,720</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital Contributions	\$ 257,892
Acquisition of Capital Assets	(1,232,330)
Principal Paid on Capital Debt	(377,356)
Interest Paid on Capital Debt	(114,644)
Insurance Recovery	5,857
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>\$ (1,460,581)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 448,167
Donations	242,861
Special Item - See Note I.D.10.	26,877
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 717,905</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 37,842
Net Cash Provided By (Used In) Investing Activities	<u>\$ 37,842</u>
Net Increase (Decrease) in Cash	\$ (102,114)
Cash, July 1, 2018	<u>3,213,716</u>
Cash, June 30, 2019	<u>\$ 3,111,602</u>

(Continued)

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 95,599
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	620,643
Changes in deferred inflows of resources related to pensions	10,650
Changes in deferred outflows of resources related to pensions	28,283
Changes in deferred inflows of resources related to OPEB	(1,201)
Changes in deferred outflows of resources related to OPEB	172
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(72,560)
(Increase) Decrease in Prepaid Items	2,473
(Increase) Decrease in Net Pension Asset	(28,370)
Increase (Decrease) in Net Pension Liability	(21,911)
Increase (Decrease) in Net OPEB Liability	(25,848)
Increase (Decrease) in Accounts Payable	(16,563)
Increase (Decrease) in Payroll Deductions Payable	(13)
Increase (Decrease) in Accrued Payroll	(782)
Increase (Decrease) in Due to Other Funds	581
Increase (Decrease) in Due to State of Tennessee	3,405
Increase (Decrease) in Compensated Absences	8,162
Net Cash Provided By (Used In) Operating Activities	<u>\$ 602,720</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash and Cash Equivalents Per Net Position	\$ 3,017,302
Revenue Bond Future Debt Service Account Per Net Position	<u>94,300</u>
Cash, June 30, 2019	<u>\$ 3,111,602</u>

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

Exhibit E

Hartsville/Trousdale County Government, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 786,227
Equity in Pooled Cash and Investments	604,238
Accounts Receivable	5,282
Due from Other Governments	<u>13,000</u>
Total Assets	<u>\$ 1,408,747</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 25,291
Due to Other Funds	4,276
Due to Litigants, Heirs, and Others	929,524
Due to Joint Ventures	<u>449,656</u>
Total Liabilities	<u>\$ 1,408,747</u>

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

**HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE
Index of Notes to the Financial Statements**

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	43
3. Prepaid Items	44
4. Restricted Assets	44
5. Capital Assets	45
6. Deferred Outflows/Inflows of Resources	45
7. Compensated Absences	46
8. Long-term Debt and Long-term Obligations	47
9. Net Position and Fund Balance	47
10. Special Item	49
E. Pension Plans	49
F. Other Postemployment Benefits (OPEB) Plans	50
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	50
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	51
III. Stewardship, Compliance, and Accountability	
Budgetary Information	51
IV. Detailed Notes on All Funds	
A. Deposits and Investments	52
B. Capital Assets	57
C. Interfund Receivables, Payables, and Transfers	60
D. Long-term Debt	61
E. Long-term Obligations	67
F. On-Behalf Payments	70
V. Other Information	
A. Risk Management	71
B. Accounting Changes	72
C. Contingent Liabilities	72
D. Changes in Administration	72
E. Landfill Postclosure Care Costs	73
F. Joint Venture	73
G. Retirement Commitments	74
H. Other Postemployment Benefits (OPEB)	93
I. Pollution Remediation	104
J. Purchasing Laws	105

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartsville/Trousdale County Government's (the metropolitan government) 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 the metropolitan government:

A. Reporting Entity

The metropolitan government is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present the metropolitan government (the primary government) and its component units. The financial statements of the Trousdale County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the metropolitan government's reporting entity because of the significance of their operational or financial relationships with the metropolitan government.

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

The Hartsville/Trousdale County School Department (the school department) operates the public school system in the county, and the voters of Trousdale County elect its board. The school department is fiscally dependent on the metropolitan government because it may not issue debt, and its budget and property tax levy are subject to the metropolitan commission's approval. The school department's taxes are levied under the taxing authority of the metropolitan government and are included as part of the metropolitan government's total tax levy.

The Trousdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Trousdale County, and the metropolitan 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 metropolitan commission's

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

The school department does not issue separate financial statements from those of the metropolitan government. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Trousdale County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Trousdale County Emergency
Communications District
210 Broadway
Hartsville, TN 37074

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

The metropolitan government issues all debt for the discretely presented 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, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, 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 the metropolitan government 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 and proprietary fund categories. The metropolitan government only reports one proprietary fund, a major enterprise fund.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the metropolitan government 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. The metropolitan government considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts

have been accumulated in the debt service funds for payments to be made early in the following year.

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

Proprietary funds 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.

The metropolitan government reports the following major governmental funds:

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

Special Purpose Fund – This special revenue fund accounts for prisoner boarding revenues from the State of Tennessee and contracted expenditures remitted to the Corrections Corporation of America.

The metropolitan government reports the following major proprietary fund:

Water and Sewer Fund – This fund accounts for transactions of the metropolitan government’s water and sewer department.

Additionally, the metropolitan government reports the following fund types:

Debt Service Funds – These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation and education debt of governmental funds.

Capital Projects Funds – These funds account for the financial resources to be used for the acquisition or construction of major capital resources.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, state grants and other restricted revenues held for the benefit of the Fifteenth 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 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 school department reports the following fund type:

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

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 metropolitan government has one proprietary fund, an enterprise fund, used to account for the transactions of the Water and Sewer Department. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are customer fees for water and sewer usage. Operating expenses for the enterprise fund consist primarily of operation and maintenance of the department.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on hand and demand deposits, including cash restricted for future debt service.

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 metropolitan government's own legally issued bonds or notes.

The metropolitan trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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. The metropolitan government 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 remitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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 eight 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 the metropolitan government for building rentals (\$1,000) and the enterprise fund for water taps (\$4,000).

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the enterprise fund. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased.

4. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants. The Revenue Bond Future Debt Service account is used to report resources set aside to comply with those covenants.

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the 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 school department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the 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, infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., computer software and similar items) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (school department \$10,000) or more and an estimated useful life of more than one (school department three) year(s). 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, infrastructure, and intangibles of the metropolitan 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	7 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 50
Bridges	75
Water and Sewage Lines	40 - 50
Intangibles	12

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 metropolitan 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 pension changes

in experience, pension changes in assumptions, pension other deferrals, employer contributions made to the pension plan after the measurement date, other postemployment benefits changes in experience, other postemployment benefits changes in proportion, and other postemployment 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 metropolitan 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, pension changes in proportion, other postemployment benefits changes in experience, other postemployment benefits changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

Primary Government

It is the metropolitan government'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 metropolitan government does 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 and the proprietary fund for the metropolitan government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

The school department does not allow for the accumulation of unused vacation and sick days beyond year-end, except for professional personnel of the school department. The school department allows professional personnel (teachers) to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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 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, pension liabilities, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

As of June 30, 2019, the metropolitan government had \$6,619,079 in outstanding debt for capital purposes for the discretely presented school department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the school department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government's capital assets.

It is the metropolitan government'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 metropolitan government'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 metropolitan commission, the metropolitan government's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

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

10. Special Item

During the year, the metropolitan government elected to cease providing Other Postemployment Benefits (OPEB) to retirees through the Local Government Plan. As a result, a special item totaling \$228,365 and \$26,877 were recognized in the Government-wide Statement of Activities for both the primary government and the Business-type Activities, respectively, and all OPEB related liabilities and deferrals related to the Local Government Plan were removed from the Statement of Net Position.

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 the metropolitan government’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the metropolitan government’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 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 the metropolitan government. For this purpose, the metropolitan government recognizes benefit payments when due and payable in accordance with benefit terms. The metropolitan government's OPEB plan is not administered through a trust.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented School Department

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

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

Primary Government

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

Discretely Presented School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, and the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The metropolitan government 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 metropolitan 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, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the metropolitan commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The metropolitan government'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, the metropolitan government had the following significant encumbrances:

Funds	Amount
Primary Government:	
General	\$ 88,427
Nonmajor Governmental	<u>5,555</u>
Total	<u>\$ 93,982</u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government and the discretely presented school department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government 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 metropolitan government.

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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.

The metropolitan government had no pooled and nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

Legal Provisions. The 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 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 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	\$ 10,796
Developed Market International Equity	N/A	N/A	4,876
Emerging Market International Equity	N/A	N/A	1,393
U.S. Fixed Income	N/A	N/A	6,965
Real Estate	N/A	N/A	3,483
Short-term Securities	N/A	N/A	348
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	6,965
Total			\$ 34,826

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Cost
					NAV
U.S. Equity	\$ 10,796	\$ 10,796	0 \$	0 \$	0
Developed Market					
International Equity	4,876	4,876	0	0	0
Emerging Market					
International Equity	1,393	1,393	0	0	0
U.S. Fixed Income	6,965	0	6,965	0	0
Real Estate	3,483	0	0	3,483	0
Short-term Securities	348	0	348	0	0
Private Equity and Strategic Lending	6,965	0	0	0	6,965
Total	\$ 34,826	\$ 17,065	\$ 7,313	\$ 3,483	6,965

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 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 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. The 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 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. Capital Assets

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

Primary Government – Governmental Activities:

	Balance 7-1-18		Increases		Decreases		Balance 6-30-19	
Capital Assets Not Depreciated:								
Land	\$	1,237,244	\$	0	\$	(12,000)	\$	1,225,244
Construction in Progress		0		0		0		0
Total Capital Assets Not Depreciated	\$	1,237,244	\$	0	\$	(12,000)	\$	1,225,244
Capital Assets Depreciated:								
Buildings and Improvements	\$	6,239,217	\$	17,000	\$	0	\$	6,256,217
Roads and Bridges		16,000,940		256,786		0		16,257,726
Other Capital Assets		7,433,632		512,322		(211,345)		7,734,609
Total Capital Assets Depreciated	\$	29,673,789	\$	786,108	\$	(211,345)	\$	30,248,552
Less Accumulated Depreciation for:								
Buildings and Improvements	\$	1,069,999	\$	148,118	\$	0	\$	1,218,117
Roads and Bridges		10,863,124		156,749		0		11,019,873
Other Capital Assets		4,560,122		624,404		(124,616)		5,059,910
Total Accumulated Depreciation	\$	16,493,245	\$	929,271	\$	(124,616)	\$	17,297,900
Total Capital Assets Depreciated, Net	\$	13,180,544	\$	(143,163)	\$	(86,729)	\$	12,950,652
Governmental Activities Capital Assets, Net	\$	14,417,788	\$	(143,163)	\$	(98,729)	\$	14,175,896

Business-type Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 400,043	\$ 8,000	\$ 0	\$ 408,043
Construction in Progress	11,161,331	832,902	(11,862,452)	131,781
Total Capital Assets Not Depreciated	\$ 11,561,374	\$ 840,902	\$ (11,862,452)	\$ 539,824
Capital Assets Depreciated:				
Buildings and Improvements	\$ 26,000	\$ 0	\$ 0	\$ 26,000
Infrastructure	16,215,602	12,110,312	0	28,325,914
Other Capital Assets	1,002,231	143,568	0	1,145,799
Total Capital Assets Depreciated	\$ 17,243,833	\$ 12,253,880	\$ 0	\$ 29,497,713
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,456	\$ 3,625	\$ 0	\$ 10,081
Infrastructure	9,752,777	518,214	0	10,270,991
Other Capital Assets	535,943	98,805	0	634,748
Total Accumulated Depreciation	\$ 10,295,176	\$ 620,644	\$ 0	\$ 10,915,820
Total Capital Assets Depreciated, Net	\$ 6,948,657	\$ 11,633,236	\$ 0	\$ 18,581,893
Governmental Activities Capital Assets, Net	\$ 18,510,031	\$ 12,474,138	\$ (11,862,452)	\$ 19,121,717

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

Governmental Activities:

General Government	\$ 116,164
Finance	23,878
Administration of Justice	735
Public Safety	403,701
Public Health and Welfare	167,986
Social, Cultural, and Recreational Services	34,742
Highways/Public Works	182,065
Total Depreciation Expense - Governmental Activities	\$ 929,271

Business-type Activities:

Water and Sewer \$ 620,644

Discretely Presented School Department- Governmental Activities:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 689,883	\$ 0	\$ 689,883
Construction in Progress	0	40,000	40,000
Total Capital Assets Not Depreciated	<u>\$ 689,883</u>	<u>\$ 40,000</u>	<u>\$ 729,883</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 25,582,035	\$ 0	\$ 25,582,035
Other Capital Assets	1,558,973	93,206	1,652,179
Intangibles	118,756	0	118,756
Total Capital Assets Depreciated	<u>\$ 27,259,764</u>	<u>\$ 93,206</u>	<u>\$ 27,352,970</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 10,197,369	\$ 620,115	\$ 10,817,484
Other Capital Assets	878,435	103,994	982,429
Intangibles	70,997	9,896	80,893
Total Accumulated Depreciation	<u>\$ 11,146,801</u>	<u>\$ 734,005</u>	<u>\$ 11,880,806</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,112,963</u>	<u>\$ (640,799)</u>	<u>\$ 15,472,164</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,802,846</u>	<u>\$ (600,799)</u>	<u>\$ 16,202,047</u>

There were no decreases in capital assets to report during the year ended June 30, 2019.

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

Governmental Activities:

Instruction	\$ 631,778
Support Services	<u>102,227</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 734,005</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 14,620
"	Judicial District Drug (agency fund)	4,276
"	Water and Sewer (enterprise fund)	2,192
Water and Sewer	Nonmajor governmental	368
Nonmajor governmental	Water and Sewer (enterprise fund)	18,002
"	Nonmajor governmental	36,619

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: School Department: General Purpose School	\$ 1,167
Primary Government:		
Governmental Activities	School Department: Governmental Activities	2,470,387

The payable of \$2,470,387 from the school department to the primary government is for debt retirement.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In Nonmajor Governmental Funds
General Fund	\$ 122,315
Nonmajor governmental	<u>23,784</u>
Total	<u>\$ 146,099</u>

Discretely Presented Hartsville/Trousdale County School Department

Transfers Out	Transfers In Nonmajor Governmental Fund
General Purpose School Fund	\$ 44,275

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

D. Long-term Debt

Primary Government

General Obligation Notes and Other Loans

Direct Borrowing and Direct Placemats - The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 10 years for notes and up to 21 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. As of June 30, 2019, all capital outlay notes outstanding will be retired from the Urban Services and General Debt Service funds and other loans outstanding will be retired from the General Debt Service and Education Debt Service funds.

Capital outlay notes and other loans 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
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.48 to 3.04 %	6-1-25	\$ 1,461,552	\$ 716,000
Other Loans	Variable	5-25-37	16,776,036	8,225,079

In prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned the metropolitan government \$8,500,000 for the construction of a new high school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan.

At June 30, 2019, the variable interest rate was 2.07 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. A trustee fee of \$85 per month is also included on this loan.

Also, in prior years, the metropolitan government entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned the metropolitan government \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The metropolitan government pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will receive a federal interest subsidy semi-annually, which will offset these payments.

Also, in prior years, the metropolitan government entered into a loan agreement with the Tennessee Energy Efficient Schools Council. Under this loan agreement the council loaned \$1,352,974 to the metropolitan government on an as-needed basis for energy efficiency upgrades. This loan is repayable at a one percent interest rate.

Also, in prior years, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority loaned \$2,650,062 to the metropolitan government on an as-needed basis for energy saving improvements and renovations for the elementary school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2019, the variable interest rate was 1.05 percent, and other fees

totalled approximately .15 percent (administration fee). A trustee fee of \$125 per month is also included on this loan.

Also, in prior years, the metropolitan government entered into another loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority loaned \$1,750,000 to the metropolitan government on an as-needed basis for renovation of a county owned building for use as a criminal justice center. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2019, the variable interest rate was 1.05 percent, and other fees totalled approximately .15 percent (administration fee). A trustee fee of \$125 per month is also included on this loan.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2019, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 191,400	\$ 19,386	\$ 210,786
2021	196,900	14,098	210,998
2022	121,700	9,257	130,957
2023	96,200	5,686	101,886
2024	94,800	2,890	97,690
2025	15,000	447	15,447
Total	\$ 716,000	\$ 51,764	\$ 767,764

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	(1) Other Fees	Total
2020	\$ 1,020,701	\$ 193,256	\$ 21,965	\$ 1,235,922
2021	1,046,783	181,605	16,725	1,245,113
2022	1,025,746	170,294	11,627	1,207,667
2023	467,993	166,640	10,117	644,750
2024	474,122	163,418	9,822	647,362
2025-2029	2,152,132	523,232	40,765	2,716,129
2030-2034	1,257,602	78,363	26,014	1,361,979
2035-2037	780,000	15,802	10,978	806,780
Total	\$ 8,225,079	\$ 1,492,610	\$ 148,013	\$ 9,865,702

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

There is \$433,835 available in the General Debt Service Fund and \$701,822 available in the Education Debt Service Fund to service long-term debt. Total debt per capita, including notes and other loans totaled \$1,136, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on their behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the government-wide financial statements of the Primary Government.

<u>Description of Debt</u>	<u>Outstanding 6-30-19</u>
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Qualified School Construction Bonds, Series 2010	\$ 1,276,671
Energy Efficient School Improvements	<u>1,192,549</u>
Total	<u><u>\$ 2,469,220</u></u>

Changes in Long-term Debt

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

	<u>Notes - Direct Placement</u>	<u>Other Loans - Direct Placement</u>
Balance, July 1, 2018	\$ 903,000	\$ 9,220,700
Additions	0	0
Reductions	<u>(187,000)</u>	<u>(995,621)</u>
Balance, June 30, 2019	<u><u>\$ 716,000</u></u>	<u><u>\$ 8,225,079</u></u>
Balance Due Within One Year	<u><u>\$ 191,400</u></u>	<u><u>\$ 1,020,701</u></u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 8,941,079
Less: Balance Due Within One Year - Debt	<u>(1,212,101)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 7,728,978</u></u>

**Hartsville/Trousdale County Government Water and Sewer Fund
(enterprise fund)**

Revenue Bonds

Revenue bonds were issued for original terms of up to 40 years for bonds. 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 Water and Sewer Fund.

Revenue bonds outstanding as of June 30, 2019, for business-type activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-19</u>
Revenue Bonds	1.88 to 2.25 %	11-1-57	\$ 5,455,000	\$ 5,255,105

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 94,300	\$ 104,564	\$ 198,864
2021	96,309	102,555	198,864
2022	98,248	100,616	198,864
2023	100,226	98,639	198,865
2024	102,141	96,723	198,864
2025-2029	542,852	451,468	994,320
2030-2034	599,815	394,505	994,320
2035-2039	662,813	331,508	994,321
2040-2044	732,430	261,890	994,320
2045-2049	809,553	184,767	994,320
2050-2054	894,789	99,531	994,320
2055-2058	521,629	15,625	537,254
Total	<u>\$ 5,255,105</u>	<u>\$ 2,242,391</u>	<u>\$ 7,497,496</u>

Changes in Long-term Debt

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

	<u>Bonds</u>
Balance, July 1, 2018	\$ 5,632,461
Additions	0
Reductions	<u>(377,356)</u>
Balance, June 30, 2019	<u>\$ 5,255,105</u>
Balance Due Within One Year	<u>\$ 94,300</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 5,255,105
Less: Balance Due Within One Year - Debt	<u>(94,300)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 5,160,805</u>

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

	Compensated Absences	Landfill Postclosure Care Cost
Balance, July 1, 2018	\$ 97,087	\$ 164,523
Additions	161,421	3,311
Reductions	(155,278)	(20,566)
	<hr/>	<hr/>
Balance, June 30, 2019	\$ 103,230	\$ 147,268
	<hr/>	<hr/>
Balance Due Within One Year	\$ 16,473	\$ 48,500
	<hr/>	<hr/>

	Net Pension Liability - Metropolitan Government Agent Plan*
Balance, July 1, 2018	\$ 142,615
Additions	332,651
Reductions	(675,202)
	<hr/>
Balance, June 30, 2019	\$ (199,936)
	<hr/>
Balance Due Within One Year	\$ 0
	<hr/>

*At June 30, 2019, the Metropolitan Government Agent Plan has a net pension asset.

	Other Postemployment Benefits - Local Government Plan	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2018	\$ 219,623	\$ 133,938
Additions	0	64,420
Reductions	(219,623)	(162,108)
	<hr/>	<hr/>
Balance, June 30, 2019	\$ 0	\$ 36,250
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 286,748
Less: Balance Due Within One Year - Other	<u>(64,973)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 221,775</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Hartsville/Trousdale County Government Water and Sewer Fund (enterprise fund)

Changes in Long-term Obligations

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

	Compensated Absences	Net Pension Liability - Agent Plan*
Balance, July 1, 2018	\$ 19,660	\$ 21,911
Additions	34,385	47,201
Reductions	(26,223)	(97,482)
	<hr/>	<hr/>
Balance, June 30, 2019	\$ 27,822	\$ (28,370)
	<hr/>	<hr/>
Balance Due Within One Year	\$ 27,822	\$ 0
	<hr/>	<hr/>

*At June 30, 2019, the Agent Plan has a net pension asset.

	Other Postemployment Benefits - Local Government Plan
Balance, July 1, 2018	\$ 25,848
Additions	0
Reductions	(25,848)
	<hr/>
Balance, June 30, 2019	\$ 0
	<hr/>
Balance Due Within One Year	\$ 0
	<hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 27,822
Less: Balance Due Within One Year - Other	(27,822)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ 0
	<hr/>

Discretely Presented School Department

Changes in Long-term Obligations

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

	Net Pension Liability - Agent Plan*
Balance, July 1, 2018	\$ 49,033
Additions	107,763
Reductions	<u>(221,566)</u>
Balance, June 30, 2019	<u>\$ (64,770)</u>
Balance Due Within One Year	<u>\$ 0</u>

* At June 30, 2019, the Agent Plan has a net pension asset.

	Other Postemployment Benefits
Balance, July 1, 2018	\$ 820,998
Additions	137,432
Reductions	<u>(206,539)</u>
Balance, June 30, 2019	<u>\$ 751,891</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 751,891
Less: Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 751,891</u>

Other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments

Discretely Presented School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the school department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$19,282. The school

department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The metropolitan government is exposed to various risks related to general liability, property, and casualty losses. The metropolitan government decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The metropolitan government participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The metropolitan government pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The metropolitan government participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented School Department

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

The discretely presented school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

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, Hartsville/Trousdale County Government 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 metropolitan government attorney advised there was no outstanding litigation as of the date of this report.

D. Changes in Administration

On August 31, 2018, Carroll Carman left the Office of County Mayor and was succeeded by Stephen Chambers.

On August 31, 2018, Leah Verville left the Office of Register of Deeds and was succeeded by Candice Hall.

E. Landfill Postclosure Care Costs

The metropolitan government has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The metropolitan government has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the metropolitan government to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the metropolitan government reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The metropolitan government closed its sanitary landfill in 1996. The \$147,268 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District, Jackson, Smith, Trousdale, and Wilson counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. The metropolitan government made no contributions to the DTF for the year ended June 30, 2019.

The metropolitan government does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fifteenth Judicial District
210 Broadway
Hartsville, TN 37074

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description – Metropolitan Government. Employees of the metropolitan government, the water department employees, and non-certified employees of the discretely presented metropolitan 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 68.22 percent, the water department employees comprise 9.68 percent, and the non-certified employees of the discretely presented school department comprise 22.10 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.

Plan Description – Former City of Hartsville. Former City of Hartsville employees are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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:

Metropolitan Government Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	70
Inactive Employees Entitled to But Not Yet Receiving Benefits	173
Active Employees	161
Total	404

Former City of Hartsville Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	34
Inactive Employees Entitled to But Not Yet Receiving Benefits	32
Active Employees	3
Total	69

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Metropolitan Government Plan employees contribute five percent of salary while Former City of Hartsville Plan employees are non-contributory. The metropolitan government 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 the Metropolitan Government Plan was \$299,687 based on a rate of 5.00 percent of covered payroll. For the year ended June 30, 2019, the employer contribution for the Former City of Hartsville Plan was \$41,140 based on a rate of 28.55 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government'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)

The metropolitan government'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 Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the metropolitan government 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)

Metropolitan Government Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 14,434,384	\$ 14,220,825	\$ 213,559
Changes for the Year:			
Service Cost	\$ 395,965	\$ 0	\$ 395,965
Interest	1,052,559	0	1,052,559
Differences Between Expected and Actual Experience	(258,111)	0	(258,111)
Changes in Assumptions	0	0	0
Contributions-Employer	0	268,270	(268,270)
Contributions-Employees	0	268,271	(268,271)
Net Investment Income	0	1,176,110	(1,176,110)
Benefit Payments, Including Refunds of Employee Contributions	(624,601)	(624,601)	0
Administrative Expense	0	(15,603)	15,603
Other Changes	0	0	0
Net Changes	\$ 565,812	\$ 1,072,447	\$ (506,635)
Balance, June 30, 2018	\$ 15,000,196	\$ 15,293,272	\$ (293,076)

Former City of Hartsville Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 5,671,743	\$ 5,897,786	\$ (226,043)
Changes for the Year:			
Service Cost	\$ 44,822	\$ 0	\$ 44,822
Interest	403,694	0	403,694
Differences Between Expected and Actual Experience	(307,295)	0	(307,295)
Changes in Assumptions	0	0	0
Contributions-Employer	0	27,258	(27,258)
Contributions-Employees	0	0	0
Net Investment Income	0	478,355	(478,355)
Benefit Payments, Including Refunds of Employee Contributions	(296,731)	(296,731)	0
Administrative Expense	0	(285)	285
Other Changes	0	0	0
Net Changes	<u>\$ (155,510)</u>	<u>\$ 208,597</u>	<u>\$ (364,107)</u>
Balance, June 30, 2018	<u>\$ 5,516,233</u>	<u>\$ 6,106,383</u>	<u>\$ (590,150)</u>

Metropolitan Government Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	68.22%	\$ 10,233,134	\$ 10,433,070	\$ (199,936)
Water Department	9.68%	1,452,019	1,480,389	(28,370)
School Department	22.10%	3,315,043	3,379,813	(64,770)
Total		<u>\$ 15,000,196</u>	<u>\$ 15,293,272</u>	<u>\$ (293,076)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the metropolitan government 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 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Metropolitan Government</u>	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Net Pension Liability (Asset)	\$ 1,688,506	\$ (293,076)	\$ (1,933,741)
	1% Decrease	Current Discount Rate	1% Increase
<u>Former City of Hartsville Plan</u>	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Net Pension Liability (Asset)	\$ (630)	\$ (590,150)	\$ (1,093,476)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, the Metropolitan Government Plan recognized pension expense of \$194,539 and the Former City of Hartsville Plan recognized (negative) pension expense of (\$206,175).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the metropolitan government 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
<u>Metropolitan Government Plan</u>		
Difference Between Expected and Actual Experience	\$ 582,850	\$ 492,644
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	66,777
Changes in Assumptions	213,281	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	<u>299,687</u>	<u>N/A</u>
Total	<u>\$ 1,095,818</u>	<u>\$ 559,421</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.

Former City Of Hartsville Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 234,242
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	19,780
Changes in Assumptions	54,622	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	41,140	N/A
Total	\$ 95,762	\$ 254,022

(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.

Metropolitan Government Plan:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 749,242	\$ 381,636
Water Department	109,909	54,153
School Department	236,667	123,632
Total	\$ 1,095,818	\$ 559,421

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:

Metropolitan Government Plan:

Year Ending June 30	Amount
2020	\$ 212,499
2021	160,761
2022	(55,156)
2023	(81,394)
2024	0
Thereafter	0

Former City of Hartsville Plan:

Year Ending June 30	Amount
2020	\$ (132,941)
2021	(830)
2022	(53,521)
2023	(12,109)
2024	0
Thereafter	0

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

Discretely Presented Metropolitan Government School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of metropolitan government and the non-certified employees of the discretely presented metropolitan school department are provided a defined benefit pension plan (Metropolitan Government Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 68.22 percent, the water department employees comprise 9.68 percent, and the non-certified employees of the discretely presented school department comprise 22.10 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan 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 \$32,915, which is 1.94 percent of covered payroll. In addition, employer contributions of \$33,068, 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 (\$69,656) 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 .153587 percent. The proportion as of June 30, 2017, was .138611 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$23,558.

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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 3,945	\$ 2,774
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,935
Changes in Assumptions	3,286	0
Changes in Proportion of Net Pension Liability (Asset)	1,207	4,145
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	<u>32,915</u>	<u>N/A</u>
Total	<u>\$ 41,353</u>	<u>\$ 10,854</u>

The school department's employer contributions of \$32,915, 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	\$ (740)
2021	(865)
2022	(1,426)
2023	(398)
2024	126
Thereafter	887

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%
--	----------------------	--------------------------------	----------------------

Net Pension Liability (Asset) \$ 10,769 \$ (69,656) \$ (128,910)

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 metropolitan 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 metropolitan school department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$403,848, 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 (\$393,796) 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 .111908 percent. The proportion measured at June 30, 2017, was .120596 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$134,275).

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	\$ 79,600	\$ 531,262
Changes in Assumptions	232,578	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	85,706
Changes in Proportion of Net Pension Liability (Asset)	30,604	81,920
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	403,848	N/A
Total	<u>\$ 746,630</u>	<u>\$ 698,888</u>

The school department's employer contributions of \$746,630 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 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	\$ 59,630
2021	(147,309)
2022	(226,095)
2023	(42,332)
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 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	
			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%
---	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset) \$ 3,035,628 \$ (393,796) \$ (3,231,167)

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

2. Deferred Compensation

The discretely presented school department offers its employees one deferred compensation plan, established pursuant to IRC Section 403(b). All costs of administering and funding this program is the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the 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 \$83,562 and teachers contributed \$24,897 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

The metropolitan government and the discretely presented school department provide OPEB benefits to its retirees through state administered public entity risk pools. For reporting purposes, the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of the plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

Retirees of the metropolitan government and the water department are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The retirees of the former City of Hartsville may then join the Tennessee Plan – Medicare (TN-Ms), which provides supplemental medical insurance for retirees with Medicare.

The metropolitan government's total OPEB liability for each plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2108 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53 percent with .28% added to approximate the effect of the excise tax TN-Ms- The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.62 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

Closed Local Government (LGP) OPEB Plan (Primary Government)

The metropolitan government previously offered Other Postemployment Benefits (OPEB) to its retirees as disclosed in the prior year annual financial report. During the year, the metropolitan government elected to discontinue that benefit and as discussed in Note I.D.10., the metropolitan government has removed the related liabilities and deferrals from the Statement of Net Position.

Changes in the Total OPEB Liability

	<u>Metropolitan Government</u>
Balance July 1, 2017	\$ 245,471
Changes for the Year:	
Service Cost	\$ 0
Interest	0
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumptions and Other Inputs	0
Benefit Payments	0
Special Item	(245,471)
Net Changes	<u>\$ (245,471)</u>
Balance June 30, 2018	<u>\$ 0</u>

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

Plan Description. Employees of the former City of Hartsville 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 metropolitan 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 Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System (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. The metropolitan government provided 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 less than 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>Metropolitan Government</u>
Retirees and Beneficiaries	6
Inactive Employees or Beneficiaries	
Not Yet Receiving Benefits	1
Active Employees	3
Total	<u><u>10</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the metropolitan government paid \$2,850 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Metropolitan Government</u>
Balance July 1, 2017	<u>\$ 133,938</u>
Changes for the Year:	
Service Cost	\$ 4,049
Interest	4,811
Changes in	
Benefit Terms	0
Difference between	
Expected and Actuarial	
Experience	(100,617)
Changes in Assumptions	
and Other Inputs	(218)
Benefit Payments	(5,713)
Net Changes	<u>\$ (97,688)</u>
Balance June 30, 2018	<u><u>\$ 36,250</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the metropolitan government recognized negative OPEB expense of \$55,560. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 37,731
Changes of Assumptions/Inputs	0	9,725
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2018	<u>2,850</u>	<u>0</u>
Total	<u>\$ 2,850</u>	<u>\$ 47,456</u>

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

<u>Year Ending June 30</u>	<u>Metropolitan Government</u>
2020	\$ (39,210)
2021	(1,397)
2022	(1,397)
2023	(1,397)
2024	(1,397)
Thereafter	(2,658)

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 metropolitan government 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%
Metropolitan Government	\$ 40,066	\$ 36,250	\$ 33,017

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.

Discretely Presented School Department

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

The school department’s total OPEB liability for the plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2018, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .32% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.62 percent, based on the daily rate of Fidelity’s 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The healthcare cost trend rate changed from 5.40 percent as of the beginning of the measurement period to 6.75 percent as of the measurement date of June 30, 2018.

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

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

Benefits Provided. The school department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan

benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy. Also, the state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Future Benefits	103
Active Employees Not Eligible for Future Benefits	11
 Total	 <u>120</u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$30,508 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	School Department 65.5981%	State of TN 34.4019%	Total OPEB Liability
Balance July 1, 2017	\$ 820,998	\$ 458,162	\$ 1,279,160
Changes for the Year:			
Service Cost	\$ 46,319	\$ 24,291	\$ 70,610
Interest	30,641	16,069	46,710
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	(126,519)	(66,351)	(192,870)
Changes in Proportion	18,106	(18,106)	0
Changes in Assumptions and Other Inputs	11,795	6,185	17,980
Benefit Payments	(49,449)	(25,932)	(75,381)
Net Changes	<u>\$ (69,107)</u>	<u>\$ (63,844)</u>	<u>\$ (132,951)</u>
Balance June 30, 2018	<u>\$ 751,891</u>	<u>\$ 394,318</u>	<u>\$ 1,146,209</u>

The school department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The school department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$31,822 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the school department's proportionate share of the collective OPEB liability was 65.5981 percent and the State of Tennessee's share was 34.4019 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$96,527, including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 115,797
Changes of Assumptions/Inputs	10,795	36,435
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	14,956	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>30,508</u>	<u>0</u>
Total	<u>\$ 56,259</u>	<u>\$ 152,232</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2020	\$ (12,255)
2021	(12,255)
2022	(12,255)
2023	(12,255)
2024	(12,255)
Thereafter	(65,207)

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

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

<u>Discount Rate</u>	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 811,543	\$ 751,891	\$ 695,633
--	------------	------------	------------

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 5.75 to 2.85%	Current Rates 6.75 to 3.85%	1% Increase 7.75 to 4.85%
-----------------------------------	---------------------------------	-----------------------------------	---------------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 661,842	\$ 751,891	\$ 860,332
--	------------	------------	------------

I. Pollution Remediation

During a routine post-closure landfill inspection on September 18, 2017, the Tennessee Department of Environment and Conservation (TDEC) found violations of the Tennessee Solid Waste regulations at a secondary landfill site. Prior to this inspection, management was not aware of the landfill site. On October 5, 2017, the metropolitan government received notification of the violations, which included steps for properly closing the site. On October 26, 2017, a Compliance Review Meeting was held. During the meeting, a compliance agreement addressing the corrective action measures necessary and establishing a timeline for completion was reached. The compliance agreement's terms were stated in a letter from TDEC sent to the metropolitan government's Public Works Director and dated November 21, 2017. On April 17, 2018, samples collected from the site found additional contamination furthering the scope of work needed for the proper closing of the landfill site. As of June 30, 2019, the total estimated cost to correct this violation was \$644,432, which would be funded through the fiscal year 2020 budget. Based on correspondence with TDEC, the metropolitan government will continue to monitor the landfill and future remediation costs.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the metropolitan charter and the County Purchasing Law of 1983, Section 5-14-201, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Superintendent of Roads

Purchasing procedures for the highway department are governed by the metropolitan charter and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which 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 school department are governed by the metropolitan charter and purchasing laws applicable to the schools as set forth in Section 49-2-203, *TCA*, which provides for the 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Hartsville/Trousdale County Government, 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 - Metropolitan Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 324,033	\$ 322,705	\$ 333,310	\$ 352,055	\$ 395,965
Interest	823,533	846,208	935,040	955,805	1,052,559
Changes in Benefit Terms	0	0	0	0	0
Differences Between Actual and Expected Experience	(324,548)	578,032	(464,127)	650,290	(258,111)
Changes in Assumptions	0	0	0	355,469	0
Benefit Payments, Including Refunds of Employee Contributions	(442,202)	(596,531)	(549,717)	(542,489)	(624,601)
Net Change in Total Pension Liability	\$ 380,816	\$ 1,150,414	\$ 254,506	\$ 1,771,130	\$ 565,812
Total Pension Liability, Beginning	10,877,518	11,258,334	12,408,748	12,663,254	14,434,384
Total Pension Liability, Ending (a)	\$ 11,258,334	\$ 12,408,748	\$ 12,663,254	\$ 14,434,384	\$ 15,000,196
Plan Fiduciary Net Position					
Contributions - Employer	\$ 339,027	\$ 333,061	\$ 350,935	\$ 403,355	\$ 268,270
Contributions - Employee	222,366	208,932	221,552	254,644	268,271
Net Investment Income	1,701,552	369,129	327,041	1,442,366	1,176,110
Benefit Payments, Including Refunds of Employee Contributions	(442,202)	(596,531)	(549,717)	(542,489)	(624,601)
Administrative Expense	(5,638)	(7,542)	(11,404)	(13,824)	(15,603)
Other	0	0	23,279	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,815,105	\$ 307,049	\$ 361,686	\$ 1,544,052	\$ 1,072,447
Plan Fiduciary Net Position, Beginning	10,192,933	12,008,038	12,315,087	12,676,773	14,220,825
Plan Fiduciary Net Position, Ending (b)	\$ 12,008,038	\$ 12,315,087	\$ 12,676,773	\$ 14,220,825	\$ 15,293,272
Net Pension Liability (Asset), Ending (a - b)	\$ (749,704)	\$ 93,661	\$ (13,519)	\$ 213,559	\$ (293,076)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.66%	99.25%	100.11%	98.52%	101.95%
Covered Payroll	\$ 4,201,073	\$ 4,205,311	\$ 4,431,001	\$ 5,092,863	\$ 5,365,385
Net Pension Liability (Asset) as a Percentage of Covered Payroll	17.85%	2.23%	(0.31)%	4.19%	(5.46)%

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

Hartsville/Trousdale County Government, 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 - Former City of Hartsville
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 68,313	\$ 69,023	\$ 69,318	\$ 69,812	\$ 44,822
Interest	389,623	398,659	399,569	410,643	403,694
Changes in Benefit Terms	0	0	0	0	0
Differences Between Actual and Expected Experience	(93,087)	(201,895)	(56,988)	(241,783)	(307,295)
Changes in Assumptions	0	0	0	163,864	0
Benefit Payments, Including Refunds of Employee Contributions	(239,305)	(250,855)	(257,048)	(272,434)	(296,731)
Net Change in Total Pension Liability	\$ 125,544	\$ 14,932	\$ 154,851	\$ 130,102	\$ (155,510)
Total Pension Liability, Beginning	5,246,314	5,371,858	5,386,790	5,541,641	5,671,743
Total Pension Liability, Ending (a)	\$ 5,371,858	\$ 5,386,790	\$ 5,541,641	\$ 5,671,743	\$ 5,516,233
Plan Fiduciary Net Position					
Contributions - Employer	\$ 153,731	\$ 150,371	\$ 149,759	\$ 33,973	\$ 27,258
Contributions - Employee	10,663	0	0	0	0
Net Investment Income	777,497	165,465	144,097	612,404	478,355
Benefit Payments, Including Refunds of Employee Contributions	(239,305)	(250,855)	(257,048)	(272,434)	(296,731)
Administrative Expense	(958)	(904)	(1,286)	25	(285)
Net Change in Plan Fiduciary Net Position	\$ 701,628	\$ 64,077	\$ 35,522	\$ 373,968	\$ 208,597
Plan Fiduciary Net Position, Beginning	4,722,591	5,424,219	5,488,296	5,523,818	5,897,786
Plan Fiduciary Net Position, Ending (b)	\$ 5,424,219	\$ 5,488,296	\$ 5,523,818	\$ 5,897,786	\$ 6,106,383
Net Pension Liability (Asset), Ending (a - b)	\$ (52,361)	\$ (101,506)	\$ 17,823	\$ (226,043)	\$ (590,150)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.97%	101.88%	99.68%	103.99%	110.70%
Covered Payroll	\$ 764,071	\$ 757,537	\$ 754,454	\$ 171,149	\$ 137,319
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.85%	(13.40%)	2.36%	(132.07%)	(429.77)%

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

Exhibit F-3

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 339,027	\$ 333,061	\$ 350,935	\$ 403,355	\$ 242,515	\$ 299,687
Less Contributions in Relation to the						
Actuarially Determined Contribution	(339,027)	(333,061)	(350,935)	(403,355)	(268,270)	(299,687)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,755)	\$ 0
Covered Payroll	\$ 4,201,073	\$ 4,205,311	\$ 4,431,001	\$ 5,092,863	\$ 5,365,385	\$ 5,955,622
Contributions as a Percentage of						
Covered Payroll	8.07%	7.92%	7.92%	7.92%	5.00%	5.00%

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-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Former City of Hartsville
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 153,731	\$ 150,371	\$ 149,759	\$ 33,973	\$ 27,258	\$ 41,140
Less Contributions in Relation to the						
Actuarially Determined Contribution	(153,731)	(150,371)	(149,759)	(33,973)	(27,258)	(41,140)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 764,071	\$ 757,537	\$ 754,454	\$ 171,149	\$ 137,319	\$ 144,097
Contributions as a Percentage of						
Covered Payroll	20.12%	19.85%	19.85%	19.85%	19.85%	28.55%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 15,712	\$ 23,501	\$ 36,390	\$ 21,887	\$ 32,915
Less Contributions in Relation to the Contractually Required Contribution	(15,712)	(23,501)	(36,390)	(53,687)	(32,915)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,800)</u>	<u>\$ 0</u>
Covered Payroll	\$ 392,786	\$ 587,518	\$ 909,760	\$ 1,342,166	\$ 1,696,727
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* - In FY 2019 the school department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 434,589	\$ 405,580	\$ 368,220	\$ 385,377	\$ 355,815	\$ 403,848
Less Contributions in Relation to the Contractually Required Contribution	(434,589)	(405,580)	(368,220)	(385,377)	(355,815)	(403,848)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 4,894,020	\$ 4,486,506	\$ 4,072,232	\$ 4,263,017	\$ 3,918,667	\$ 3,860,875
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit F-7

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.189044%	0.133525%	0.138611%	0.153587%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,605)	\$ (13,900)	\$ (36,570)	\$ (69,656)
Covered Payroll	\$ 392,786	\$ 587,518	\$ 909,760	\$ 1,342,166
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%
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-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hartsville/Trousdale 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	0.124689%	0.119848%	0.112838%	0.120596%	0.111908%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,261)	\$ 49,094	\$ 705,177	\$ (39,458)	\$ (393,796)
Covered Payroll	\$ 4,894,020	\$ 4,486,506	\$ 4,073,232	\$ 4,263,017	\$ 3,918,667
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094254%	17.31%	(0.93)%	(10.05)%
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-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan
For the Fiscal Year Ended June 30

	2018	2019
Total OPEB Liability		
Service Cost	\$ 21,548	\$ 0
Interest	7,324	0
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	0
Changes in Assumptions or Other Inputs	(12,659)	0
Benefit Payments	0	0
Special Item - See Note I.D.10.	0	(245,471)
Net Change in Total OPEB Liability	\$ 16,213	\$ (245,471)
Total OPEB Liability, Beginning	229,258	245,471
Total OPEB Liability, Ending	<u>\$ 245,471</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 4,130,973	\$ 0
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.94%	0.00%

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-10

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plans - Medicare
Primary Government - Metropolitan Government
For the Fiscal Year Ended June 30

	2017	2018
Total OPEB Liability		
Service Cost	\$ 4,794	\$ 4,049
Interest	4,241	4,811
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(100,617)
Changes in Assumptions or Other Inputs	(12,437)	(218)
Benefit Payments	(6,188)	(5,713)
Net Change in Total OPEB Liability	<u>\$ (9,590)</u>	<u>\$ (97,688)</u>
Total OPEB Liability, Beginning	143,528	133,938
Total OPEB Liability, Ending	<u>\$ 133,938</u>	<u>\$ 36,250</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-11

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 77,029	\$ 70,610
Interest	39,237	46,710
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(192,870)
Changes in Assumptions or Other Inputs	(67,487)	17,980
Benefit Payments	(72,638)	(75,381)
Net Change in Total OPEB Liability	\$ (23,859)	\$ (132,951)
Total OPEB Liability, Beginning	1,303,019	1,279,160
Total OPEB Liability, Ending	<u>\$ 1,279,160</u>	<u>\$ 1,146,209</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 458,162	\$ 394,318
Employer Proportionate Share of the Total OPEB Liability	820,998	751,891
Covered Employee Payroll	\$ 6,391,221	\$ 6,771,683
Net OPEB Liability as a Percentage of Covered Employee Payroll	12.85%	11.10%

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.

**HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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 fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Primary Government - Metropolitan Government Plan:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4.00%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

(Continued)

Primary Government - Former City of Hartsville Plan:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Various
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4.00%
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 Projection of Mortality Improvement Using Scale MP-2016 (Static Projection to 6 Years Beyond the Valuation Date)
Cost of Living Adjustments	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Urban Services Fund – The Urban Services Fund is used to account for the financial activity of the Urban Services District.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the disposal of solid waste.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the Ambulance Service.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the metropolitan government's Highway Department.

Debt Service Funds

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

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

Education Debt Service Fund – The Education Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term education general obligation debt of governmental funds.

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Education Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by the Hartsville/Trousdale County Government that is subsequently contributed to the discretely presented Hartsville/Trousdale County School Department for general capital expenditures of the school system.

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	314
Equity in Pooled Cash and Investments	1,043,851	604,938	538,724	63,151	0
Accounts Receivable	4,975	19,365	151,939	0	0
Allowance for Uncollectibles	0	0	(22,973)	0	0
Due from Other Governments	34,518	86	92	0	0
Due from Other Funds	53,936	0	0	0	0
Property Taxes Receivable	513,526	654,744	479,063	0	0
Allowance for Uncollectible Property Taxes	(43,422)	(57,256)	(43,500)	0	0
Accrued Interest Receivable	0	0	4	0	0
Total Assets	<u>\$ 1,607,384</u>	<u>\$ 1,221,877</u>	<u>\$ 1,103,349</u>	<u>\$ 63,151</u>	<u>\$ 314</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 13,686	\$ 14,385	\$ 1,180	\$ 0	0
Accrued Payroll	0	0	0	0	0
Payroll Deductions Payable	0	0	0	0	0
Due to Other Funds	2,234	38,531	1,230	0	0
Due to State of Tennessee	0	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	314
Total Liabilities	<u>\$ 15,920</u>	<u>\$ 52,916</u>	<u>\$ 2,410</u>	<u>\$ 0</u>	<u>\$ 314</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constituti - tional Officers - Fees
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 430,098	\$ 583,713	\$ 420,945	\$ 0	\$ 0
Deferred Delinquent Property Taxes	38,046	12,927	13,718	0	0
Other Deferred/Unavailable Revenue	16,000	0	88,824	0	0
Total Deferred Inflows of Resources	<u>\$ 484,144</u>	<u>\$ 596,640</u>	<u>\$ 523,487</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 63,151	\$ 0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for General Government	1,104,706	0	0	0	0
Committed for Public Health and Welfare	0	571,070	575,762	0	0
Committed for Debt Service	0	0	0	0	0
Assigned:					
Assigned for General Government	2,614	0	0	0	0
Assigned for Public Health and Welfare	0	1,251	1,690	0	0
Total Fund Balances	<u>\$ 1,107,320</u>	<u>\$ 572,321</u>	<u>\$ 577,452</u>	<u>\$ 63,151</u>	<u>\$ 0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,607,384</u>	<u>\$ 1,221,877</u>	<u>\$ 1,103,349</u>	<u>\$ 63,151</u>	<u>\$ 314</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Debt Service Funds		
	Highway / Public Works	Total	General Debt Service	Education Debt Service	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 314	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	802,878	3,053,542	443,052	701,822	1,144,874
Accounts Receivable	367	176,646	0	0	0
Allowance for Uncollectibles	0	(22,973)	0	0	0
Due from Other Governments	431,062	465,758	82	0	82
Due from Other Funds	685	54,621	0	0	0
Property Taxes Receivable	114,583	1,761,916	462,501	0	462,501
Allowance for Uncollectible Property Taxes	(10,222)	(154,400)	(41,678)	0	(41,678)
Accrued Interest Receivable	0	4	0	0	0
Total Assets	\$ 1,339,353	\$ 5,335,428	\$ 863,957	\$ 701,822	\$ 1,565,779
<u>LIABILITIES</u>					
Accounts Payable	\$ 257,420	\$ 286,671	\$ 9,737	\$ 0	\$ 9,737
Accrued Payroll	25,977	25,977	0	0	0
Payroll Deductions Payable	35	35	0	0	0
Due to Other Funds	9,244	51,239	368	0	368
Due to State of Tennessee	1,523	1,523	0	0	0
Due to Litigants, Heirs, and Others	0	314	0	0	0
Total Liabilities	\$ 294,199	\$ 365,759	\$ 10,105	\$ 0	\$ 10,105

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Debt Service Funds		
	Highway / Public Works	Total	General Debt Service	Education Debt Service	Total
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 101,385	\$ 1,536,141	\$ 407,611	\$ 0	\$ 407,611
Deferred Delinquent Property Taxes	2,793	67,484	12,406	0	12,406
Other Deferred/Unavailable Revenue	140,018	244,842	0	0	0
Total Deferred Inflows of Resources	<u>\$ 244,196</u>	<u>\$ 1,848,467</u>	<u>\$ 420,017</u>	<u>\$ 0</u>	<u>\$ 420,017</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 63,151	\$ 0	\$ 0	\$ 0
Restricted for Highways/Public Works	800,958	800,958	0	0	0
Restricted for Debt Service	0	0	19,998	206,141	226,139
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for General Government	0	1,104,706	0	0	0
Committed for Public Health and Welfare	0	1,146,832	0	0	0
Committed for Debt Service	0	0	413,837	495,681	909,518
Assigned:					
Assigned for General Government	0	2,614	0	0	0
Assigned for Public Health and Welfare	0	2,941	0	0	0
Total Fund Balances	<u>\$ 800,958</u>	<u>\$ 3,121,202</u>	<u>\$ 433,835</u>	<u>\$ 701,822</u>	<u>\$ 1,135,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,339,353</u>	<u>\$ 5,335,428</u>	<u>\$ 863,957</u>	<u>\$ 701,822</u>	<u>\$ 1,565,779</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 314
Equity in Pooled Cash and Investments	21,684	4,220,100
Accounts Receivable	0	176,646
Allowance for Uncollectibles	0	(22,973)
Due from Other Governments	0	465,840
Due from Other Funds	0	54,621
Property Taxes Receivable	0	2,224,417
Allowance for Uncollectible Property Taxes	0	(196,078)
Accrued Interest Receivable	0	4
Total Assets	<u>\$ 21,684</u>	<u>\$ 6,922,891</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 296,408
Accrued Payroll	0	25,977
Payroll Deductions Payable	0	35
Due to Other Funds	0	51,607
Due to State of Tennessee	0	1,523
Due to Litigants, Heirs, and Others	0	314
Total Liabilities	<u>\$ 0</u>	<u>\$ 375,864</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 1,943,752
Deferred Delinquent Property Taxes	0	79,890
Other Deferred/Unavailable Revenue	0	244,842
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 2,268,484</u>
<u>FUND BALANCES</u>		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 63,151
Restricted for Highways/Public Works	0	800,958
Restricted for Debt Service	0	226,139
Restricted for Capital Projects	21,684	21,684
Committed:		
Committed for General Government	0	1,104,706
Committed for Public Health and Welfare	0	1,146,832
Committed for Debt Service	0	909,518
Assigned:		
Assigned for General Government	0	2,614
Assigned for Public Health and Welfare	0	2,941
Total Fund Balances	<u>\$ 21,684</u>	<u>\$ 4,278,543</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,684</u>	<u>\$ 6,922,891</u>

Exhibit G-2

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

	Special Revenue Funds					
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	Total
<u>Revenues</u>						
Local Taxes	\$ 583,594	\$ 509,321	\$ 551,396	\$ 0	\$ 112,093	\$ 1,756,404
Licenses and Permits	50,947	0	0	0	0	50,947
Fines, Forfeitures, and Penalties	0	0	0	9,737	0	9,737
Charges for Current Services	214,391	204,546	598,963	0	0	1,017,900
Other Local Revenues	680	46,955	54	0	3,646	51,335
State of Tennessee	228,770	6,402	0	0	2,067,386	2,302,558
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	<u>\$ 1,078,382</u>	<u>\$ 767,224</u>	<u>\$ 1,150,413</u>	<u>\$ 9,737</u>	<u>\$ 2,183,125</u>	<u>\$ 5,188,881</u>
<u>Expenditures</u>						
Current:						
Public Safety	\$ 371,624	\$ 0	\$ 0	\$ 1,929	\$ 0	\$ 373,553
Public Health and Welfare	255,037	602,216	1,065,573	0	0	1,922,826
Social, Cultural, and Recreational Services	7,872	0	0	0	0	7,872
Other Operations	153,120	50,598	0	0	0	203,718
Highways	20,499	0	0	0	2,398,175	2,418,674
Debt Service:						
Principal on Debt	30,000	0	0	0	0	30,000
Interest on Debt	3,861	0	0	0	0	3,861
Other Debt Service	0	0	0	0	0	0
Capital Projects	44,439	0	0	0	0	44,439
Total Expenditures	<u>\$ 886,452</u>	<u>\$ 652,814</u>	<u>\$ 1,065,573</u>	<u>\$ 1,929</u>	<u>\$ 2,398,175</u>	<u>\$ 5,004,943</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
Excess (Deficiency) of Revenues Over Expenditures	\$ 191,930	\$ 114,410	\$ 84,840	\$ 7,808	\$ (215,050)	\$ 183,938
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 2,858	\$ 0	\$ 0	\$ 6,300	\$ 9,158
Transfers In	0	0	0	0	0	0
Transfers Out	(23,784)	0	0	0	0	(23,784)
Total Other Financing Sources (Uses)	\$ (23,784)	\$ 2,858	\$ 0	\$ 0	\$ 6,300	\$ (14,626)
Net Change in Fund Balances	\$ 168,146	\$ 117,268	\$ 84,840	\$ 7,808	\$ (208,750)	\$ 169,312
Fund Balance, July 1, 2018	939,174	455,053	492,612	55,343	1,009,708	2,951,890
Fund Balance, June 30, 2019	\$ 1,107,320	\$ 572,321	\$ 577,452	\$ 63,151	\$ 800,958	\$ 3,121,202

(Continued)

Exhibit G-2

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

	Debt Service Funds			Capital Projects Fund	Total
	General Debt Service	Education Debt Service	Total	General Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 523,190	\$ 356,852	\$ 880,042	\$ 0	\$ 2,636,446
Licenses and Permits	0	0	0	0	50,947
Fines, Forfeitures, and Penalties	0	0	0	0	9,737
Charges for Current Services	0	0	0	0	1,017,900
Other Local Revenues	30,550	10,938	41,488	0	92,823
State of Tennessee	0	0	0	0	2,302,558
Other Governments and Citizens Groups	279,150	55,000	334,150	0	334,150
Total Revenues	<u>\$ 832,890</u>	<u>\$ 422,790</u>	<u>\$ 1,255,680</u>	<u>\$ 0</u>	<u>\$ 6,444,561</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 373,553
Public Health and Welfare	0	0	0	0	1,922,826
Social, Cultural, and Recreational Services	0	0	0	0	7,872
Other Operations	0	0	0	0	203,718
Highways	0	0	0	0	2,418,674
Debt Service:					
Principal on Debt	605,621	547,000	1,152,621	0	1,182,621
Interest on Debt	264,938	37,202	302,140	0	306,001
Other Debt Service	21,535	19,337	40,872	0	40,872
Capital Projects	0	0	0	2,483	46,922
Total Expenditures	<u>\$ 892,094</u>	<u>\$ 603,539</u>	<u>\$ 1,495,633</u>	<u>\$ 2,483</u>	<u>\$ 6,503,059</u>

(Continued)

Exhibit G-2

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

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	General Debt Service	Education Debt Service	Total	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ (59,204)	\$ (180,749)	\$ (239,953)	\$ (2,483)	\$ (58,498)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,158
Transfers In	146,099	0	146,099	0	146,099
Transfers Out	0	0	0	0	(23,784)
Total Other Financing Sources (Uses)	\$ 146,099	\$ 0	\$ 146,099	\$ 0	\$ 131,473
Net Change in Fund Balances	\$ 86,895	\$ (180,749)	\$ (93,854)	\$ (2,483)	\$ 72,975
Fund Balance, July 1, 2018	346,940	882,571	1,229,511	24,167	4,205,568
Fund Balance, June 30, 2019	\$ 433,835	\$ 701,822	\$ 1,135,657	\$ 21,684	\$ 4,278,543

Exhibit G-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Urban Services Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	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	\$ 583,594	\$ 0	\$ 583,594	\$ 550,928	\$ 550,928	\$ 32,666
Licenses and Permits	50,947	0	50,947	48,000	48,000	2,947
Charges for Current Services	214,391	0	214,391	204,000	204,000	10,391
Other Local Revenues	680	0	680	500	500	180
State of Tennessee	228,770	0	228,770	205,400	205,400	23,370
Total Revenues	\$ 1,078,382	\$ 0	\$ 1,078,382	\$ 1,008,828	\$ 1,008,828	\$ 69,554
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 368,891	\$ 347	\$ 369,238	\$ 386,399	\$ 386,399	\$ 17,161
Fire Prevention and Control	2,733	1,484	4,217	4,300	4,300	83
<u>Public Health and Welfare</u>						
Waste Pickup	255,037	524	255,561	296,586	296,586	41,025
<u>Social, Cultural, and Recreational Services</u>						
Parks and Fair Boards	3,872	0	3,872	10,000	10,000	6,128
Other Social, Cultural, and Recreational	4,000	0	4,000	4,000	4,000	0
<u>Other Operations</u>						
Other Charges	150,870	0	150,870	182,615	182,615	31,745
Employee Benefits	2,250	0	2,250	2,400	2,400	150
<u>Highways</u>						
Highway and Bridge Maintenance	20,499	0	20,499	100,000	100,000	79,501
<u>Principal on Debt</u>						
General Government	30,000	0	30,000	30,000	30,000	0
<u>Interest on Debt</u>						
General Government	3,861	0	3,861	7,610	7,610	3,749

(Continued)

Exhibit G-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Urban Services Fund (Cont.)

	Actual (GAAP Basis)	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>Capital Projects</u>						
General Administration Projects	\$ 0	\$ 0	\$ 0	\$ 139,791	\$ 139,791	\$ 139,791
Other General Government Projects	0	0	0	0	25,278	25,278
Highway and Street Capital Projects	44,439	259	44,698	61,000	61,000	16,302
Total Expenditures	\$ 886,452	\$ 2,614	\$ 889,066	\$ 1,224,701	\$ 1,249,979	\$ 360,913
Excess (Deficiency) of Revenues Over Expenditures	\$ 191,930	\$ (2,614)	\$ 189,316	\$ (215,873)	\$ (241,151)	\$ 430,467
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (23,784)	\$ 0	\$ (23,784)	\$ (23,785)	\$ (23,785)	\$ 1
Total Other Financing Sources	\$ (23,784)	\$ 0	\$ (23,784)	\$ (23,785)	\$ (23,785)	\$ 1
Net Change in Fund Balance	\$ 168,146	\$ (2,614)	\$ 165,532	\$ (239,658)	\$ (264,936)	\$ 430,468
Fund Balance, July 1, 2018	939,174	0	939,174	949,976	949,976	(10,802)
Fund Balance, June 30, 2019	\$ 1,107,320	\$ (2,614)	\$ 1,104,706	\$ 710,318	\$ 685,040	\$ 419,666

Exhibit G-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	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	\$ 509,321	\$ 0	\$ 509,321	\$ 493,195	\$ 493,195	\$ 16,126
Charges for Current Services	204,546	0	204,546	175,000	197,494	7,052
Other Local Revenues	46,955	0	46,955	70,000	70,000	(23,045)
State of Tennessee	6,402	0	6,402	4,000	326,216	(319,814)
Total Revenues	\$ 767,224	\$ 0	\$ 767,224	\$ 742,195	\$ 1,086,905	\$ (319,681)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 376,395	\$ 1,086	\$ 377,481	\$ 522,859	\$ 553,059	\$ 175,578
Recycling Center	42,451	165	42,616	68,631	69,431	26,815
Other Waste Disposal	162,402	0	162,402	130,000	165,000	2,598
Postclosure Care Costs	20,968	0	20,968	48,500	692,932	671,964
<u>Other Operations</u>						
Other Charges	50,598	0	50,598	46,377	51,377	779
Total Expenditures	\$ 652,814	\$ 1,251	\$ 654,065	\$ 816,367	\$ 1,531,799	\$ 877,734
Excess (Deficiency) of Revenues Over Expenditures	\$ 114,410	\$ (1,251)	\$ 113,159	\$ (74,172)	\$ (444,894)	\$ 558,053
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 2,858	\$ 0	\$ 2,858	\$ 0	\$ 0	\$ 2,858
Total Other Financing Sources	\$ 2,858	\$ 0	\$ 2,858	\$ 0	\$ 0	\$ 2,858
Net Change in Fund Balance Fund Balance, July 1, 2018	\$ 117,268 455,053	\$ (1,251) 0	\$ 116,017 455,053	\$ (74,172) 444,894	\$ (444,894) 444,894	\$ 560,911 10,159
Fund Balance, June 30, 2019	\$ 572,321	\$ (1,251)	\$ 571,070	\$ 370,722	\$ 0	\$ 571,070

Exhibit G-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	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	\$ 551,396	\$ 0	\$ 551,396	\$ 535,709	\$ 535,709	\$ 15,687
Charges for Current Services	598,963	0	598,963	470,000	470,000	128,963
Other Local Revenues	54	0	54	0	0	54
Total Revenues	\$ 1,150,413	\$ 0	\$ 1,150,413	\$ 1,005,709	\$ 1,005,709	\$ 144,704
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Ambulance/Emergency Medical Services	\$ 1,065,573	\$ 1,690	\$ 1,067,263	\$ 1,019,689	\$ 1,095,689	\$ 28,426
Total Expenditures	\$ 1,065,573	\$ 1,690	\$ 1,067,263	\$ 1,019,689	\$ 1,095,689	\$ 28,426
Excess (Deficiency) of Revenues Over Expenditures	\$ 84,840	\$ (1,690)	\$ 83,150	\$ (13,980)	\$ (89,980)	\$ 173,130
Net Change in Fund Balance	\$ 84,840	\$ (1,690)	\$ 83,150	\$ (13,980)	\$ (89,980)	\$ 173,130
Fund Balance, July 1, 2018	492,612	0	492,612	446,999	446,999	45,613
Fund Balance, June 30, 2019	\$ 577,452	\$ (1,690)	\$ 575,762	\$ 433,019	\$ 357,019	\$ 218,743

Exhibit G-6

Hartsville/Trousdale County Government, 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	\$ 9,737	\$ 16,500	\$ 16,500	\$ (6,763)
Total Revenues	\$ 9,737	\$ 16,500	\$ 16,500	\$ (6,763)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 1,929	\$ 45,250	\$ 45,250	\$ 43,321
Total Expenditures	\$ 1,929	\$ 45,250	\$ 45,250	\$ 43,321
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,808	\$ (28,750)	\$ (28,750)	\$ 36,558
Net Change in Fund Balance	\$ 7,808	\$ (28,750)	\$ (28,750)	\$ 36,558
Fund Balance, July 1, 2018	55,343	37,352	37,352	17,991
Fund Balance, June 30, 2019	\$ 63,151	\$ 8,602	\$ 8,602	\$ 54,549

Exhibit G-7

Hartsville/Trousdale County Government, Tennessee
Schedule 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	\$ 112,093	\$ 103,481	\$ 106,373	\$ 5,720
Other Local Revenues	3,646	500	2,600	1,046
State of Tennessee	2,067,386	2,029,443	2,322,793	(255,407)
Total Revenues	<u>\$ 2,183,125</u>	<u>\$ 2,133,424</u>	<u>\$ 2,431,766</u>	<u>\$ (248,641)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 183,052	\$ 188,348	\$ 189,838	\$ 6,786
Highway and Bridge Maintenance	1,041,791	1,251,520	1,249,215	207,424
Operation and Maintenance of Equipment	193,928	226,545	231,785	37,857
Other Charges	61,686	63,150	64,625	2,939
Employee Benefits	73,601	77,400	77,400	3,799
Capital Outlay	844,117	706,630	1,114,372	270,255
Total Expenditures	<u>\$ 2,398,175</u>	<u>\$ 2,513,593</u>	<u>\$ 2,927,235</u>	<u>\$ 529,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (215,050)</u>	<u>\$ (380,169)</u>	<u>\$ (495,469)</u>	<u>\$ 280,419</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,300	\$ 0	\$ 6,300	\$ 0
Total Other Financing Sources	<u>\$ 6,300</u>	<u>\$ 0</u>	<u>\$ 6,300</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (208,750)</u>	<u>\$ (380,169)</u>	<u>\$ (489,169)</u>	<u>\$ 280,419</u>
Fund Balance, July 1, 2018	<u>1,009,708</u>	<u>653,251</u>	<u>653,251</u>	<u>356,457</u>
Fund Balance, June 30, 2019	<u><u>\$ 800,958</u></u>	<u><u>\$ 273,082</u></u>	<u><u>\$ 164,082</u></u>	<u><u>\$ 636,876</u></u>

Exhibit G-8

Hartsville/Trousdale County Government, 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	\$ 523,190	\$ 489,352	\$ 489,352	\$ 33,838
Other Local Revenues	30,550	5,000	5,000	25,550
Other Governments and Citizens Groups	279,150	157,432	277,132	2,018
Total Revenues	<u>\$ 832,890</u>	<u>\$ 651,784</u>	<u>\$ 771,484</u>	<u>\$ 61,406</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 230,000	\$ 230,200	\$ 230,200	\$ 200
Education	375,621	268,632	375,822	201
<u>Interest on Debt</u>				
General Government	64,228	73,049	73,049	8,821
Education	200,710	198,546	211,056	10,346
<u>Other Debt Service</u>				
General Government	14,119	14,000	14,119	0
Education	7,416	7,320	7,416	0
Total Expenditures	<u>\$ 892,094</u>	<u>\$ 791,747</u>	<u>\$ 911,662</u>	<u>\$ 19,568</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (59,204)</u>	<u>\$ (139,963)</u>	<u>\$ (140,178)</u>	<u>\$ 80,974</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 146,099	\$ 144,667	\$ 144,667	\$ 1,432
Total Other Financing Sources	<u>\$ 146,099</u>	<u>\$ 144,667</u>	<u>\$ 144,667</u>	<u>\$ 1,432</u>
Net Change in Fund Balance	\$ 86,895	\$ 4,704	\$ 4,489	\$ 82,406
Fund Balance, July 1, 2018	<u>346,940</u>	<u>319,929</u>	<u>319,929</u>	<u>27,011</u>
Fund Balance, June 30, 2019	<u>\$ 433,835</u>	<u>\$ 324,633</u>	<u>\$ 324,418</u>	<u>\$ 109,417</u>

Exhibit G-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	\$ 356,852	\$ 330,000	\$ 330,000	\$ 26,852
Other Local Revenues	10,938	2,000	2,000	8,938
Other Governments and Citizens Groups	55,000	55,000	55,000	0
Total Revenues	<u>\$ 422,790</u>	<u>\$ 387,000</u>	<u>\$ 387,000</u>	<u>\$ 35,790</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 547,000	\$ 547,000	\$ 547,000	\$ 0
<u>Interest on Debt</u>				
Education	37,202	42,000	117,000	79,798
<u>Other Debt Service</u>				
Education	19,337	26,500	26,500	7,163
Total Expenditures	<u>\$ 603,539</u>	<u>\$ 615,500</u>	<u>\$ 690,500</u>	<u>\$ 86,961</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (180,749)</u>	<u>\$ (228,500)</u>	<u>\$ (303,500)</u>	<u>\$ 122,751</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 75,000	\$ (75,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,000</u>	<u>\$ (75,000)</u>
Net Change in Fund Balance	\$ (180,749)	\$ (228,500)	\$ (228,500)	\$ 47,751
Fund Balance, July 1, 2018	<u>882,571</u>	<u>769,594</u>	<u>769,594</u>	<u>112,977</u>
Fund Balance, June 30, 2019	<u>\$ 701,822</u>	<u>\$ 541,094</u>	<u>\$ 541,094</u>	<u>\$ 160,728</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the government 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.

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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Other Agency Fund – The Other Agency Fund is used to account for restricted revenue previously held by the City of Lebanon for the benefit of the Office of the District Attorney General.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues 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 the District Attorney General.

Exhibit H-1

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds					Total
	Constitu- tional Officers - Agency	Other Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 699,804	\$ 0	\$ 86,423	\$ 0	\$	786,227
Equity in Pooled Cash and Investments	0	131,587	449,717	22,934		604,238
Accounts Receivable	358	0	4,924	0		5,282
Due from Other Governments	0	0	13,000	0		13,000
Total Assets	<u>\$ 700,162</u>	<u>\$ 131,587</u>	<u>\$ 554,064</u>	<u>\$ 22,934</u>	<u>\$</u>	<u>1,408,747</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 25,291	\$ 0	\$	25,291
Due to Other Funds	0	0	4,276	0		4,276
Due to Litigants, Heirs, and Others	700,162	131,587	74,841	22,934		929,524
Due to Joint Ventures	0	0	449,656	0		449,656
Total Liabilities	<u>\$ 700,162</u>	<u>\$ 131,587</u>	<u>\$ 554,064</u>	<u>\$ 22,934</u>	<u>\$</u>	<u>1,408,747</u>

Exhibit H-2

Hartsville/Trousdale County Government, 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>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 560,367	\$ 2,608,032	\$ 2,468,595	\$ 699,804
Accounts Receivable	720	358	720	358
Total Assets	<u>\$ 561,087</u>	<u>\$ 2,608,390</u>	<u>\$ 2,469,315</u>	<u>\$ 700,162</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 561,087</u>	<u>\$ 2,608,390</u>	<u>\$ 2,469,315</u>	<u>\$ 700,162</u>
Total Liabilities	<u>\$ 561,087</u>	<u>\$ 2,608,390</u>	<u>\$ 2,469,315</u>	<u>\$ 700,162</u>
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 131,198	\$ 393	\$ 4	\$ 131,587
Total Assets	<u>\$ 131,198</u>	<u>\$ 393</u>	<u>\$ 4</u>	<u>\$ 131,587</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 131,198</u>	<u>\$ 393</u>	<u>\$ 4</u>	<u>\$ 131,587</u>
Total Liabilities	<u>\$ 131,198</u>	<u>\$ 393</u>	<u>\$ 4</u>	<u>\$ 131,587</u>
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 33,503	\$ 52,920	\$ 0	\$ 86,423
Equity in Pooled Cash and Investments	555,661	93,641	199,585	449,717
Accounts Receivable	22,286	4,924	22,286	4,924
Due from Other Governments	36,230	13,000	36,230	13,000
Total Assets	<u>\$ 647,680</u>	<u>\$ 164,485</u>	<u>\$ 258,101</u>	<u>\$ 554,064</u>
<u>Liabilities</u>				
Accounts Payable	\$ 22,636	\$ 25,291	\$ 22,636	\$ 25,291
Due to Other Funds	276	4,276	276	4,276
Due to Litigants, Heirs, and Others	19,410	74,841	19,410	74,841
Due to Joint Ventures	605,358	60,077	215,779	449,656
Total Liabilities	<u>\$ 647,680</u>	<u>\$ 164,485</u>	<u>\$ 258,101</u>	<u>\$ 554,064</u>

(Continued)

Exhibit H-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 17,579	\$ 32,529	\$ 27,174	\$ 22,934
Total Assets	\$ 17,579	\$ 32,529	\$ 27,174	\$ 22,934
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 17,579	\$ 32,529	\$ 27,174	\$ 22,934
Total Liabilities	\$ 17,579	\$ 32,529	\$ 27,174	\$ 22,934
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 593,870	\$ 2,660,952	\$ 2,468,595	\$ 786,227
Equity in Pooled Cash and Investments	704,438	126,563	226,763	604,238
Accounts Receivable	23,006	5,282	23,006	5,282
Due from Other Governments	36,230	13,000	36,230	13,000
Total Assets	\$ 1,357,544	\$ 2,805,797	\$ 2,754,594	\$ 1,408,747
<u>Liabilities</u>				
Accounts Payable	\$ 22,636	\$ 25,291	\$ 22,636	\$ 25,291
Due to Other Funds	276	4,276	276	4,276
Due to Litigants, Heirs, and Others	729,274	2,716,153	2,515,903	929,524
Due to Joint Ventures	605,358	60,077	215,779	449,656
Total Liabilities	\$ 1,357,544	\$ 2,805,797	\$ 2,754,594	\$ 1,408,747

Hartsville/Trousdale County School Department

This section presents fund financial statements for the Hartsville/Trousdale County School Department, a discretely presented component unit. The school department uses a General Fund and two Special Revenue Funds.

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

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

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

Exhibit I-1

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 6,852,311	\$ 17,557	\$ 1,061,149	\$ 0	\$ (5,773,605)
Support Services	4,888,196	23,864	19,282	0	(4,845,050)
Operation of Non-instructional Services	1,143,295	48,174	851,356	0	(243,765)
Total Governmental Activities	\$ 12,883,802	\$ 89,595	\$ 1,931,787	\$ 0	\$ (10,862,420)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	1,538,078
Local Option Sales Tax					709,560
Business Tax					13,802
Mixed Drink Tax					4,067
Grants and Contributions Not Restricted to Specific Programs					8,209,580
Unrestricted Investment Income					1,758
Miscellaneous					13,190
Total General Revenues				\$	10,490,035
Change in Net Position				\$	(372,385)
Net Position, July 1, 2018					18,412,799
Net Position, June 30, 2019				\$	18,040,414

Exhibit I-2

Hartsville/Trousdale County Government, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2019

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
		<u>Funds</u>	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 4,213,528	\$ 326,805	\$ 4,540,333
Accounts Receivable	892	494	1,386
Due from Other Governments	464,322	54,109	518,431
Property Taxes Receivable	1,604,883	0	1,604,883
Allowance for Uncollectible Property Taxes	(143,147)	0	(143,147)
Restricted Assets	34,826	0	34,826
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 6,175,304	\$ 381,408	\$ 6,556,712
<u>LIABILITIES</u>			
Accounts Payable	\$ 299,926	\$ 7,799	\$ 307,725
Accrued Payroll	11,699	15,645	27,344
Payroll Deductions Payable	331,655	32,996	364,651
Due to Primary Government	1,167	0	1,167
Total Liabilities	<hr/>	<hr/>	<hr/>
	\$ 644,447	\$ 56,440	\$ 700,887
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,419,872	\$ 0	\$ 1,419,872
Deferred Delinquent Property Taxes	41,825	0	41,825
Other Deferred/Unavailable Revenue	105,242	0	105,242
Total Deferred Inflows of Resources	<hr/>	<hr/>	<hr/>
	\$ 1,566,939	\$ 0	\$ 1,566,939
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 131,043	\$ 0	\$ 131,043
Restricted for Operation of Non-instructional Services	0	224,968	224,968
Restricted for Hybrid Retirement Stabilization Funds	34,826	0	34,826
Committed:			
Committed for Education	2,103,644	100,000	2,203,644
Assigned:			
Assigned for Education	451,971	0	451,971
Unassigned	1,242,434	0	1,242,434
Total Fund Balances	<hr/>	<hr/>	<hr/>
	\$ 3,963,918	\$ 324,968	\$ 4,288,886
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<hr/>	<hr/>	<hr/>
	\$ 6,175,304	\$ 381,408	\$ 6,556,712

Exhibit I-3

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hartsville/Trousdale 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 I-2)		\$	4,288,886
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	689,883	
Add: construction in progress		40,000	
Add: buildings and improvements net of accumulated depreciation		14,764,551	
Add: other capital assets net of accumulated depreciation		669,750	
Add: intangibles net of accumulated depreciation		<u>37,863</u>	16,202,047
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds			
Less: other postemployment benefits liability	\$	(751,891)	
Less: contributions due on primary government debt for loans		<u>(2,469,220)</u>	(3,221,111)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	1,024,650	
Less: deferred inflows of resources related to pensions		(833,374)	
Add: deferred outflows of resources related to OPEB		56,259	
Less: deferred inflows of resources related to OPEB		<u>(152,232)</u>	95,303
(4) Net pension assets of the teacher legacy and teacher retirement plans are not current financial resources and therefore are not reported in the governmental funds			
Add: net pension asset - agent plan	\$	64,770	
Add: net pension asset - teacher legacy plan		393,796	
Add: net pension asset - teacher retirement plan		<u>69,656</u>	528,222
(5) Other long term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>147,067</u>
Net position of governmental activities (Exhibit A)			<u>\$ 18,040,414</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 2,491,146	\$ 0	\$ 2,491,146
Licenses and Permits	570	0	570
Charges for Current Services	27,808	48,176	75,984
Other Local Revenues	97,979	5,197	103,176
State of Tennessee	8,232,444	7,703	8,240,147
Federal Government	74,445	1,562,146	1,636,591
Total Revenues	<u>\$ 10,924,392</u>	<u>\$ 1,623,222</u>	<u>\$ 12,547,614</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 6,031,004	\$ 573,844	\$ 6,604,848
Support Services	4,071,773	144,649	4,216,422
Operation of Non-Instructional Services	235,252	932,937	1,168,189
Capital Outlay	750,805	0	750,805
Debt Service:			
Other Debt Service	334,150	0	334,150
Total Expenditures	<u>\$ 11,422,984</u>	<u>\$ 1,651,430</u>	<u>\$ 13,074,414</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (498,592)</u>	<u>\$ (28,208)</u>	<u>\$ (526,800)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 44,275	\$ 44,275
Transfers Out	(44,275)	0	(44,275)
Total Other Financing Sources (Uses)	<u>\$ (44,275)</u>	<u>\$ 44,275</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (542,867)	\$ 16,067	\$ (526,800)
Fund Balance, July 1, 2018	4,506,785	308,901	4,815,686
Fund Balance, June 30, 2019	<u>\$ 3,963,918</u>	<u>\$ 324,968</u>	<u>\$ 4,288,886</u>

Exhibit I-5

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hartsville/Trousdale 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 I-4)		\$ (526,800)
(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	\$ 133,206	
Less: current-year depreciation expense	<u>(734,005)</u>	(600,799)
(2) 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	\$ (183,264)	
Add: deferred delinquent property taxes and other deferred June 30, 2019	<u>147,067</u>	(36,197)
(3) The contributions of long-term debt (e.g., notes, bonds, leases, loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on loans to primary government	<u>\$ 264,621</u>	264,621
(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 other postemployment benefits liability	\$ 69,107	
Change in deferred outflows of resources related to pensions	(106,118)	
Change in deferred inflows of resources related to pensions	165,877	
Change in deferred outflows of resources related to OPEB	9,447	
Change in deferred inflows of resources related to OPEB	(112,750)	
Change in net pension liability/asset - agent plan	113,803	
Change in net pension liability/asset - teacher legacy plan	354,338	
Change in net pension liability/asset - teacher retirement plan	<u>33,086</u>	<u>526,790</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (372,385)</u>

Exhibit I-6

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2019

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 103,241	\$ 223,564	\$ 326,805
Accounts Receivable	0	494	494
Due from Other Governments	49,450	4,659	54,109
Total Assets	<u>\$ 152,691</u>	<u>\$ 228,717</u>	<u>\$ 381,408</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 7,799	\$ 0	\$ 7,799
Accrued Payroll	13,379	2,266	15,645
Payroll Deductions Payable	31,513	1,483	32,996
Total Liabilities	<u>\$ 52,691</u>	<u>\$ 3,749</u>	<u>\$ 56,440</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 0	\$ 224,968	\$ 224,968
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,000</u>	<u>\$ 224,968</u>	<u>\$ 324,968</u>
Total Liabilities and Fund Balances	<u>\$ 152,691</u>	<u>\$ 228,717</u>	<u>\$ 381,408</u>

Exhibit I-7

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2019

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 48,176	\$ 48,176
Other Local Revenues	0	5,197	5,197
State of Tennessee	0	7,703	7,703
Federal Government	718,493	843,653	1,562,146
Total Revenues	<u>\$ 718,493</u>	<u>\$ 904,729</u>	<u>\$ 1,623,222</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 573,844	\$ 0	\$ 573,844
Support Services	144,649	0	144,649
Operation of Non-Instructional Services	0	932,937	932,937
Total Expenditures	<u>\$ 718,493</u>	<u>\$ 932,937</u>	<u>\$ 1,651,430</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (28,208)</u>	<u>\$ (28,208)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 44,275	\$ 44,275
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 44,275</u>	<u>\$ 44,275</u>
Net Change in Fund Balances	\$ 0	\$ 16,067	\$ 16,067
Fund Balance, July 1, 2018	100,000	208,901	308,901
Fund Balance, June 30, 2019	<u>\$ 100,000</u>	<u>\$ 224,968</u>	<u>\$ 324,968</u>

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
General Purpose School Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,491,146	\$ 2,288,431	\$ 2,288,431	\$ 202,715
Licenses and Permits	570	500	500	70
Charges for Current Services	27,808	7,000	12,950	14,858
Other Local Revenues	97,979	37,000	57,000	40,979
State of Tennessee	8,232,444	7,961,132	8,069,934	162,510
Federal Government	74,445	0	0	74,445
Total Revenues	<u>\$ 10,924,392</u>	<u>\$ 10,294,063</u>	<u>\$ 10,428,815</u>	<u>\$ 495,577</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,650,308	\$ 4,947,430	\$ 4,709,338	\$ 59,030
Alternative Instruction Program	100,905	144,805	117,209	16,304
Special Education Program	935,780	841,439	950,002	14,222
Career and Technical Education Program	344,011	322,760	347,029	3,018
<u>Support Services</u>				
Attendance	27,550	27,145	27,800	250
Health Services	252,146	240,504	253,504	1,358
Other Student Support	272,388	258,859	282,159	9,771
Regular Instruction Program	370,101	320,460	399,040	28,939
Special Education Program	91,574	89,550	92,831	1,257
Career and Technical Education Program	32,575	32,625	32,625	50
Technology	158,819	191,020	191,020	32,201
Other Programs	19,282	0	19,282	0
Board of Education	159,349	166,159	166,159	6,810
Director of Schools	213,528	228,770	228,770	15,242
Office of the Principal	834,660	793,506	840,511	5,851
Fiscal Services	138,203	149,640	149,640	11,437
Operation of Plant	761,527	893,054	788,054	26,527
Maintenance of Plant	192,774	197,295	197,295	4,521
Transportation	547,297	624,150	592,162	44,865
<u>Operation of Non-Instructional Services</u>				
Community Services	129,304	114,852	130,302	998
Early Childhood Education	105,948	103,812	106,072	124
<u>Capital Outlay</u>				
Regular Capital Outlay	750,805	929,000	1,131,988	381,183
<u>Principal on Debt</u>				
Education	0	321,645	0	0
<u>Other Debt Service</u>				
Education	334,150	21,515	343,150	9,000
Total Expenditures	<u>\$ 11,422,984</u>	<u>\$ 11,959,995</u>	<u>\$ 12,095,942</u>	<u>\$ 672,958</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (498,592)</u>	<u>\$ (1,665,932)</u>	<u>\$ (1,667,127)</u>	<u>\$ 1,168,535</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (44,275)</u>	<u>\$ (44,275)</u>	<u>\$ (44,275)</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ (44,275)</u>	<u>\$ (44,275)</u>	<u>\$ (44,275)</u>	<u>\$ 0</u>

(Continued)

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ (542,867)	\$ (1,710,207)	\$ (1,711,402)	\$ 1,168,535
Fund Balance, July 1, 2018	4,506,785	3,396,783	3,396,783	1,110,002
Fund Balance, June 30, 2019	\$ 3,963,918	\$ 1,686,576	\$ 1,685,381	\$ 2,278,537

Exhibit I-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale 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>				
Federal Government	\$ 718,493	\$ 674,173	\$ 815,026	\$ (96,533)
Total Revenues	\$ 718,493	\$ 674,173	\$ 815,026	\$ (96,533)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 274,839	\$ 258,667	\$ 325,683	\$ 50,844
Special Education Program	280,964	276,112	317,580	36,616
Career and Technical Education Program	18,041	18,356	18,055	14
<u>Support Services</u>				
Other Student Support	5,259	4,909	5,759	500
Regular Instruction Program	111,692	93,925	116,546	4,854
Special Education Program	25,840	19,905	28,128	2,288
Career and Technical Education Program	251	800	251	0
Transportation	1,607	1,500	3,025	1,418
Total Expenditures	\$ 718,493	\$ 674,174	\$ 815,027	\$ 96,534
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (1)	\$ (1)	\$ 1
Net Change in Fund Balance Fund Balance, July 1, 2018	\$ 0 100,000	\$ (1) 100,001	\$ (1) 100,001	\$ 1 (1)
Fund Balance, June 30, 2019	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0

Exhibit I-10

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 48,176	\$ 50,550	\$ 50,550	\$ (2,374)
Other Local Revenues	5,197	500	500	4,697
State of Tennessee	7,703	6,800	6,800	903
Federal Government	843,653	797,000	814,324	29,329
Total Revenues	<u>\$ 904,729</u>	<u>\$ 854,850</u>	<u>\$ 872,174</u>	<u>\$ 32,555</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 932,937	\$ 943,720	\$ 961,044	\$ 28,107
Total Expenditures	<u>\$ 932,937</u>	<u>\$ 943,720</u>	<u>\$ 961,044</u>	<u>\$ 28,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (28,208)</u>	<u>\$ (88,870)</u>	<u>\$ (88,870)</u>	<u>\$ 60,662</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 44,275	\$ 44,275	\$ 44,275	\$ 0
Total Other Financing Sources	<u>\$ 44,275</u>	<u>\$ 44,275</u>	<u>\$ 44,275</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 16,067	\$ (44,595)	\$ (44,595)	\$ 60,662
Fund Balance, July 1, 2018	<u>208,901</u>	<u>153,154</u>	<u>153,154</u>	<u>55,747</u>
Fund Balance, June 30, 2019	<u>\$ 224,968</u>	<u>\$ 108,559</u>	<u>\$ 108,559</u>	<u>\$ 116,409</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hartsville/Trousdale County Government, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2019

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Matured During Period	Outstanding 6-30-19
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Public Works Building Acquisition	\$ 650,000	2.98 %	5-28-15	6-1-25	\$ 417,000	\$ 0	\$ 62,000	\$ 355,000
Sheriff's Vehicle Acquisition	222,000	2.49	9-9-15	9-1-20	137,500	0	44,700	92,800
Solid Waste Truck Acquisition	151,007	2.48	2-3-16	2-1-21	93,000	0	30,200	62,800
Solid Waste Garbage Truck Acquisition	148,000	2.61	9-21-16	10-1-23	128,500	0	20,100	108,400
Total Payable through General Debt Service Fund					<u>\$ 776,000</u>	<u>\$ 0</u>	<u>\$ 157,000</u>	<u>\$ 619,000</u>
<u>Payable through Urban Services Fund</u>								
Garbage Truck Acquisition	290,545	3.04	5-30-13	5-1-23	\$ 127,000	\$ 0	\$ 30,000	\$ 97,000
Total Payable through Urban Services Fund					<u>\$ 127,000</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 97,000</u>
Total Notes Payable					<u>\$ 903,000</u>	<u>\$ 0</u>	<u>\$ 187,000</u>	<u>\$ 716,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>								
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-1-10	9-15-27	\$ 1,434,102	\$ 0	\$ 157,431	\$ 1,276,671
Energy Efficient School Improvements	1,352,974	1.00	12-12-16	1-1-30	1,299,739	0	107,190	1,192,549
Total Payable through School Department Contributions from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 2,733,841</u>	<u>\$ 0</u>	<u>\$ 264,621</u>	<u>\$ 2,469,220</u>
<u>Payable through General Debt Service Fund</u>								
Energy Efficient School Loan	2,650,062	Variable	10-28-16	5-25-37	\$ 2,541,000	\$ 0	\$ 111,000	\$ 2,430,000
Criminal Justice Center Acquisition and Renovation	1,750,000	Variable	12-16-16	5-25-37	1,679,000	0	73,000	1,606,000
Total Payable through General Debt Service Fund					<u>\$ 4,220,000</u>	<u>\$ 0</u>	<u>\$ 184,000</u>	<u>\$ 4,036,000</u>
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,500,000	Variable	8-30-02	5-25-22	\$ 2,266,859	\$ 0	\$ 547,000	\$ 1,719,859
Total Payable through Education Debt Service Fund					<u>\$ 2,266,859</u>	<u>\$ 0</u>	<u>\$ 547,000</u>	<u>\$ 1,719,859</u>
Total Other Loans Payable					<u>\$ 9,220,700</u>	<u>\$ 0</u>	<u>\$ 995,621</u>	<u>\$ 8,225,079</u>

(Continued)

Exhibit J-1

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Matured During Period	Outstanding 6-30-19
<u>BUSINESS-TYPE ACTIVITIES</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through Water and Sewer Fund</u>								
Water and Sewer Revenue, Series 2004	\$ 350,000	4.25 %	5-24-05	3-20-19	\$ 284,804	\$ 0	\$ 284,804	\$ 0
Water and Sewer Revenue, Series 2016	3,605,000	1.88	12-29-16	11-28-56	3,512,159	0	63,170	3,448,989
Water and Sewer Revenue, Series 2017	1,850,000	2.25	12-1-17	11-1-57	1,835,498	0	29,382	1,806,116
Total Bonds Payable					<u>\$ 5,632,461</u>	<u>\$ 0</u>	<u>\$ 377,356</u>	<u>\$ 5,255,105</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 191,400	\$ 19,386	\$ 210,786
2021	196,900	14,098	210,998
2022	121,700	9,257	130,957
2023	96,200	5,686	101,886
2024	94,800	2,890	97,690
2025	15,000	447	15,447
Total	\$ 716,000	\$ 51,764	\$ 767,764

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2020	\$ 1,020,701	\$ 193,256	\$ 21,965	\$ 1,235,922
2021	1,046,783	181,605	16,725	1,245,113
2022	1,025,746	170,294	11,627	1,207,667
2023	467,993	166,640	10,117	644,750
2024	474,122	163,418	9,822	647,362
2025	478,251	160,145	9,520	647,916
2026	484,392	156,826	9,214	650,432
2027	506,764	153,443	8,899	669,106
2028	338,279	28,619	6,899	373,797
2029	344,446	24,199	6,233	374,878
2030	289,602	20,755	5,898	316,255
2031	234,000	18,150	5,557	257,707
2032	239,000	15,688	5,210	259,898
2033	245,000	13,173	4,856	263,029
2034	250,000	10,597	4,493	265,090
2035	255,000	7,967	4,123	267,090
2036	260,000	5,285	3,745	269,030
2037	265,000	2,550	3,110	270,660
Total	\$ 8,225,079	\$ 1,492,610	\$ 148,013	\$ 9,865,702

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

(Continued)

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Bonds		Total
	Principal	Interest	
2020	\$ 94,300	\$ 104,564	\$ 198,864
2021	96,309	102,555	198,864
2022	98,248	100,616	198,864
2023	100,226	98,639	198,865
2024	102,141	96,723	198,864
2025	104,301	94,563	198,864
2026	106,403	92,460	198,863
2027	108,546	90,318	198,864
2028	110,639	88,226	198,865
2029	112,963	85,901	198,864
2030	115,239	83,625	198,864
2031	117,562	81,302	198,864
2032	119,848	79,016	198,864
2033	122,349	76,515	198,864
2034	124,817	74,047	198,864
2035	127,335	71,529	198,864
2036	129,829	69,035	198,864
2037	132,524	66,341	198,865
2038	135,198	63,666	198,864
2039	137,927	60,937	198,864
2040	140,648	58,216	198,864
2041	143,551	55,313	198,864

(Continued)

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES (Cont.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2042	\$ 146,450	\$ 52,414	\$ 198,864
2043	149,407	49,457	198,864
2044	152,374	46,490	198,864
2045	155,505	43,359	198,864
2046	158,647	40,217	198,864
2047	161,853	37,011	198,864
2048	165,087	33,777	198,864
2049	168,461	30,403	198,864
2050	171,868	26,996	198,864
2051	175,343	23,521	198,864
2052	178,867	19,997	198,864
2053	182,509	16,355	198,864
2054	186,202	12,662	198,864
2055	189,953	8,895	198,848
2056	193,790	5,057	198,847
2057	114,406	1,562	115,968
2058	23,480	111	23,591
Total	\$ 5,255,105	\$ 2,242,391	\$ 7,497,496

Exhibit J-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB subsidy payment	\$ 122,315
Urban Services	"	Debt contribution	<u>23,784</u>
Total Transfers Primary Government			<u>\$ 146,099</u>
<u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Salaries	<u>\$ 44,275</u>
Total Transfers Discretely Presented Hartsville/ Trousdale County School Department			<u>\$ 44,275</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Carroll Carman (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	\$ 15,377 (1)	\$ (5)	Tennessee Risk Management Trust
Stephen Chambers (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	61,509 (2)	(5)	"
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	73,226	(5)	"
Director of Schools	State Board of Education and Hartsville/Trousdale County Government Board of Education	95,000 (3)	(5)	"
Trustee	Section 8-24-102, <i>TCA</i>	66,569	(5)	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	66,569	(5)	"
County Clerk	Section 8-24-102, <i>TCA</i>	66,569	(5)	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	66,569	(5)	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	66,569	(5)	"
Register of Deeds:				
Leah Verville (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	53,255	(5)	"
Candice Hall (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	13,314	(5)	"
Sheriff	Section 8-24-102, <i>TCA</i>	73,226 (4)	(5)	"
Employee Blanket Bond Coverage:				
General County, Water Department, and Highway Employees			400,000	"
School Employees			400,000	"

- (1) Does not include \$250 for serving as chairman of the Highway Commission.
(2) Does not include \$350 for serving as chairman of the Highway Commission.
(3) Does not include \$1,000 as a chief executive officer training supplement, \$1,740 as secretary of the Board of Education, and \$5,210 for a performance bonus.
(4) Does not include a law enforcement training supplement of \$600.
(5) Officials are covered by the employee blanket bond pursuant to Section 8-19-101, *TCA*.

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,771,075	\$ 427,081	\$ 486,026	\$ 515,721	\$ 0	\$ 0
Discount on Property Taxes	(33,431)	(3,659)	(5,863)	(6,220)	0	0
Trustee's Collections - Prior Year	93,833	29,941	12,415	18,949	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	76,348	38,338	10,386	15,314	0	0
Interest and Penalty	16,705	5,115	2,310	3,337	0	0
Payments in-Lieu-of Taxes - T.V.A.	28,054	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	0	6,235	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	608,743	0	0	0	0	0
Local Amusement Tax	47	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	24,164	0	0	0	0	0
Litigation Tax - Special Purpose	61,196	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	23,077	0	4,047	4,295	0	0
Mixed Drink Tax	5,606	0	0	0	0	0
Adequate Facilities/Development Tax	129,727	0	0	0	0	0
Other County Local Option Taxes	8,610	37,667	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	103,090	0	0	0	0	0
Wholesale Beer Tax	150,235	0	0	0	0	0
Other Statutory Local Taxes	0	42,876	0	0	0	0
Total Local Taxes	\$ 4,067,079	\$ 583,594	\$ 509,321	\$ 551,396	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 8,047	\$ 20,238	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Building Permits	110,006	30,709	0	0	0	0
Other Permits	60	0	0	0	0	0
Total Licenses and Permits	<u>\$ 118,113</u>	<u>\$ 50,947</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 1,568	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,988	0	0	0	0	0
Data Entry Fee - Circuit Court	348	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	8,813	0	0	0	0	0
Officers Costs	27,159	0	0	0	0	0
Game and Fish Fines	1,154	0	0	0	0	0
Drug Control Fines	142	0	0	0	0	4,241
Jail Fees	2,600	0	0	0	0	0
DUI Treatment Fines	2,310	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,837	0	0	0	0	0
Courtroom Security Fee	24,877	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	19	0	0	0	0	0
Officers Costs	1,288	0	0	0	0	0
DUI Treatment Fines	1,425	0	0	0	0	0
Data Entry Fee - Juvenile Court	34	0	0	0	0	0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 821	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	832	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	5,496
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	1,358	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 82,573	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,737
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 204,546	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	214,391	0	0	0	0
Patient Charges	0	0	0	598,963	0	0
Zoning Studies	1,100	0	0	0	0	0
Other General Service Charges	5,338	0	0	0	0	0
<u>Fees</u>						
Copy Fees	4,857	0	0	0	0	0
Telephone Commissions	16,976	0	0	0	0	0
Data Processing Fee - Register	3,518	0	0	0	0	0
Data Processing Fee - Sheriff	257	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,800	0	0	0	0	0
Data Processing Fee - County Clerk	1,249	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	235	0	0	0	0	0
Total Charges for Current Services	\$ 35,330	\$ 214,391	\$ 204,546	\$ 598,963	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 205,542	\$ 0	\$ 0	\$ 54	\$ 0	\$ 0
Lease/Rentals	27,142	0	0	0	0	0
Sale of Materials and Supplies	0	680	0	0	0	0
Commissary Sales	10,865	0	0	0	0	0
Sale of Gasoline	23,826	0	0	0	0	0
Sale of Recycled Materials	0	0	46,955	0	0	0
Sale of Animals/Livestock	2,350	0	0	0	0	0
Miscellaneous Refunds	184	0	0	0	0	0
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	4,797	0	0	0	0	0
Contributions and Gifts	2,074	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	33,358	0	0	0	0	0
Total Other Local Revenues	\$ 310,138	\$ 680	\$ 46,955	\$ 54	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 107,366	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	15,098	0	0	0	0	0
General Sessions Court Clerk	75,540	0	0	0	0	0
Clerk and Master	41,088	0	0	0	0	0
Register	40,188	0	0	0	0	0
Sheriff	7,886	0	0	0	0	0
Trustee	207,850	0	0	0	0	0
Total Fees Received From County Officials	\$ 495,016	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	12,550	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	23,150	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	43,825	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	13,844	0	0	0	0	0
Beer Tax	19,056	0	0	0	0	0
Vehicle Certificate of Title Fees	6,205	0	0	0	0	0
Alcoholic Beverage Tax	0	19,157	0	0	0	0
State Revenue Sharing - Telecommunications	19,409	0	0	0	0	0
Contracted Prisoner Boarding	191,802	0	0	0	55,192,622	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	0	209,613	0	0	0	0
Other State Revenues	1,400	0	6,402	0	0	0
Total State of Tennessee	\$ 368,005	\$ 228,770	\$ 6,402	\$ 0	\$ 55,192,622	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 6,833	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	16,550	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	2,990	0	0	0	0	0
Tax Credit Bond Rebate	114,864	0	0	0	0	0
Other Direct Federal Revenue	9,429	0	0	0	0	0
Total Federal Government	<u>\$ 150,666</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 6,087	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	5,100	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	9,012	0	0	0	0	0
<u>Other</u>						
Other	20	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 20,219</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 5,647,139</u>	<u>\$ 1,078,382</u>	<u>\$ 767,224</u>	<u>\$ 1,150,413</u>	<u>\$ 55,192,622</u>	<u>\$ 9,737</u>

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds		Total
	Revenue Fund	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 104,934	\$ 462,168	\$ 0	\$ 4,767,005
Discount on Property Taxes	(1,269)	(5,576)	0	(56,018)
Trustee's Collections - Prior Year	3,855	16,336	0	175,329
Circuit Clerk/Clerk and Master Collections - Prior Years	2,908	13,243	0	156,537
Interest and Penalty	679	2,891	0	31,037
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	28,054
Payments in-Lieu-of Taxes - Other	0	0	0	6,235
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	608,743
Local Amusement Tax	0	0	0	47
Wheel Tax	0	0	356,852	356,852
Litigation Tax - General	0	0	0	24,164
Litigation Tax - Special Purpose	0	6,299	0	67,495
Litigation Tax - Jail, Workhouse, or Courthouse	0	23,980	0	23,980
Business Tax	986	3,849	0	36,254
Mixed Drink Tax	0	0	0	5,606
Adequate Facilities/Development Tax	0	0	0	129,727
Other County Local Option Taxes	0	0	0	46,277
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	103,090
Wholesale Beer Tax	0	0	0	150,235
Other Statutory Local Taxes	0	0	0	42,876
Total Local Taxes	\$ 112,093	\$ 523,190	\$ 356,852	\$ 6,703,525

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds			Total
	Revenue Fund	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	28,285
<u>Permits</u>					
Building Permits	0	0	0	0	140,715
Other Permits	0	0	0	0	60
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>169,060</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	1,568
Officers Costs	0	0	0	0	1,988
Data Entry Fee - Circuit Court	0	0	0	0	348
<u>General Sessions Court</u>					
Fines	0	0	0	0	8,813
Officers Costs	0	0	0	0	27,159
Game and Fish Fines	0	0	0	0	1,154
Drug Control Fines	0	0	0	0	4,383
Jail Fees	0	0	0	0	2,600
DUI Treatment Fines	0	0	0	0	2,310
Data Entry Fee - General Sessions Court	0	0	0	0	5,837
Courtroom Security Fee	0	0	0	0	24,877
<u>Juvenile Court</u>					
Fines	0	0	0	0	19
Officers Costs	0	0	0	0	1,288
DUI Treatment Fines	0	0	0	0	1,425
Data Entry Fee - Juvenile Court	0	0	0	0	34

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds			Total
	Revenue Fund	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	821
Data Entry Fee - Chancery Court	0	0	0	0	832
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	5,496
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	0	0	0	0	1,358
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	92,310
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	204,546
Residential Waste Collection Charge	0	0	0	0	214,391
Patient Charges	0	0	0	0	598,963
Zoning Studies	0	0	0	0	1,100
Other General Service Charges	0	0	0	0	5,338
<u>Fees</u>					
Copy Fees	0	0	0	0	4,857
Telephone Commissions	0	0	0	0	16,976
Data Processing Fee - Register	0	0	0	0	3,518
Data Processing Fee - Sheriff	0	0	0	0	257
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,800
Data Processing Fee - County Clerk	0	0	0	0	1,249
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	235
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	1,053,230

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	Total
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 1,046	\$ 30,550	\$ 10,938	\$ 248,130
Lease/Rentals	0	0	0	27,142
Sale of Materials and Supplies	0	0	0	680
Commissary Sales	0	0	0	10,865
Sale of Gasoline	0	0	0	23,826
Sale of Recycled Materials	0	0	0	46,955
Sale of Animals/Livestock	0	0	0	2,350
Miscellaneous Refunds	1,500	0	0	1,684
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	1,100	0	0	5,897
Contributions and Gifts	0	0	0	2,074
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	33,358
Total Other Local Revenues	<u>\$ 3,646</u>	<u>\$ 30,550</u>	<u>\$ 10,938</u>	<u>\$ 402,961</u>
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 107,366
Circuit Court Clerk	0	0	0	15,098
General Sessions Court Clerk	0	0	0	75,540
Clerk and Master	0	0	0	41,088
Register	0	0	0	40,188
Sheriff	0	0	0	7,886
Trustee	0	0	0	207,850
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 495,016</u>

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds		Total
	Revenue Fund	Highway / Public Works	General Debt Service	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	0	12,550
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	12,600
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	0	0	0	23,150
<u>Public Works Grants</u>				
Bridge Program	218,132	0	0	218,132
State Aid Program	139,592	0	0	139,592
Litter Program	0	0	0	43,825
<u>Other State Revenues</u>				
Income Tax	0	0	0	13,844
Beer Tax	0	0	0	19,056
Vehicle Certificate of Title Fees	0	0	0	6,205
Alcoholic Beverage Tax	0	0	0	19,157
State Revenue Sharing - Telecommunications	0	0	0	19,409
Contracted Prisoner Boarding	0	0	0	55,384,424
Gasoline and Motor Fuel Tax	1,699,280	0	0	1,699,280
Petroleum Special Tax	10,382	0	0	10,382
Registrar's Salary Supplement	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	209,613
Other State Revenues	0	0	0	7,802
Total State of Tennessee	\$ 2,067,386	\$ 0	\$ 0	\$ 57,863,185

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Total
	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Federal Government</u>				
<u>Federal Through State</u>				
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 6,833
Other Federal through State	0	0	0	16,550
<u>Direct Federal Revenue</u>				
Police Service (Lake Area)	0	0	0	2,990
Tax Credit Bond Rebate	0	0	0	114,864
Other Direct Federal Revenue	0	0	0	9,429
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150,666</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 279,150	\$ 55,000	\$ 340,237
Contracted Services	0	0	0	5,100
<u>Citizens Groups</u>				
Donations	0	0	0	9,012
<u>Other</u>				
Other	0	0	0	20
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 279,150</u>	<u>\$ 55,000</u>	<u>\$ 354,369</u>
Total	<u>\$ 2,183,125</u>	<u>\$ 832,890</u>	<u>\$ 422,790</u>	<u>\$ 67,284,322</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,469,335	\$ 0	\$ 0	\$ 1,469,335
Discount on Property Taxes	(17,758)	0	0	(17,758)
Trustee's Collections - Prior Year	46,067	0	0	46,067
Circuit Clerk/Clerk and Master Collections - Prior Years	34,753	0	0	34,753
Interest and Penalty	8,294	0	0	8,294
Payments in-Lieu-of Taxes - T.V.A.	223,026	0	0	223,026
<u>County Local Option Taxes</u>				
Local Option Sales Tax	709,560	0	0	709,560
Business Tax	13,802	0	0	13,802
Mixed Drink Tax	4,067	0	0	4,067
Total Local Taxes	<u>\$ 2,491,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,491,146</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 570	\$ 0	\$ 0	\$ 570
Total Licenses and Permits	<u>\$ 570</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 17,555	\$ 0	\$ 0	\$ 17,555
Lunch Payments - Children	0	0	152	152
Lunch Payments - Adults	0	0	17,549	17,549
Income from Breakfast	0	0	163	163
Special Milk Sales	0	0	57	57

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
A la Carte Sales	\$ 0	\$ 0	\$ 30,253	\$ 30,253
Receipts from Individual Schools	10,253	0	0	10,253
Other Charges for Services	0	0	2	2
Total Charges for Current Services	<u>\$ 27,808</u>	<u>\$ 0</u>	<u>\$ 48,176</u>	<u>\$ 75,984</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 1,758	\$ 0	\$ 0	\$ 1,758
Lease/Rentals	13,611	0	0	13,611
Commodity Rebates	0	0	4,928	4,928
Miscellaneous Refunds	59,046	0	269	59,315
<u>Nonrecurring Items</u>				
Contributions and Gifts	23,564	0	0	23,564
Total Other Local Revenues	<u>\$ 97,979</u>	<u>\$ 0</u>	<u>\$ 5,197</u>	<u>\$ 103,176</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 19,282	\$ 0	\$ 0	\$ 19,282
<u>State Education Funds</u>				
Basic Education Program	7,640,235	0	0	7,640,235
Early Childhood Education	105,947	0	0	105,947
School Food Service	0	0	7,703	7,703
Other State Education Funds	383,362	0	0	383,362
Career Ladder Program	24,737	0	0	24,737

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Other State Grants	\$ 58,881	\$ 0	\$ 0	\$ 58,881
Total State of Tennessee	<u>\$ 8,232,444</u>	<u>\$ 0</u>	<u>\$ 7,703</u>	<u>\$ 8,240,147</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 471,905	\$ 471,905
USDA - Commodities	0	0	40,751	40,751
Breakfast	0	0	321,773	321,773
USDA - Other	0	0	9,224	9,224
Vocational Education - Basic Grants to States	0	23,550	0	23,550
Title I Grants to Local Education Agencies	0	271,132	0	271,132
Special Education - Grants to States	74,445	305,820	0	380,265
Special Education Preschool Grants	0	1,127	0	1,127
Rural Education	0	22,029	0	22,029
Eisenhower Professional Development State Grants	0	54,738	0	54,738
Other Federal through State	0	40,097	0	40,097
Total Federal Government	<u>\$ 74,445</u>	<u>\$ 718,493</u>	<u>\$ 843,653</u>	<u>\$ 1,636,591</u>
Total	<u>\$ 10,924,392</u>	<u>\$ 718,493</u>	<u>\$ 904,729</u>	<u>\$ 12,547,614</u>

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	31,095	
Other Per Diem and Fees		18,120	
Social Security		3,049	
Employer Medicare		713	
Audit Services		2,991	
Dues and Memberships		1,000	
Legal Notices, Recording, and Court Costs		89	
Printing, Stationery, and Forms		375	
Travel		1,457	
In Service/Staff Development		3,400	
Other Charges		72	
Total County Commission			\$ 62,361

Beer Board

Board and Committee Members Fees	\$	480	
Social Security		14	
Employer Medicare		3	
Legal Notices, Recording, and Court Costs		109	
Total Beer Board			606

County Mayor/Executive

County Official/Administrative Officer	\$	76,886	
Assistant(s)		37,395	
Clerical Personnel		63,541	
Part-time Personnel		18,071	
Overtime Pay		5,920	
Social Security		10,671	
Pensions		6,673	
Medical Insurance		12,912	
Employer Medicare		2,496	
Communication		228	
Data Processing Services		16,442	
Dues and Memberships		1,200	
Legal Notices, Recording, and Court Costs		218	
Printing, Stationery, and Forms		2,197	
Travel		1,141	
Office Supplies		1,655	
In Service/Staff Development		875	
Office Equipment		660	
Total County Mayor/Executive			259,181

County Attorney

County Official/Administrative Officer	\$	22,997	
Total County Attorney			22,997

Election Commission

County Official/Administrative Officer	\$	59,912	
--	----	--------	--

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Deputy(ies)	\$	4,791	
Election Commission		6,825	
Election Workers		8,675	
Social Security		4,408	
Pensions		2,996	
Employer Medicare		1,031	
Data Processing Services		2,520	
Dues and Memberships		350	
Evaluation and Testing		213	
Legal Notices, Recording, and Court Costs		3,927	
Maintenance and Repair Services - Equipment		15,054	
Postal Charges		281	
Printing, Stationery, and Forms		923	
Travel		533	
Office Supplies		783	
Premiums on Corporate Surety Bonds		12	
In Service/Staff Development		1,065	
Other Charges		385	
Total Election Commission			\$ 114,684

Register of Deeds

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		7,858	
Social Security		4,610	
Pensions		3,328	
Medical Insurance		5,718	
Employer Medicare		1,078	
Data Processing Services		3,258	
Dues and Memberships		566	
Evaluation and Testing		54	
Printing, Stationery, and Forms		569	
Office Supplies		1,231	
Furniture and Fixtures		3,200	
Office Equipment		186	
Total Register of Deeds			98,225

Planning

County Official/Administrative Officer	\$	54,501	
Overtime Pay		3,162	
Board and Committee Members Fees		1,590	
Social Security		3,571	
Pensions		1,887	
Employer Medicare		835	
Advertising		201	
Communication		251	
Dues and Memberships		280	
Evaluation and Testing		83	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Legal Notices, Recording, and Court Costs	\$	317	
Printing, Stationery, and Forms		55	
Travel		1,865	
Other Contracted Services		11,617	
Gasoline		335	
Library Books/Media		248	
Office Supplies		174	
Periodicals		35	
In Service/Staff Development		1,296	
Other Charges		828	
Furniture and Fixtures		300	
Motor Vehicles		24,191	
Office Equipment		858	
Total Planning			\$ 108,480

County Buildings

Attendants	\$	9,963	
Custodial Personnel		30,297	
Overtime Pay		665	
Social Security		2,342	
Pensions		1,642	
Medical Insurance		15,774	
Employer Medicare		548	
Communication		240	
Evaluation and Testing		116	
Maintenance and Repair Services - Buildings		15,822	
Maintenance and Repair Services - Equipment		2,921	
Pest Control		2,315	
Other Contracted Services		6,578	
Custodial Supplies		5,587	
Electricity		63,744	
Natural Gas		18,750	
Office Supplies		135	
Water and Sewer		5,885	
Other Charges		4,461	
Furniture and Fixtures		2,266	
Office Equipment		200	
Site Development		3,075	
Other Equipment		2,682	
Total County Buildings			196,008

Preservation of Records

Contributions	\$	143	
Office Supplies		181	
Other Supplies and Materials		642	
Total Preservation of Records			966

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		27,442	
Board and Committee Members Fees		800	
Social Security		5,649	
Pensions		4,701	
Medical Insurance		11,502	
Employer Medicare		1,321	
Dues and Memberships		1,000	
Legal Notices, Recording, and Court Costs		140	
Maintenance and Repair Services - Vehicles		110	
Printing, Stationery, and Forms		2,682	
Rentals		768	
Travel		656	
Other Contracted Services		3,125	
Gasoline		489	
Office Supplies		635	
In Service/Staff Development		135	
Office Equipment		3,000	
Total Property Assessor's Office			\$ 130,724

County Trustee's Office

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		27,581	
Overtime Pay		179	
Social Security		5,639	
Pensions		4,716	
Medical Insurance		11,502	
Employer Medicare		1,319	
Data Processing Services		8,554	
Dues and Memberships		591	
Printing, Stationery, and Forms		2,399	
Office Supplies		1,267	
In Service/Staff Development		100	
Total County Trustee's Office			130,416

County Clerk's Office

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		29,008	
Overtime Pay		84	
Social Security		5,728	
Pensions		3,959	
Medical Insurance		11,030	
Employer Medicare		1,339	
Data Processing Services		4,058	
Dues and Memberships		571	
Evaluation and Testing		54	
Printing, Stationery, and Forms		320	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Office Supplies	\$	1,433	
Premiums on Corporate Surety Bonds		62	
In Service/Staff Development		100	
Total County Clerk's Office			\$ 124,315

Data Processing

Communication	\$	39,109	
Internet Connectivity		26,265	
Other Contracted Services		12,123	
Communication Equipment		1,147	
Other Equipment		384	
Total Data Processing			79,028

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		65,492	
Overtime Pay		286	
Jury and Witness Expense		3,633	
Social Security		9,243	
Pensions		6,514	
Medical Insurance		17,220	
Employer Medicare		2,162	
Data Processing Services		6,781	
Evaluation and Testing		54	
Legal Notices, Recording, and Court Costs		121	
Printing, Stationery, and Forms		4,617	
Office Supplies		1,091	
Periodicals		301	
Office Equipment		2,928	
Total Circuit Court			187,012

General Sessions Court

Judge(s)	\$	71,157	
Social Security		4,249	
Pensions		3,558	
Medical Insurance		5,784	
Employer Medicare		994	
Legal Services		6,360	
Uniforms		363	
Total General Sessions Court			92,465

Chancery Court

County Official/Administrative Officer	\$	66,569	
Deputy(ies)		15,704	
Social Security		4,974	
Pensions		3,329	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Medical Insurance	\$	7,708	
Employer Medicare		1,163	
Data Processing Services		5,887	
Dues and Memberships		200	
Evaluation and Testing		54	
Legal Notices, Recording, and Court Costs		644	
Office Supplies		401	
Periodicals		413	
In Service/Staff Development		100	
Total Chancery Court			\$ 107,146

Judicial Commissioners

Social Security	\$	1,539	
Employer Medicare		360	
Communication		398	
Travel		2,307	
Other Contracted Services		24,829	
Total Judicial Commissioners			29,433

Courtroom Security

Deputy(ies)	\$	74,891	
Overtime Pay		2,170	
Social Security		4,761	
Pensions		2,687	
Medical Insurance		5,718	
Employer Medicare		1,114	
Evaluation and Testing		491	
Uniforms		850	
In Service/Staff Development		200	
Law Enforcement Equipment		130	
Total Courtroom Security			93,012

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	73,226	
Deputy(ies)		530,231	
Salary Supplements		8,400	
Dispatchers/Radio Operators		120,388	
School Resource Officer		71,992	
Overtime Pay		52,444	
Social Security		50,471	
Pensions		44,821	
Medical Insurance		93,298	
Employer Medicare		11,804	
Communication		3,512	
Data Processing Services		438	
Dues and Memberships		2,425	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Evaluation and Testing	\$	2,404	
Legal Notices, Recording, and Court Costs		67	
Maintenance Agreements		2,220	
Maintenance and Repair Services - Buildings		2,218	
Maintenance and Repair Services - Equipment		7,749	
Maintenance and Repair Services - Vehicles		33,685	
Medical and Dental Services		300	
Pest Control		295	
Postal Charges		675	
Printing, Stationery, and Forms		1,834	
Rentals		13,335	
Towing Services		815	
Travel		2,300	
Custodial Supplies		1,737	
Electricity		11,439	
Gasoline		37,085	
Law Enforcement Supplies		8,904	
Natural Gas		3,872	
Office Supplies		3,370	
Periodicals		204	
Uniforms		4,325	
Water and Sewer		963	
In Service/Staff Development		7,835	
Other Charges		1,299	
Law Enforcement Equipment		11,044	
Motor Vehicles		41,175	
Office Equipment		1,158	
Other Equipment		630	
Total Sheriff's Department			\$ 1,266,387

Drug Enforcement

Assistant(s)	\$	1,200	
Deputy(ies)		51,011	
Overtime Pay		446	
Social Security		3,108	
Pensions		2,513	
Medical Insurance		5,718	
Employer Medicare		727	
Gasoline		1,582	
Total Drug Enforcement			66,305

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	50	
Other Equipment		1,261	
Total Administration of the Sexual Offender Registry			1,311

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail

Guards	\$	519,627	
Cafeteria Personnel		63,592	
Overtime Pay		8,121	
Social Security		35,832	
Pensions		20,464	
Medical Insurance		86,194	
Employer Medicare		8,380	
Communication		85	
Data Processing Services		11,327	
Dues and Memberships		100	
Evaluation and Testing		5,850	
Legal Notices, Recording, and Court Costs		150	
Maintenance and Repair Services - Buildings		19,067	
Maintenance and Repair Services - Equipment		3,337	
Medical and Dental Services		131,466	
Pest Control		295	
Postal Charges		1,170	
Printing, Stationery, and Forms		1,011	
Rentals		24	
Travel		1,733	
Custodial Supplies		12,455	
Electricity		13,925	
Food Supplies		51,325	
Law Enforcement Supplies		233	
Natural Gas		5,000	
Office Supplies		676	
Prisoners Clothing		1,269	
Uniforms		2,456	
Water and Sewer		7,882	
Other Supplies and Materials		1,041	
In Service/Staff Development		600	
Other Charges		125	
Office Equipment		359	
Other Equipment		3,047	
Total Jail			\$ 1,018,218

Workhouse

Guards	\$	45,909
Overtime Pay		174
Social Security		2,839
Pensions		2,022
Medical Insurance		10,474
Employer Medicare		664
Evaluation and Testing		225
Maintenance and Repair Services - Equipment		886
Maintenance and Repair Services - Vehicles		2,120
Custodial Supplies		49

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Gasoline	\$	2,563	
Natural Gas		51	
Uniforms		1,373	
Other Supplies and Materials		1,077	
Other Equipment		589	
Total Workhouse			\$ 71,015

Juvenile Services

Other Salaries and Wages	\$	33,163	
Social Security		1,504	
Pensions		1,658	
Medical Insurance		5,784	
Employer Medicare		352	
Office Supplies		136	
Other Charges		175	
Total Juvenile Services			42,772

Fire Prevention and Control

Contributions	\$	34,600	
Evaluation and Testing		1,095	
Maintenance and Repair Services - Buildings		210	
Maintenance and Repair Services - Equipment		3,328	
Maintenance and Repair Services - Vehicles		195	
Pest Control		360	
Custodial Supplies		234	
Electricity		1,888	
Gasoline		891	
Natural Gas		1,941	
Office Supplies		537	
Water and Sewer		617	
Other Supplies and Materials		28	
Workers' Compensation Insurance		2,518	
In Service/Staff Development		4,764	
Other Charges		160	
Other Equipment		3,382	
Total Fire Prevention and Control			56,748

Rescue Squad

Other Per Diem and Fees	\$	24,810	
Advertising		105	
Contributions		459	
Evaluation and Testing		600	
Maintenance and Repair Services - Buildings		554	
Maintenance and Repair Services - Equipment		2,512	
Maintenance and Repair Services - Vehicles		1,562	
Towing Services		345	
Travel		610	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Custodial Supplies	\$	63	
Electricity		1,099	
Gasoline		1,390	
Natural Gas		1,239	
Uniforms		2,717	
In Service/Staff Development		1,450	
Other Charges		280	
Communication Equipment		2,852	
Office Equipment		268	
Site Development		1,654	
Other Equipment		2,013	
Total Rescue Squad			\$ 46,582

Other Emergency Management

Supervisor/Director	\$	62,130	
Deputy(ies)		17,350	
Social Security		4,850	
Pensions		3,106	
Employer Medicare		1,134	
Communication		499	
Travel		244	
Uniforms		456	
Communication Equipment		351	
Other Equipment		4,358	
Total Other Emergency Management			94,478

Inspection and Regulation

Drugs and Medical Supplies	\$	273	
Total Inspection and Regulation			273

County Coroner/Medical Examiner

Other Contracted Services	\$	35,645	
Other Charges		1,400	
Total County Coroner/Medical Examiner			37,045

Public Health and Welfare

Local Health Center

Communication	\$	724	
Contributions		6,502	
Dues and Memberships		412	
Maintenance and Repair Services - Buildings		7,688	
Maintenance and Repair Services - Equipment		885	
Pest Control		290	
Postal Charges		268	
Custodial Supplies		91	
Electricity		4,332	
Natural Gas		1,952	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	350	
Periodicals		35	
Water and Sewer		450	
Premiums on Corporate Surety Bonds		40	
Total Local Health Center			\$ 24,019

Rabies and Animal Control

Attendants	\$	20,678	
Overtime Pay		410	
Social Security		1,307	
Pensions		421	
Medical Insurance		5,246	
Employer Medicare		306	
Communication		84	
Evaluation and Testing		358	
Maintenance and Repair Services - Buildings		1,886	
Pest Control		25	
Travel		205	
Veterinary Services		4,720	
Animal Food and Supplies		400	
Custodial Supplies		175	
Electricity		1,544	
Water and Sewer		462	
Other Supplies and Materials		1,721	
Refunds		25	
Site Development		300	
Total Rabies and Animal Control			40,273

Alcohol and Drug Programs

Social Security	\$	45	
Pensions		45	
Employer Medicare		10	
Drug Treatment		1,785	
Other Contracted Services		900	
Instructional Supplies and Materials		39	
Total Alcohol and Drug Programs			2,824

Other Local Health Services

Contracts with Government Agencies	\$	1,166	
Total Other Local Health Services			1,166

Sanitation Education/Information

Education Media Personnel	\$	15,038	
Guards		10,512	
Part-time Personnel		3,335	
Social Security		1,748	
Pensions		1,109	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Employer Medicare	\$	409	
Advertising		80	
Evaluation and Testing		150	
Travel		48	
Custodial Supplies		748	
Gasoline		1,044	
Other Supplies and Materials		7,077	
Total Sanitation Education/Information			\$ 41,298

Other Public Health and Welfare

Contributions	\$	9,500	
Total Other Public Health and Welfare			9,500

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	30,407	
Overtime Pay		86	
Social Security		1,874	
Pensions		1,525	
Employer Medicare		438	
Communication		221	
Contributions		50	
Evaluation and Testing		104	
Maintenance and Repair Services - Vehicles		215	
Travel		75	
Custodial Supplies		30	
Gasoline		809	
Office Supplies		490	
Other Supplies and Materials		2,603	
In Service/Staff Development		94	
Furniture and Fixtures		325	
Motor Vehicles		4,705	
Total Senior Citizens Assistance			44,051

Libraries

Assistant(s)	\$	40,539	
Librarians		33,197	
Social Security		4,347	
Pensions		3,687	
Medical Insurance		8,610	
Employer Medicare		1,017	
Contributions		2,119	
Data Processing Services		1,178	
Licenses		388	
Pest Control		285	
Printing, Stationery, and Forms		409	
Travel		435	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Contracted Services	\$	4,080	
Custodial Supplies		217	
Electricity		5,450	
Library Books/Media		6,923	
Natural Gas		3,497	
Office Supplies		810	
Water and Sewer		424	
Other Supplies and Materials		1,072	
In Service/Staff Development		70	
Total Libraries			\$ 118,754

Parks and Fair Boards

Supervisor/Director	\$	9,239	
Laborers		24,188	
Temporary Personnel		26,949	
Overtime Pay		2,630	
Social Security		3,885	
Pensions		872	
Medical Insurance		3,370	
Employer Medicare		909	
Advertising		254	
Dues and Memberships		1,230	
Evaluation and Testing		1,276	
Maintenance and Repair Services - Buildings		1,927	
Maintenance and Repair Services - Equipment		2,810	
Maintenance and Repair Services - Vehicles		828	
Custodial Supplies		1,775	
Electricity		11,855	
Fertilizer, Lime, and Seed		340	
Food Supplies		2,689	
Gasoline		1,705	
Office Supplies		48	
Uniforms		497	
Water and Sewer		1,860	
Chemicals		1,331	
Other Supplies and Materials		255	
In Service/Staff Development		1,730	
Motor Vehicles		53	
Site Development		748	
Other Equipment		915	
Total Parks and Fair Boards			106,168

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	15,083	
Secretary(ies)		10,695	
Social Security		1,894	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Pensions	\$	4,471	
Medical Insurance		722	
Contributions		3,875	
Dues and Memberships		90	
Office Supplies		2,167	
Workers' Compensation Insurance		12	
Other Charges		2	
Office Equipment		449	
Total Agricultural Extension Service			\$ 39,460

Soil Conservation

Contributions	\$	13,227	
Total Soil Conservation			13,227

Other Operations

Other Economic and Community Development

Advertising	\$	240	
In Service/Staff Development		745	
Total Other Economic and Community Development			985

Veterans' Services

Other Salaries and Wages	\$	12,048	
Social Security		747	
Employer Medicare		175	
Communication		605	
Data Processing Services		449	
Dues and Memberships		68	
Travel		1,228	
Office Supplies		624	
Office Equipment		151	
Total Veterans' Services			16,095

Other Charges

Dues and Memberships	\$	75	
Maintenance Agreements		15,573	
Postal Charges		12,599	
Rentals		16,797	
Electricity		606	
Fuel Oil		13,874	
Office Supplies		7	
Liability Insurance		78,402	
Trustee's Commission		74,709	
Workers' Compensation Insurance		58,893	
Other Charges		1,678	
Total Other Charges			273,213

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 51,053	
Total Contributions to Other Agencies		\$ 51,053

Employee Benefits

Unemployment Compensation	\$ 1,552	
Total Employee Benefits		1,552

Miscellaneous

Contributions	\$ 15,000	
Dues and Memberships	3,482	
Total Miscellaneous		<u>18,482</u>

Total General Fund		\$ 5,340,313
--------------------	--	--------------

Urban Services Fund

Public Safety

Sheriff's Department

Deputy(ies)	\$ 204,888	
Salary Supplements	1,800	
Dispatchers/Radio Operators	34,215	
Overtime Pay	15,009	
Social Security	15,867	
Pensions	23,323	
Medical Insurance	28,098	
Employer Medicare	3,711	
Maintenance Agreements	21,648	
Maintenance and Repair Services - Vehicles	5,981	
Gasoline	10,277	
Uniforms	994	
In Service/Staff Development	2,930	
Motor Vehicles	150	
Total Sheriff's Department		\$ 368,891

Fire Prevention and Control

Gasoline	\$ 275	
Other Charges	2,458	
Total Fire Prevention and Control		2,733

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$ 18,290	
Truck Drivers	68,564	
Laborers	63,148	
Overtime Pay	3,811	
Social Security	9,327	
Pensions	7,321	
Medical Insurance	19,148	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Employer Medicare	\$	2,181	
Evaluation and Testing		179	
Maintenance and Repair Services - Equipment		23	
Maintenance and Repair Services - Vehicles		14,865	
Disposal Fees		32,624	
Gasoline		15,538	
Motor Vehicles		18	
Total Waste Pickup			\$ 255,037

Social, Cultural, and Recreational Services

Parks and Fair Boards

Site Development	\$	3,872	
Total Parks and Fair Boards			3,872

Other Social, Cultural, and Recreational

Other Charges	\$	4,000	
Total Other Social, Cultural, and Recreational			4,000

Other Operations

Other Charges

Maintenance Personnel	\$	24,869	
Overtime Pay		309	
Social Security		1,561	
Pensions		1,259	
Medical Insurance		4,774	
Employer Medicare		365	
Electricity		56,653	
Liability Insurance		17,053	
Trustee's Commission		15,075	
Workers' Compensation Insurance		28,513	
Other Charges		4	
Site Development		435	
Total Other Charges			150,870

Employee Benefits

Pensions	\$	2,250	
Total Employee Benefits			2,250

Highways

Highway and Bridge Maintenance

Asphalt - Hot Mix	\$	20,499	
Total Highway and Bridge Maintenance			20,499

Principal on Debt

General Government

Principal on Notes	\$	30,000	
Total General Government			30,000

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 3,861	
Total General Government		\$ 3,861

Capital Projects

Highway and Street Capital Projects

Engineering Services	\$ 44,439	
Total Highway and Street Capital Projects		44,439

Total Urban Services Fund \$ 886,452

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Assistant(s)	\$ 30,077	
Supervisor/Director	18,112	
Truck Drivers	44,318	
Laborers	26,325	
Attendants	67,344	
Overtime Pay	9,768	
Social Security	12,062	
Pensions	14,788	
Medical Insurance	21,450	
Employer Medicare	2,821	
Communication	606	
Evaluation and Testing	1,224	
Legal Notices, Recording, and Court Costs	152	
Maintenance and Repair Services - Buildings	7,242	
Maintenance and Repair Services - Equipment	10,679	
Maintenance and Repair Services - Vehicles	43,806	
Pest Control	295	
Printing, Stationery, and Forms	235	
Custodial Supplies	60	
Electricity	4,018	
Gasoline	25,893	
Office Supplies	343	
Water and Sewer	626	
Other Supplies and Materials	1,017	
Motor Vehicles	6,537	
Site Development	18,525	
Solid Waste Equipment	8,072	
Total Convenience Centers		\$ 376,395

Recycling Center

Laborers	\$ 27,402
Overtime Pay	325
Social Security	1,719
Pensions	1,386

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Employer Medicare	\$	402	
Maintenance and Repair Services - Equipment		4,891	
Maintenance and Repair Services - Vehicles		209	
Electricity		1,878	
Gasoline		2,367	
Propane Gas		322	
Wire		1,506	
Other Supplies and Materials		44	
Total Recycling Center			\$ 42,451

Other Waste Disposal

Disposal Fees	\$	162,402	
Total Other Waste Disposal			162,402

Postclosure Care Costs

Consultants	\$	500	
Engineering Services		18,631	
Legal Notices, Recording, and Court Costs		287	
Landfill Closure/Postclosure Care Costs		1,550	
Total Postclosure Care Costs			20,968

Other Operations

Other Charges

Liability Insurance	\$	10,818	
Trustee's Commission		13,123	
Workers' Compensation Insurance		26,657	
Total Other Charges			50,598

Total Solid Waste/Sanitation Fund \$ 652,814

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	439,197	
Clerical Personnel		31,973	
Overtime Pay		240,643	
Social Security		43,280	
Pensions		30,471	
Medical Insurance		65,124	
Employer Medicare		10,122	
Bank Charges		807	
Communication		7,861	
Contracts with Private Agencies		6,445	
Dues and Memberships		315	
Evaluation and Testing		566	
Licenses		1,500	
Maintenance and Repair Services - Buildings		5,791	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Maintenance and Repair Services - Equipment	\$	2,798	
Maintenance and Repair Services - Vehicles		12,512	
Pest Control		480	
Postal Charges		789	
Printing, Stationery, and Forms		521	
Rentals		3,150	
Towing Services		85	
Travel		416	
Custodial Supplies		905	
Drugs and Medical Supplies		21,183	
Electricity		5,799	
Gasoline		13,594	
Natural Gas		3,180	
Office Supplies		1,123	
Uniforms		4,464	
Water and Sewer		1,190	
Other Supplies and Materials		40	
Liability Insurance		13,790	
Trustee's Commission		16,719	
Workers' Compensation Insurance		36,702	
In Service/Staff Development		2,927	
Fines, Assessments, and Penalties		9,173	
Other Charges		335	
Furniture and Fixtures		462	
Motor Vehicles		26,914	
Office Equipment		2,127	
Other Equipment		100	
Total Ambulance/Emergency Medical Services			<u>\$ 1,065,573</u>

Total Ambulance Service Fund \$ 1,065,573

Special Purpose Fund

Public Safety

Other Public Safety

Contracts with Private Agencies	\$	55,192,622	
Total Other Public Safety			<u>\$ 55,192,622</u>

Total Special Purpose Fund 55,192,622

Drug Control Fund

Public Safety

Drug Enforcement

Judgments	\$	1,711	
Trustee's Commission		98	
Law Enforcement Equipment		120	
Total Drug Enforcement			<u>\$ 1,929</u>

Total Drug Control Fund 1,929

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	73,226	
Assistant(s)		41,308	
Clerical Personnel		9,060	
Overtime Pay		1,791	
Other Salaries and Wages		2,201	
Board and Committee Members Fees		1,200	
In-service Training		750	
Social Security		7,397	
Pensions		5,872	
Employer Medicare		1,730	
Communication		3,646	
Data Processing Services		16,320	
Dues and Memberships		2,188	
Legal Notices, Recording, and Court Costs		124	
Maintenance and Repair Services - Buildings		464	
Maintenance and Repair Services - Office Equipment		250	
Pest Control		130	
Postal Charges		598	
Printing, Stationery, and Forms		668	
Travel		684	
Custodial Supplies		386	
Data Processing Supplies		2,025	
Drugs and Medical Supplies		890	
Electricity		3,879	
Natural Gas		2,637	
Office Supplies		1,033	
Water and Sewer		1,606	
Other Charges		491	
Office Equipment		498	
Total Administration			\$ 183,052

Highway and Bridge Maintenance

Foremen	\$	129,336
Equipment Operators		65,120
Truck Drivers		220,636
Laborers		31,171
Overtime Pay		7,893
Social Security		27,965
Pensions		18,272
Employer Medicare		6,540
Asphalt - Cold Mix		615
Asphalt - Hot Mix		462,024
Asphalt - Liquid		6,350
Concrete		827
Crushed Stone		45,435
Electricity		423
General Construction Materials		152

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Road Materials	\$	393	
Pipe		10,941	
Propane Gas		59	
Road Signs		2,674	
Small Tools		294	
Chemicals		1,363	
Other Supplies and Materials		658	
Other Charges		2,650	
Total Highway and Bridge Maintenance			\$ 1,041,791

Operation and Maintenance of Equipment

Mechanic(s)	\$	36,743	
Overtime Pay		1,166	
Social Security		2,336	
Pensions		1,887	
Employer Medicare		546	
Maintenance and Repair Services - Equipment		9,180	
Maintenance and Repair Services - Vehicles		384	
Diesel Fuel		34,197	
Equipment and Machinery Parts		52,430	
Garage Supplies		2,050	
Gasoline		34,954	
Lubricants		8,980	
Small Tools		2,791	
Tires and Tubes		5,413	
Other Supplies and Materials		871	
Total Operation and Maintenance of Equipment			193,928

Other Charges

Evaluation and Testing	\$	900	
Other Contracted Services		4,956	
Trustee's Commission		19,264	
Vehicle and Equipment Insurance		17,354	
Workers' Compensation Insurance		16,270	
Liability Claims		1,907	
Other Charges		1,035	
Total Other Charges			61,686

Employee Benefits

Medical Insurance	\$	68,682	
Unemployment Compensation		4,919	
Total Employee Benefits			73,601

Capital Outlay

Engineering Services	\$	29,444	
Bridge Construction		182,273	
Building Improvements		29,739	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Communication Equipment	\$	2,300	
Data Processing Equipment		1,240	
Highway Equipment		130,882	
Motor Vehicles		176,834	
State Aid Projects		240,878	
Other Equipment		7,970	
Other Construction		42,557	
Total Capital Outlay			<u>\$ 844,117</u>

Total Highway/Public Works Fund \$ 2,398,175

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	157,000	
Principal on Other Loans		73,000	
Total General Government			\$ 230,000

Education

Principal on Other Loans	\$	375,621	
Total Education			375,621

Interest on Debt

General Government

Interest on Notes	\$	20,692	
Interest on Other Loans		43,536	
Total General Government			64,228

Education

Interest on Other Loans	\$	200,710	
Total Education			200,710

Other Debt Service

General Government

Trustee's Commission	\$	10,009	
Other Debt Service		4,110	
Total General Government			14,119

Education

Other Debt Service	\$	7,416	
Total Education			<u>7,416</u>

Total General Debt Service Fund 892,094

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>Education Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Other Loans	\$ 547,000	
Total Education		\$ 547,000
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Other Loans	\$ 37,202	
Total Education		37,202
 <u>Other Debt Service</u>		
<u>Education</u>		
Trustee's Commission	\$ 3,699	
Other Debt Service	15,638	
Total Education		<u>19,337</u>
 Total Education Debt Service Fund		 \$ 603,539
 <u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Administration of Justice Projects</u>		
Concrete	\$ 2,483	
Total Administration of Justice Projects		<u>\$ 2,483</u>
 Total General Capital Projects Fund		 <u>2,483</u>
 Total Governmental Funds - Primary Government		 <u>\$ 67,035,994</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,925,056	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		1,019	
Homebound Teachers		3,088	
Educational Incentive - Other County Employees		314,668	
Other Salaries and Wages		871	
Certified Substitute Teachers		55,279	
Non-certified Substitute Teachers		31,409	
Social Security		198,116	
Pensions		297,042	
Medical Insurance		519,570	
Unemployment Compensation		2,771	
Employer Medicare		46,572	
Retirement - Hybrid Stabilization		3	
Travel		916	
Tuition		265	
Instructional Supplies and Materials		131,986	
Textbooks - Bound		63,877	
Software		800	
Regular Instruction Equipment		51,000	
Total Regular Instruction Program			\$ 4,650,308

Alternative Instruction Program

Teachers	\$	48,240	
Educational Assistants		30,100	
Educational Incentive - Other County Employees		2,403	
Social Security		4,856	
Pensions		4,105	
Medical Insurance		10,010	
Unemployment Compensation		55	
Employer Medicare		1,136	
Total Alternative Instruction Program			100,905

Special Education Program

Teachers	\$	470,911	
Career Ladder Program		4,000	
Educational Assistants		42,890	
Speech Pathologist		50,892	
Educational Incentive - Other County Employees		71,138	
Social Security		37,509	
Pensions		62,310	
Medical Insurance		104,841	
Unemployment Compensation		660	
Employer Medicare		8,772	
Contracts with Private Agencies		81,857	
Total Special Education Program			935,780

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	150,916	
Career Ladder Program		1,000	
Educational Incentive - Other County Employees		7,001	
Social Security		9,446	
Pensions		16,623	
Medical Insurance		28,804	
Unemployment Compensation		83	
Employer Medicare		2,209	
Other Contracted Services		106,000	
Instructional Supplies and Materials		12,267	
Textbooks - Bound		7,823	
Vocational Instruction Equipment		1,839	
Total Career and Technical Education Program			\$ 344,011

Support Services

Attendance

Supervisor/Director	\$	6,360	
Clerical Personnel		4,240	
Social Security		601	
Pensions		530	
Employer Medicare		141	
Other Contracted Services		14,917	
In Service/Staff Development		731	
Other Charges		30	
Total Attendance			27,550

Health Services

Supervisor/Director	\$	52,743	
Medical Personnel		108,481	
Clerical Personnel		17,549	
Non-certified Substitute Teachers		540	
Social Security		10,408	
Pensions		11,494	
Medical Insurance		29,775	
Unemployment Compensation		110	
Employer Medicare		2,434	
Travel		1,454	
Other Contracted Services		4,850	
Drugs and Medical Supplies		368	
Instructional Supplies and Materials		1,225	
Other Supplies and Materials		4,931	
In Service/Staff Development		1,091	
Other Charges		886	
Health Equipment		3,807	
Total Health Services			252,146

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	97,070	
Clerical Personnel		17,465	
Educational Incentive - Other County Employees		5,221	
Other Salaries and Wages		6,127	
Social Security		6,884	
Pensions		11,089	
Medical Insurance		37,100	
Unemployment Compensation		55	
Employer Medicare		1,610	
Contracts with Government Agencies		79,767	
Other Contracted Services		9,265	
Other Charges		735	
Total Other Student Support			\$ 272,388

Regular Instruction Program

Supervisor/Director	\$	122,224	
Career Ladder Program		2,000	
Librarians		114,991	
Educational Incentive - Other County Employees		11,238	
Social Security		8,198	
Pensions		10,425	
Medical Insurance		21,569	
Unemployment Compensation		193	
Employer Medicare		3,527	
Travel		92	
Library Books/Media		18,777	
In Service/Staff Development		56,867	
Total Regular Instruction Program			370,101

Special Education Program

Supervisor/Director	\$	36,488	
Career Ladder Program		1,000	
Psychological Personnel		36,488	
Educational Incentive - Other County Employees		2,778	
Social Security		4,723	
Pensions		8,029	
Unemployment Compensation		28	
Employer Medicare		1,105	
Travel		30	
In Service/Staff Development		905	
Total Special Education Program			91,574

Career and Technical Education Program

Supervisor/Director	\$	27,586	
Social Security		1,705	
Pensions		2,885	
Employer Medicare		399	
Total Career and Technical Education Program			32,575

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Instructional Computer Personnel	\$	58,952	
Social Security		3,322	
Pensions		2,947	
Medical Insurance		12,415	
Unemployment Compensation		27	
Employer Medicare		777	
Internet Connectivity		8,340	
Cabling		839	
Software		10,456	
Regular Instruction Equipment		60,744	
Total Technology	\$		158,819

Other Programs

On-behalf Payments to OPEB	\$	19,282	
Total Other Programs			19,282

Board of Education

Secretary to Board	\$	1,740	
Board and Committee Members Fees		9,525	
Social Security		618	
Pensions		182	
Unemployment Compensation		21	
Employer Medicare		162	
Advertising		2,098	
Dues and Memberships		9,432	
Legal Services		7,263	
Travel		405	
Other Contracted Services		4,905	
Office Supplies		1,308	
Trustee's Commission		54,165	
Workers' Compensation Insurance		55,445	
Refund to Applicant for Criminal Investigation		3,708	
Other Charges		8,372	
Total Board of Education			159,349

Director of Schools

County Official/Administrative Officer	\$	95,000	
Career Ladder Program		1,000	
Salary Supplements		5,210	
Secretary(ies)		21,695	
Social Security		7,177	
Pensions		11,671	
Medical Insurance		20,199	
Unemployment Compensation		55	
Employer Medicare		1,678	
Communication		36,952	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	611	
Other Contracted Services		9,195	
Office Supplies		562	
In Service/Staff Development		1,680	
Other Charges		70	
Administration Equipment		773	
Total Director of Schools			\$ 213,528

Office of the Principal

Principals	\$	247,000	
Career Ladder Program		2,000	
Accountants/Bookkeepers		110,012	
Assistant Principals		204,250	
Secretary(ies)		22,117	
Educational Incentive - Other County Employees		31,500	
Social Security		35,210	
Pensions		56,083	
Medical Insurance		106,428	
Unemployment Compensation		358	
Employer Medicare		8,235	
Other Supplies and Materials		9,798	
Administration Equipment		1,669	
Total Office of the Principal			834,660

Fiscal Services

Accountants/Bookkeepers	\$	88,759	
Social Security		5,397	
Pensions		4,438	
Unemployment Compensation		55	
Employer Medicare		1,262	
Postal Charges		2,127	
Travel		540	
Other Contracted Services		19,718	
Office Supplies		2,289	
Other Charges		100	
Administration Equipment		13,518	
Total Fiscal Services			138,203

Operation of Plant

Custodial Personnel	\$	160,968	
Social Security		9,438	
Pensions		6,606	
Medical Insurance		26,643	
Unemployment Compensation		248	
Employer Medicare		2,207	
Disposal Fees		33,810	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Contracted Services	\$	3,055	
Custodial Supplies		37,778	
Electricity		299,260	
Natural Gas		61,866	
Water and Sewer		19,819	
Building and Contents Insurance		99,829	
Total Operation of Plant			\$ 761,527

Maintenance of Plant

Supervisor/Director	\$	62,858	
Social Security		3,662	
Pensions		3,143	
Medical Insurance		13,464	
Unemployment Compensation		55	
Employer Medicare		856	
Maintenance and Repair Services - Buildings		80,816	
Other Contracted Services		22,718	
Other Supplies and Materials		5,161	
Other Charges		41	
Total Maintenance of Plant			192,774

Transportation

Supervisor/Director	\$	42,613	
Mechanic(s)		36,648	
Bus Drivers		215,276	
Other Salaries and Wages		24,652	
Social Security		15,614	
Pensions		11,937	
Medical Insurance		13,700	
Unemployment Compensation		413	
Employer Medicare		4,510	
Contracts with Parents		6,597	
Maintenance and Repair Services - Vehicles		10,787	
Other Contracted Services		1,125	
Diesel Fuel		50,525	
Gasoline		10,129	
Lubricants		2,393	
Tires and Tubes		11,599	
Vehicle Parts		11,412	
In Service/Staff Development		875	
Other Charges		5,860	
Transportation Equipment		70,632	
Total Transportation			547,297

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	12,025	
Teachers		38,593	
Clerical Personnel		7,416	
Educational Assistants		39,232	
Other Salaries and Wages		7,690	
Social Security		6,503	
Pensions		8,096	
Unemployment Compensation		138	
Employer Medicare		1,521	
Other Contracted Services		4,495	
Instructional Supplies and Materials		1,306	
Other Supplies and Materials		2,289	
Total Community Services			\$ 129,304

Early Childhood Education

Supervisor/Director	\$	8,000	
Teachers		38,030	
Educational Assistants		13,626	
Certified Substitute Teachers		2,480	
Non-certified Substitute Teachers		870	
Social Security		3,600	
Pensions		5,198	
Medical Insurance		9,110	
Unemployment Compensation		55	
Employer Medicare		843	
Food Supplies		432	
Instructional Supplies and Materials		10,712	
Other Supplies and Materials		924	
In Service/Staff Development		799	
Regular Instruction Equipment		9,656	
Other Equipment		1,613	
Total Early Childhood Education			105,948

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	62,337	
Building Improvements		653,069	
Furniture and Fixtures		24,399	
Other Capital Outlay		11,000	
Total Regular Capital Outlay			750,805

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	334,150	
Total Education			334,150

Total General Purpose School Fund \$ 11,422,984

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	109,479	
Educational Assistants		65,833	
Non-certified Substitute Teachers		600	
Social Security		10,387	
Pensions		12,259	
Medical Insurance		35,607	
Employer Medicare		2,429	
Instructional Supplies and Materials		35,248	
Other Charges		815	
Regular Instruction Equipment		2,182	
Total Regular Instruction Program	\$		274,839

Special Education Program

Teachers	\$	97,456	
Homebound Teachers		100	
Educational Assistants		99,044	
Social Security		11,148	
Pensions		12,814	
Medical Insurance		45,265	
Employer Medicare		2,607	
Instructional Supplies and Materials		2,888	
Other Supplies and Materials		336	
Special Education Equipment		9,306	
Total Special Education Program			280,964

Career and Technical Education Program

Instructional Supplies and Materials	\$	3,744	
Other Supplies and Materials		1,800	
Vocational Instruction Equipment		12,497	
Total Career and Technical Education Program			18,041

Support Services

Other Student Support

Other Salaries and Wages	\$	600	
Social Security		37	
Pensions		63	
Employer Medicare		9	
Travel		4,126	
In Service/Staff Development		424	
Total Other Student Support			5,259

Regular Instruction Program

Supervisor/Director	\$	51,964	
Social Security		3,181	
Pensions		5,438	
Employer Medicare		744	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In Service/Staff Development	\$ 44,826	
Other Charges	5,539	
Total Regular Instruction Program		\$ 111,692

Special Education Program

Assessment Personnel	\$ 14,000	
Social Security	868	
Pensions	1,464	
Employer Medicare	203	
Other Supplies and Materials	2,975	
In Service/Staff Development	6,330	
Total Special Education Program		25,840

Career and Technical Education Program

In Service/Staff Development	\$ 251	
Total Career and Technical Education Program		251

Transportation

Bus Drivers	\$ 1,300	
Social Security	81	
Pensions	65	
Employer Medicare	19	
Tires and Tubes	142	
Total Transportation		1,607

Total School Federal Projects Fund \$ 718,493

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 16,485
Accountants/Bookkeepers	6,360
Materials Supervisor	14,720
Clerical Personnel	73,600
Cafeteria Personnel	191,899
Other Salaries and Wages	4,009
Social Security	18,258
Pensions	14,160
Medical Insurance	51,126
Employer Medicare	4,270
Maintenance and Repair Services - Equipment	5,475
Postal Charges	25
Other Contracted Services	21,431
Food Supplies	426,244
Office Supplies	465
USDA - Commodities	40,751

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Other Supplies and Materials	\$	31,841
In Service/Staff Development		585
Other Charges		500
Administration Equipment		635
Food Service Equipment		10,098
Total Food Service		<u>932,937</u>
	\$	<u>932,937</u>
Total Central Cafeteria Fund		<u>\$ 932,937</u>
Total Governmental Funds - Hartsville/Trousdale County School Department		<u><u>\$ 13,074,414</u></u>

Exhibit J-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2019

	Major Fund
	<u>Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Other General Service Charges	\$ 481,530
Water Sales	1,991,730
Water Tap Sales	186,750
Service Charges	87,690
Total Charges for Current Services	<u>\$ 2,747,700</u>
<u>Other Local Revenues</u>	
Lease/Rentals	\$ 7,200
Total Other Local Revenues	<u>\$ 7,200</u>
Total Operating Revenues	<u>\$ 2,754,900</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 37,842
Community Development	99,657
Other Direct Federal Revenue	348,510
Donations	242,861
Insurance Recovery	5,856
Total Nonoperating Revenues	<u>\$ 734,726</u>
Total Revenues	<u>\$ 3,489,626</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Public Health and Welfare</u>	
Supervisor/Director	\$ 69,033
Clerical Personnel	121,536
Overtime Pay	68,296
Bonus Payments	12,650
Other Salaries and Wages	429,638
Board and Committee Members Fees	2,050
In-service Training	3,136
Social Security	50,265
Pensions	22,291

(Continued)

Exhibit J-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Major Fund
	<u>Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>Operating Expenses (Cont.)</u>	
<u>Other Public Health and Welfare</u>	
Medical Insurance	\$ 63,005
Communication	44,062
Data Processing Services	34,111
Dues and Memberships	2,248
Legal Notices, Recording, and Court Costs	639
Maintenance and Repair Services - Buildings	9,648
Maintenance and Repair Services - Equipment	153,481
Maintenance and Repair Services - Office Equipment	88
Maintenance and Repair Services - Vehicles	13,722
Postal Charges	13,882
Travel	17
Disposal Fees	6,786
Permits	10,790
Other Contracted Services	11,786
Electricity	288,319
Gasoline	27,053
Natural Gas	5,406
Office Supplies	4,577
Tires and Tubes	4,477
Testing	26,813
Chemicals	128,909
Other Supplies and Materials	250,672
Liability Insurance	83,180
Depreciation	620,643
Other Charges	63,967
Office Equipment	12,125
Total Operating Expenses	<u>\$ 2,659,301</u>
<u>Nonoperating Expenses</u>	
Interest on Bonds	\$ 114,644
Total Nonoperating Expenses	<u>\$ 114,644</u>
Total Expenses	<u>\$ 2,773,945</u>

STATUTORY SECTION

This part of Hartsville/Trousdale County Government's annual financial report presents detailed information required by state statute for the Hartsville/Trousdale County Government Water and Sewer Department. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-2	216-218

Source: Hartsville/Trousdale County Government Water and Sewer Department Management.

Table 1

Hartsville/Trousdale County Government, Tennessee
Schedule of Utility Rates
Water and Sewer Department
June 30, 2019

Utility Rates in Effect

Water Inside Town:

First 2,000 gallons	\$ 16.63	per month
All over 2,000 gallons	5.42	per 1,000 gallons

Water Outside Town-Rural:

First 2,000 gallons	\$ 27.94	per month
All over 2,000 gallons	8.73	per 1,000 gallons

Number of Customers	3,041
---------------------	-------

Table 2

Hartsville/Trousdale County Government, Tennessee
Schedule of Unaccounted for Water
Water and Sewer Department
June 30, 2019

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association
Copyright © 2014, All Rights Reserved.

Water Audit Report for: Hartsville Trousdale Water & Sewer Utility (0000291)
 Reporting Year: 2019 7/2018 - 6/2019

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

----- Enter grading in column 'E' and 'J' ----->

WATER SUPPLIED

Volume from own sources:	+ ?	8	418.200	MG/Yr
Water imported:	+ ?	10	0.000	MG/Yr
Water exported:	+ ?	9	40.522	MG/Yr
WATER SUPPLIED:			366.678	MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	8	223.702	MG/Yr
Billed unmetered:	+ ?	10	40.552	MG/Yr
Unbilled metered:	+ ?	9	3.679	MG/Yr
Unbilled unmetered:	+ ?	8	4.583	MG/Yr
AUTHORIZED CONSUMPTION:			272.516	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

WATER LOSSES (Water Supplied - Authorized Consumption)

			94.161	MG/Yr
--	--	--	---------------	-------

Apparent Losses

Unauthorized consumption:	+ ?		0.917	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	+ ?	9	7.032	MG/Yr
Systematic data handling errors:	+ ?	8	0.559	MG/Yr
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed				
Apparent Losses:			8.508	MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	+ ?		85.653	MG/Yr
WATER LOSSES:			94.161	MG/Yr

NON-REVENUE WATER

			102.424	MG/Yr
--	--	--	----------------	-------

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	7	240.0	miles
Number of active AND inactive service connections:	+ ?	9	3,750	
Service connection density:	+ ?	8	16	conn./mile main

Are customer meters typically located at the curbstop or property line? No Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:	+ ?	7	75.0	psi
-----------------------------	-----	---	------	-----

COST DATA

Total annual cost of operating water system:	+ ?	8	\$2,806,382	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	8	\$7.65	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	8	\$1,077.03	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 80 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Unauthorized consumption
3: Systematic data handling errors

217

Table 2

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.
Water Audit Report for: Hartsville Trousdale Water & Sewer Utility (0000291)		
Reporting Year: 2019 7/2018 - 6/2019		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 80 out of 100 ***		
System Attributes:		
	Apparent Losses:	8.508 MG/Yr
	+ Real Losses:	85.653 MG/Yr
	= Water Losses:	94.161 MG/Yr
?	Unavoidable Annual Real Losses (UARL):	50.94 MG/Yr
	Annual cost of Apparent Losses:	\$65,089
	Annual cost of Real Losses:	\$92,251 Valued at Variable Production Cost
		Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	27.9%
	Non-revenue water as percent by cost of operating system:	5.9% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	6.22 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	977.77 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	85.65 million gallons/year
?	Infrastructure Leakage Index (ILI) [CARL/UARL]:	1.68
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

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

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the metropolitan government'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 metropolitan government's internal control. Accordingly, we do not express an opinion on the effectiveness of the metropolitan government'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 the 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a material weakness: 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government'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.

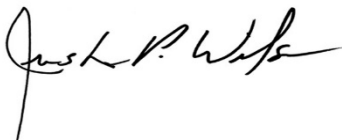
Hartsville/Trousdale County Government's Response to the Finding

The metropolitan government's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The metropolitan government'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 the metropolitan government'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

November 25, 2019

JPW/tg



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

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hartsville/Trousdale County Government'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 the metropolitan government's major federal programs for the year ended June 30, 2019. The metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government's compliance.

Opinion on Each Major Federal Program

In our opinion, the metropolitan government 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 the metropolitan government 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 the metropolitan government'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 the metropolitan government'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.

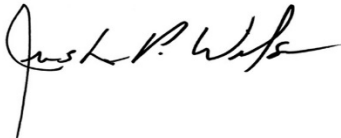
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated November 25, 2019, 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

November 25, 2019

JPW/tg

Hartsville/Trousdale County Government, Tennessee and the Discretely Presented Hartsville/Trousdale 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:			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 348,510
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	40,751 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	(3)	321,773
National School Lunch Program	10.555	(3)	471,905 (5)
After-school Snack	10.555	(3)	9,224 (5)
Total U.S. Department of Agriculture			<u>\$ 1,192,163</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(3)	<u>\$ 99,657</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 99,657</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	<u>\$ 8,429</u>
Total U.S. Department of the Interior			<u>\$ 8,429</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	<u>\$ 20,964</u>
Total U.S. Department of Justice			<u>\$ 20,964</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(3)	\$ 271,132
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	(3)	380,265
Special Education - Preschool Grants	84.173	(3)	1,127
Career and Technical Education - Basic Grants to States	84.048	(3)	23,550
Rural Education	84.358	(3)	22,029
Supporting Effective Instruction State Grants	84.367	(3)	54,738
Student Support and Academic Enrichment Program	84.424	(3)	889
Total U.S. Department of Education			<u>\$ 753,730</u>

(Continued)

Hartsville/Trousdale County Government, Tennessee and the Discretely Presented Hartsville/Trousdale 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 Greater Nashville Regional Council:			
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	(3)	\$ 4,000
Special Programs for the Aging Title III, Part B Aging Cluster: (4)			
Grants for Supportive Services and Senior Centers	93.044	(3)	12,550
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(3)	39,207
Total U.S. Department of Health and Human Services			\$ 55,757
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	34101-02919	\$ 5,000
Homeland Security Grant Program	97.067	(3)	1,833
Total U.S. Department of Homeland Security			\$ 6,833
Total Expenditures of Federal Awards			\$ 2,137,533

<u>State Grants</u>		<u>Contract Number</u>	Expenditures
Juvenile Services Program - State Department of Children's Services	N/A	(3)	\$ 9,000
Aging Programs - State Commission on Aging	N/A	(3)	12,550
Lottery for Education: Afterschool Programs - State Department of Education	N/A	(3)	92,507
Early Childhood Education - State Department of Education	N/A	(3)	105,947
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Law Enforcement Training - State Department of Safety	N/A	(3)	12,600
Animal Friendly Grant - State Department of Health	N/A	Z-18-160314	1,800
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(3)	2,000
Read to be Ready State Grant - State Department of Education	N/A	(3)	9,158
Safe Schools - State Department of Education	N/A	(3)	53,170
Litter Program - State Department of Transportation	N/A	Z-19-LIT085	43,825
Three Star Grant Program - State Department of Economic and Community Development	N/A	(3)	4,750
Healthy Students Stronger Learners Tennessee - State Department of Education	N/A	(3)	12,793
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	Z-19-194629	20,000
Tobacco Prevention and Cessation - State Department of Health	N/A	GG18-54426-00	1,350
Total State Grants			\$ 471,450

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) Hartsville/Trousdale County Government elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$843,653; Special Education Cluster (IDEA) total \$381,392;
Aging Cluster total \$12,550; CCDF Cluster total \$39,207.
- (5) Total for CFDA No. 10.555 is \$521,880.

Hartsville/Trousdale County Government, 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 Hartsville/Trousdale County Government, 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
<u>WATER AND SEWER UTILITY DEPARTMENT</u>					
2018	228	2018-001	The office had accounting deficiencies	N/A	Corrected
2018	229	2018-002	The department had deficiencies in purchasing procedures	N/A	Corrected
2018	230	2018-003	Duties were not segregated adequately	N/A	Corrected
2018	231	2018-004	The department did not maintain adequate controls over consumable assets.	N/A	Corrected
2018	231	2018-005	Username and passwords were shared by employees	N/A	Corrected

Prior-year Federal Awards Findings

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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 Hartsville/Trousdale County Government is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **NO**
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 Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

WATER AND SEWER UTILITY DEPARTMENT

FINDING 2019-001

THE OFFICE HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSET RECORDS

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Our examination of the capital asset records revealed the following deficiencies. These deficiencies can be attributed in part to ineffective management oversight and a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles. We presented audit adjustments to management, which they approved and posted to properly present capital assets in the financial statements in this report. Without accurate inventory and capital asset controls, the board cannot adequately control its assets.

- A. Capital assets reflected in the general ledger failed to agree with supporting worksheets by \$329,689.
- B. Fully depreciated assets totaling \$4,655,292 were erroneously deleted from the supporting worksheets.
- C. The capital asset records failed to record various assets acquired during the current year with a total cost of \$250,860, including land of \$8,000 and donated infrastructure of \$242,860. Auditors determined the missing assets by reviewing the current-year expenditures, analyzing all asset purchases, and further inquiry with client.
- D. Depreciation was not consistently applied to all new assets. Some assets purchased during the audit period were depreciated based on the month of purchase, while others were depreciated for 12 months.
- E. Supporting documentation for several assets failed to include or contained inaccurate acquisition and/or disposal dates.

RECOMMENDATION

Management should provide the necessary oversight to ensure capital asset records are accurately maintained in compliance with generally accepted accounting principles.

MANAGEMENT'S RESPONSE

We concur with this finding. See corrective action plan for further explanation and detail.

**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.

Hartsville/Trousdale County Government, 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
-------------------	------------------	---------------------------------------

WATER AND SEWER UTILITY DEPARTMENT

2019-001	The office had deficiencies in the maintenance of capital asset records	233-234
----------	---	---------

CORRECTIVE ACTION PLAN

FINDING 2019-001

THE OFFICE HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSET RECORDS
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by: **Tommy McFarland, General Manager**

Person Responsible for Implementing the Corrective Action: **Tommy McFarland**

Anticipated Completion Date of Corrective Action: **11/25/19**

Repeat Finding: **No.**

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

- A. Capital assets totals in the general ledger failed to agree with supporting worksheets by \$329,689.

Response: We accepted the adjustments provided by the Auditor and will use the spread sheet provided to track future capital assets.

- B. Fully depreciated assets totaling \$4,655,292 were erroneously deleted from the supporting worksheets.

Response: Assets will not be deleted from the record. When a depreciable asset has reached its life cycle for depreciation, it will be recognized as a zero-dollar value and will no longer be calculated when the depreciation schedule is determined for the fiscal year budget.

- C. The capital asset records failed to record various assets acquired during the current year with a total cost of \$250,860, including land of \$8,000 and donated infrastructure of \$242,860. Auditors determined the missing assets by reviewing the current year expenditures, analyzing all asset purchases, and further inquiry with client.

Response: The utility when applicable will use cost estimate documentation from entity's or developers whom donate to the utility approved infrastructure improvements. If the cost documentation is not available, the utility will utilize its engineers cost estimate based on his initial review and the scope of the project.

- D. Depreciation was not consistently applied to all new assets. Some assets purchased during the audit period were depreciated based on the month of purchase, while others were depreciated for 12 months.

Response: Future depreciable purchases of the utility will be depreciated the month of purchase. The purchase amount will be prorated for the budget year in question and correctly inputted for the upcoming fiscal year budget.

CORRECTIVE ACTION PLAN

- E. Supporting documentation for several assets failed to include or contained inaccurate acquisition and/or disposal dates.

Response: The utility will keep the proper supporting documentation for the acquisition and disposal dates of its purchased assets.

Signature: 
Tommy McFarland
General Manager

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 Hartsville/Trousdale County Government.

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

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