

ANNUAL FINANCIAL REPORT
CUMBERLAND COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
CUMBERLAND COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

*COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON*

*DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

CUMBERLAND COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Cumberland County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Cumberland County as of and for the year ended June 30, 2020.

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICE OF REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.

INTRODUCTORY SECTION

Cumberland County Officials

June 30, 2020

Officials

Allen Foster, County Mayor
Scott Blaylock, Road Superintendent
Janet Graham, Director of Schools
Kim Wyatt, Trustee
David Simcox, Assessor of Property
Jule Bryson, County Clerk
Jessica Burgess, Circuit and General Sessions Courts Clerk
Sue Tollett, Clerk and Master
Judy Graham Swallows, Register of Deeds
Casey Cox, Sheriff
Nathan Brock, Finance Director

Board of County Commissioners

| | |
|--------------------------------------|-----------------|
| Allen Foster, County Mayor, Chairman | Colleen Mall |
| Mark Baldwin | Chad Norris |
| Jim Blalock | John Patterson |
| Jerry Cooper | Charles Seiber |
| Jack Davis | Joseph Sherrill |
| Kyle Davis | Rebecca Stone |
| David Gibson | Darrell Threet |
| Deborah Holbrook | Wendell Wilson |
| Nancy Hyder | Sue York |
| Terry Lowe | |

Board of Education

| | |
|-------------------------|-----------------------|
| Teresa Boston, Chairman | Stace Karge |
| Tony Brock | Tom Netherton |
| Anita Hale | Shirley French Parris |
| Rebecca Hamby | Robert Safdie |
| Jim Inman | |

Cumberland County Railroad Authority

Board of Directors

Allen Foster, County Mayor, Chairman
Wendell Wilson
Vacant

Cumberland County Officials (Cont.)

Financial Management Committee

Allen Foster, County Mayor, Chairman
Scott Blaylock, Road Superintendent
Janet Graham, Director of Schools
Jack Davis
Nancy Hyder
John Patterson
Charles Seiber

Audit Committee

Wendell Wilson, Chairman
Vicki Baucum
Amanda Houston
Colleen Mall
Darrell Threet

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cumberland County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cumberland County, Tennessee, as of June 30, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, and schedules of county and school changes in the total OPEB liability 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 Cumberland County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Cumberland County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

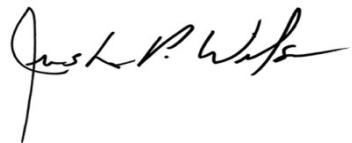
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of Cumberland County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cumberland County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cumberland County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 9, 2020

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Cumberland County, Tennessee

Statement of Net Position

June 30, 2020

| | Primary Government Governmental Activities | Component Units | | |
|---|---|----------------------|--------------------------------|--------------------------------------|
| | | Cumberland County | Cumberland County School | Cumberland Railroad Department |
| | | Authority | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 33,061 | \$ 500 | \$ 0 | 0 |
| Equity in Pooled Cash and Investments | 24,394,703 | 8,236,162 | | 47,710 |
| Inventories | 0 | 117,285 | | 0 |
| Accounts Receivable | 1,891,367 | 5,933 | | 0 |
| Allowance for Uncollectibles | (331,629) | 0 | | 0 |
| Due from Other Governments | 2,005,476 | 2,481,370 | | 0 |
| Due from Component Units | 816,192 | 0 | | 0 |
| Property Taxes Receivable | 17,726,996 | 8,378,777 | | 0 |
| Allowance for Uncollectible Property Taxes | (665,602) | (331,867) | | 0 |
| Notes Receivable | 225,849 | 0 | | 0 |
| Restricted Assets: | | | | |
| Amounts Accumulated for Pension Benefits | 0 | 224,130 | | 0 |
| Net Pension Asset - Agent Plan | 509,530 | 268,497 | | 0 |
| Net Pension Asset - Teacher Retirement Plan | 0 | 265,645 | | 0 |
| Net Pension Asset - Teacher Legacy Pension Plan | 0 | 6,386,252 | | 0 |
| Capital Assets | | | | |
| Assets Not Depreciated: | | | | |
| Land | 2,160,896 | 2,088,454 | | 0 |
| Assets Net of Accumulated Depreciation: | | | | |
| Buildings and Improvements | 26,312,163 | 60,172,892 | | 0 |
| Infrastructure | 17,650,283 | 465,934 | | 0 |
| Other Capital Assets | 6,175,083 | 3,347,268 | | 0 |
| Total Assets | \$ 98,904,368 | \$ 92,107,232 | \$ 47,710 | |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | \$ 5,049,723 | \$ 0 | \$ 0 | 0 |
| Pension Changes in Experience | 647,062 | 662,914 | | 0 |
| Pension Changes in Assumptions | 385,646 | 1,073,026 | | 0 |
| Pension Changes in Proportion | 0 | 89,447 | | 0 |
| Pension Changes in Contributions after Measurement Date | 700,509 | 2,657,671 | | 0 |
| OPEB Changes in Experience | 0 | 461,737 | | 0 |
| OPEB Changes in Assumptions | 45,103 | 372,282 | | 0 |
| OPEB Changes in Contributions after Measurement Date | 62,765 | 557,168 | | 0 |
| Total Deferred Inflows of Resources | \$ 6,890,808 | \$ 5,874,245 | \$ 0 | 0 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 19,540 | \$ 512,884 | \$ 0 | 0 |
| Accrued Payroll | 0 | 50,210 | | 0 |
| Accrued Interest Payable | 56,772 | 0 | | 0 |
| Payroll Deductions Payable | 24,662 | 129,388 | | 0 |
| Due to Primary Government | 0 | 816,192 | | 0 |
| Due to State of Tennessee | 7,096 | 0 | | 0 |
| Contracts Payable | 0 | 555,340 | | 0 |
| Matured Bonds Payable | 30,000 | 0 | | 0 |
| Matured Interest on Bonds | 8,058 | 0 | | 0 |
| Derivatives - Interest Rate Swap | 5,049,723 | 0 | | 0 |
| Noncurrent Liabilities: | | | | |
| Due Within One Year - Other | 830,222 | 6,302 | | 0 |
| Due Within One Year - Debt | 2,867,780 | 0 | | 0 |
| Due in More Than One Year - Other | 5,979,595 | 12,372,135 | | 0 |
| Due in More Than One Year - Debt | 52,146,872 | 0 | | 0 |
| Total Liabilities | \$ 67,020,320 | \$ 14,442,451 | \$ 0 | 0 |

(Continued)

Exhibit A

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

| | Primary Government Governmental Activities | Component Units | | |
|---|---|----------------------|--------------------------------|--------------------------------------|
| | | Cumberland County | Cumberland County School | Cumberland Railroad Department |
| | | Authority | | |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Revenue - Current Property Taxes | \$ 16,790,335 | \$ 7,903,747 | \$ 0 | 0 |
| Pension Changes in Experience | 5,373 | 3,950,054 | 0 | 0 |
| Pension Changes in Investments | 560,310 | 2,131,161 | 0 | 0 |
| Pension Changes in Proportion | 0 | 77,900 | 0 | 0 |
| OPEB Changes in Experience | 133,863 | 3,086,457 | 0 | 0 |
| OPEB Changes in Assumptions | 149,487 | 1,362,888 | 0 | 0 |
| OPEB Changes in Proportion | 0 | 986,902 | 0 | 0 |
| Total Deferred Inflows of Resources | <u>\$ 17,639,368</u> | <u>\$ 19,499,109</u> | <u>\$ 0</u> | |
| <u>NET POSITION</u> | | | | |
| Net Investment in Capital Assets | \$ (1,900,035) | \$ 66,074,548 | \$ 0 | 0 |
| Restricted for: | | | | |
| General Government | 1,169,379 | 0 | 0 | 0 |
| Administration of Justice | 313,065 | 0 | 0 | 0 |
| Public Safety | 239,939 | 0 | 0 | 0 |
| Public Health and Welfare | 8,750 | 0 | 0 | 0 |
| Highways | 1,685,522 | 0 | 0 | 0 |
| Education | 0 | 1,329,473 | 0 | 0 |
| Debt Service | 14,978,004 | 0 | 0 | 0 |
| Capital Outlay | 46,241 | 0 | 0 | 0 |
| Pensions | 509,530 | 7,144,524 | 0 | 0 |
| Unrestricted | <u>4,085,093</u> | <u>(10,508,628)</u> | <u>47,710</u> | |
| Total Net Position | <u>\$ 21,135,488</u> | <u>\$ 64,039,917</u> | <u>\$ 47,710</u> | |

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

Exhibit B

Cumberland County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

| Functions/Programs | Expenses | Net (Expense) Revenue and Changes in Net Position | | | | | | |
|---|----------------------|---|------------------------------------|----------------------------------|-------------------------------|-------------------------------------|--------------------------------------|--|
| | | Program Revenues | | | Primary Government | | Component Units | |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities | Cumberland County School Department | Cumberland County Railroad Authority | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 5,011,854 | \$ 838,033 | \$ 204,671 | \$ 0 | \$ (3,969,150) | \$ 0 | \$ 0 | |
| Finance | 2,336,720 | 1,473,261 | 12,688 | 0 | (850,771) | 0 | 0 | |
| Administration of Justice | 2,231,302 | 1,109,235 | 9,000 | 0 | (1,113,067) | 0 | 0 | |
| Public Safety | 10,623,202 | 741,784 | 186,261 | 577,263 | (9,117,894) | 0 | 0 | |
| Public Health and Welfare | 8,745,544 | 5,262,208 | 1,297,973 | 0 | (2,185,363) | 0 | 0 | |
| Social, Cultural, and Recreational Services | 1,284,748 | 105,660 | 39,839 | 0 | (1,139,249) | 0 | 0 | |
| Agriculture and Natural Resources | 220,877 | 0 | 17,601 | 0 | (203,276) | 0 | 0 | |
| Highways | 4,762,833 | 0 | 3,121,892 | 785,651 | (855,290) | 0 | 0 | |
| Education - Contributions | 420,523 | 0 | 0 | 0 | (420,523) | 0 | 0 | |
| Interest on Long-term Debt | 1,740,959 | 0 | 0 | 0 | (1,740,959) | 0 | 0 | |
| Total Primary Government | \$ 37,378,562 | \$ 9,530,181 | \$ 4,889,925 | \$ 1,362,914 | \$ (21,595,542) | \$ 0 | \$ 0 | |
| Component Units: | | | | | | | | |
| School Department | \$ 66,296,888 | \$ 1,176,857 | \$ 9,813,046 | \$ 0 | \$ (55,306,985) | \$ 0 | \$ 0 | |
| Railroad Authority | 370 | 0 | 0 | 0 | 0 | 0 | (370) | |
| Total Component Units | \$ 66,297,258 | \$ 1,176,857 | \$ 9,813,046 | \$ 0 | \$ (55,306,985) | \$ 0 | (370) | |

(Continued)

Exhibit B

Cumberland County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Net (Expense) Revenue and Changes in Net Position | | | | | |
|---|----------|---|---|---|--|--|---|
| | | Program Revenues | | | Primary Government Total Governmental Activities | Cumberland County School Department | Cumberland County Railroad Authority |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | | |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 16,029,436 | \$ 8,612,686 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | | 153,275 | 0 | 0 |
| Local Option Sales Taxes | | | | | 3,385,681 | 10,421,174 | 0 |
| Hotel/Motel Tax | | | | | 688,600 | 0 | 0 |
| Litigation Taxes | | | | | 406,875 | 0 | 0 |
| Business Tax | | | | | 971,737 | 0 | 0 |
| Wholesale Beer Tax | | | | | 333,879 | 0 | 0 |
| Mixed Drink Tax | | | | | 27,134 | 53,050 | 0 |
| Mineral Severance Tax | | | | | 53,312 | 0 | 0 |
| Other Local Taxes | | | | | 11,523 | 3,940 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 2,165,393 | 36,614,410 | 0 |
| Unrestricted Investment Earnings | | | | | 629,813 | 8,619 | 0 |
| Miscellaneous | | | | | 19,115 | 197,528 | 0 |
| Sale of Equipment | | | | | 230 | 0 | 0 |
| Total General Revenues | | | | | \$ 24,876,003 | \$ 55,911,407 | \$ 0 |
| Change in Fair Value of Investment Derivatives - Interest Rate Swap | | | | | \$ 35,582 | \$ 0 | \$ 0 |
| Insurance Recovery | | | | | 0 | 900 | 0 |
| Change in Net Position | | | | | \$ 3,316,043 | \$ 605,322 | \$ (370) |
| Net Position, July 1, 2019 | | | | | 17,819,445 | 63,434,595 | 48,080 |
| Net Position, June 30, 2020 | | | | | \$ 21,135,488 | \$ 64,039,917 | \$ 47,710 |

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

Exhibit C-1

Cumberland County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|--------------------------|------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Governmental Funds | | |
| | | | | | | | |
| <u>ASSETS</u> | | | | | | | |
| Cash | \$ 200 | \$ 200 | \$ 0 | \$ 0 | \$ 32,661 | \$ 33,061 | |
| Equity in Pooled Cash and Investments | 7,048,278 | 902,975 | 1,204,877 | 14,475,618 | 762,955 | 24,394,703 | |
| Accounts Receivable | 1,857,979 | 0 | 0 | 0 | 33,388 | 1,891,367 | |
| Allowance for Uncollectibles | (331,629) | 0 | 0 | 0 | 0 | (331,629) | |
| Due from Other Governments | 997,821 | 7,392 | 523,992 | 476,271 | 0 | 2,005,476 | |
| Due from Other Funds | 66,049 | 0 | 0 | 0 | 0 | 66,049 | |
| Property Taxes Receivable | 11,336,059 | 2,346,568 | 0 | 4,044,369 | 0 | 17,726,996 | |
| Allowance for Uncollectible Property Taxes | (421,412) | (89,660) | 0 | (154,530) | 0 | (665,602) | |
| Notes Receivable - Current | 0 | 0 | 0 | 0 | 33,986 | 33,986 | |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | 191,863 | 191,863 | |
| Total Assets | \$ 20,553,345 | \$ 3,167,475 | \$ 1,728,869 | \$ 18,841,728 | \$ 1,054,853 | \$ 45,346,270 | |

LIABILITIES

| | | | | | | | |
|----------------------------|------------------|---------------|---------------|------------------|------------------|-------------------|--|
| Accounts Payable | \$ 19,540 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 19,540 | |
| Payroll Deductions Payable | 23,661 | 283 | 718 | 0 | 0 | 24,662 | |
| Due to Other Funds | 0 | 0 | 0 | 0 | 66,049 | 66,049 | |
| Due to State of Tennessee | 6,972 | 75 | 49 | 0 | 0 | 7,096 | |
| Matured Bonds Payable | 0 | 0 | 0 | 30,000 | 0 | 30,000 | |
| Matured Interest on Bonds | 0 | 0 | 0 | 8,058 | 0 | 8,058 | |
| Total Liabilities | \$ 50,173 | \$ 358 | \$ 767 | \$ 38,058 | \$ 66,049 | \$ 155,405 | |

DEFERRED INFLOWS OF RESOURCES

| | | | | | | |
|---------------------------------|---------------|--------------|------|--------------|------|---------------|
| Deferred Current Property Taxes | \$ 10,744,994 | \$ 2,219,675 | \$ 0 | \$ 3,825,666 | \$ 0 | \$ 16,790,335 |
|---------------------------------|---------------|--------------|------|--------------|------|---------------|

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|----------------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | | |
| | | | | | | | |
| <u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u> | | | | | | | |
| Deferred Delinquent Property Taxes | \$ 132,818 | \$ 29,149 | 0 | \$ 50,240 | \$ 0 | \$ 212,207 | |
| Other Deferred/Unavailable Revenue | 1,151,610 | 0 | 271,137 | 248,306 | 0 | 1,671,053 | |
| Total Deferred Inflows of Resources | \$ 12,029,422 | \$ 2,248,824 | \$ 271,137 | \$ 4,124,212 | \$ 0 | \$ 18,673,595 | |
| <u>FUND BALANCES</u> | | | | | | | |
| Restricted: | | | | | | | |
| Restricted for General Government | \$ 457,868 | \$ 0 | 0 | \$ 0 | \$ 711,511 | \$ 1,169,379 | |
| Restricted for Administration of Justice | 313,065 | 0 | 0 | 0 | 0 | 313,065 | |
| Restricted for Public Safety | 8,887 | 0 | 0 | 0 | 231,052 | 239,939 | |
| Restricted for Public Health and Welfare | 8,750 | 0 | 0 | 0 | 0 | 8,750 | |
| Restricted for Highways/Public Works | 0 | 0 | 1,456,965 | 0 | 0 | 1,456,965 | |
| Restricted for Debt Service | 0 | 0 | 0 | 14,679,458 | 0 | 14,679,458 | |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 46,241 | 46,241 | |
| Committed: | | | | | | | |
| Committed for Public Health and Welfare | 0 | 918,293 | 0 | 0 | 0 | 918,293 | |
| Unassigned | 7,685,180 | 0 | 0 | 0 | 0 | 7,685,180 | |
| Total Fund Balances | \$ 8,473,750 | \$ 918,293 | \$ 1,456,965 | \$ 14,679,458 | \$ 988,804 | \$ 26,517,270 | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 20,553,345 | \$ 3,167,475 | \$ 1,728,869 | \$ 18,841,728 | \$ 1,054,853 | \$ 45,346,270 | |

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

Exhibit C-2

Cumberland County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2020

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) | \$ 26,517,270 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | |
| Add: land | \$ 2,160,896 |
| Add: buildings and improvements net of accumulated depreciation | 26,312,163 |
| Add: infrastructure net of accumulated depreciation | 17,650,283 |
| Add: other capital assets net of accumulated depreciation | <u>6,175,083</u> 52,298,425 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | |
| Less: bonds payable | \$ (14,320,000) |
| Less: other loans payable | (40,694,652) |
| Less: accrued interest outstanding debt | (56,772) |
| Less: compensated absences payable | (1,166,510) |
| Less: landfill postclosure care costs | (2,870,461) |
| Less: OPEB liability | (2,772,846) |
| Add: debt to be contributed by the school department | <u>816,192</u> (61,065,049) |
| (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 | \$ 1,733,217 |
| Less: deferred inflows of resources related to pensions | (565,683) |
| Add: deferred outflows of resources related to OPEB | 107,868 |
| Less: deferred inflows of resources related to OPEB | <u>(283,350)</u> 992,052 |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | 509,530 |
| (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds. | <u>1,883,260</u> |
| Net position of governmental activities (Exhibit A) | <u>\$ 21,135,488</u> |

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

Exhibit C-3

Cumberland County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|---|---------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|---------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | | |
| | | | | | | | |
| Revenues | | | | | | | |
| Local Taxes | \$ 13,593,112 | \$ 2,217,442 | \$ 53,312 | \$ 6,563,554 | \$ 45,749 | \$ 22,473,169 | |
| Licenses and Permits | 351,030 | 0 | 0 | 0 | 0 | 0 | 351,030 |
| Fines, Forfeitures, and Penalties | 204,483 | 0 | 0 | 0 | 55,095 | 259,578 | |
| Charges for Current Services | 5,143,505 | 77,279 | 3,500 | 0 | 0 | 0 | 5,224,284 |
| Other Local Revenues | 680,695 | 206,026 | 145 | 23,927 | 9,806 | 920,599 | |
| Fees Received From County Officials | 2,818,640 | 0 | 0 | 0 | 0 | 0 | 2,818,640 |
| State of Tennessee | 3,370,967 | 41,029 | 3,853,146 | 0 | 0 | 0 | 7,265,142 |
| Federal Government | 890,669 | 0 | 0 | 0 | 0 | 0 | 890,669 |
| Other Governments and Citizens Groups | 340,477 | 6,865 | 0 | 292,896 | 0 | 0 | 640,238 |
| Total Revenues | \$ 27,393,578 | \$ 2,548,641 | \$ 3,910,103 | \$ 6,880,377 | \$ 110,650 | \$ 40,843,349 | |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 4,288,613 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 4,288,613 | |
| Finance | 2,178,572 | 0 | 0 | 0 | 0 | 0 | 2,178,572 |
| Administration of Justice | 1,896,565 | 0 | 0 | 0 | 0 | 0 | 1,896,565 |
| Public Safety | 9,609,989 | 0 | 0 | 0 | 58,604 | 9,668,593 | |
| Public Health and Welfare | 5,931,545 | 2,158,285 | 0 | 0 | 0 | 0 | 8,089,830 |
| Social, Cultural, and Recreational Services | 1,052,368 | 0 | 0 | 0 | 0 | 0 | 1,052,368 |
| Agriculture and Natural Resources | 215,374 | 0 | 0 | 0 | 0 | 0 | 215,374 |
| Other Operations | 1,053,815 | 88,310 | 0 | 0 | 618 | 1,142,743 | |
| Highways | 0 | 86,051 | 3,860,780 | 0 | 0 | 0 | 3,946,831 |
| Debt Service: | | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 4,146,579 | 0 | 4,146,579 | |
| Interest on Debt | 0 | 0 | 0 | 1,809,104 | 0 | 1,809,104 | |
| Other Debt Service | 0 | 0 | 0 | 108,195 | 0 | 108,195 | |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|---------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | | |
| | | | | | | | |
| Expenditures (Cont.) | | | | | | | |
| Capital Projects - Donated | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 420,523 | \$ 420,523 | |
| Total Expenditures | \$ 26,226,841 | \$ 2,332,646 | \$ 3,860,780 | \$ 6,063,878 | \$ 479,745 | \$ 38,963,890 | |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | |
| | \$ 1,166,737 | \$ 215,995 | \$ 49,323 | \$ 816,499 | \$ (369,095) | \$ 1,879,459 | |
| Other Financing Sources (Uses) | | | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 420,523 | \$ 420,523 | |
| Proceeds from Sale of Capital Assets | 10,520 | 0 | 0 | 0 | 0 | 0 | 10,520 |
| Total Other Financing Sources (Uses) | \$ 10,520 | \$ 0 | \$ 0 | \$ 0 | \$ 420,523 | \$ 431,043 | |
| Net Change in Fund Balances | | | | | | | |
| Fund Balance, July 1, 2019 | \$ 1,177,257 | \$ 215,995 | \$ 49,323 | \$ 816,499 | \$ 51,428 | \$ 2,310,502 | |
| | 7,296,493 | 702,298 | 1,407,642 | 13,862,959 | 937,376 | 24,206,768 | |
| Fund Balance, June 30, 2020 | \$ 8,473,750 | \$ 918,293 | \$ 1,456,965 | \$ 14,679,458 | \$ 988,804 | \$ 26,517,270 | |

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

Cumberland County, TennesseeReconciliation 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, 2020

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

| | |
|--|--------------------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3) | \$ 2,310,502 |
| (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 | \$ 639,967 |
| Less: current-year depreciation expense | <u>(2,439,681)</u> (1,799,714) |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | |
| Less: book value of capital assets disposed | (50,882) |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. | |
| Add: deferred delinquent property taxes and other deferred June 30, 2020 | \$ 1,883,260 |
| Less: deferred delinquent property taxes and other deferred June 30, 2019 | <u>(1,780,664)</u> 102,596 |
| (4) The issuance of long-term debt (e.g., bonds, 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | |
| Less: proceeds from debt issued | \$ (420,523) |
| Add: principal payments on bonds | 885,000 |
| Add: principal payments on notes | 420,523 |
| Add: principal payments on other loans | 2,841,056 |
| Less: debt principal contributed by the school department | <u>(267,552)</u> 3,458,504 |
| (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 | \$ 68,145 |
| Change in compensated absences payable | (140,695) |
| Change in landfill postclosure care costs | (37,091) |
| Change in OPEB liability | (223,852) |
| Change in deferred outflows related to OPEB | 43,473 |
| Change in deferred inflows related to OPEB | 17,090 |
| Change in net pension asset/liability | (204,266) |
| Change in deferred outflows related to pensions | 105,859 |
| Change in deferred inflows related to pensions | <u>(369,208)</u> (740,545) |
| (6) The interest rate swap agreement is classified as an investment derivative; therefore, the following is reflected on the changes in net position for governmental activities. | |
| Change in fair value of investment derivatives | <u>35,582</u> |
| Change in net position of governmental activities (Exhibit B) | \$ 3,316,043 |

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

Cumberland County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------|------------------|---------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 13,593,112 | \$ 13,478,942 | \$ 13,382,955 | \$ 210,157 |
| Licenses and Permits | 351,030 | 369,345 | 369,345 | (18,315) |
| Fines, Forfeitures, and Penalties | 204,483 | 231,564 | 231,564 | (27,081) |
| Charges for Current Services | 5,143,505 | 4,226,170 | 4,226,170 | 917,335 |
| Other Local Revenues | 680,695 | 665,400 | 667,000 | 13,695 |
| Fees Received From County Officials | 2,818,640 | 2,898,766 | 2,898,766 | (80,126) |
| State of Tennessee | 3,370,967 | 3,309,287 | 3,421,853 | (50,886) |
| Federal Government | 890,669 | 126,500 | 746,959 | 143,710 |
| Other Governments and Citizens Groups | 340,477 | 106,400 | 173,230 | 167,247 |
| Total Revenues | \$ 27,393,578 | \$ 25,412,374 | \$ 26,117,842 | \$ 1,275,736 |
| Expenditures | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 2,151,646 | \$ 2,209,092 | \$ 2,410,636 | \$ 258,990 |
| Board of Equalization | 3,300 | 3,300 | 3,300 | 0 |
| Beer Board | 116 | 1,000 | 1,000 | 884 |
| Other Boards and Committees | 3,517 | 5,000 | 5,000 | 1,483 |
| County Mayor/Executive | 270,250 | 281,852 | 281,852 | 11,602 |
| Personnel Office | 68,955 | 75,471 | 75,559 | 6,604 |
| County Attorney | 63,289 | 75,000 | 75,000 | 11,711 |
| Election Commission | 361,925 | 373,320 | 398,320 | 36,395 |
| Register of Deeds | 309,054 | 353,111 | 353,111 | 44,057 |
| Engineering | 174,902 | 222,500 | 222,500 | 47,598 |
| County Buildings | 681,404 | 661,062 | 766,267 | 84,863 |
| Other General Administration | 133,631 | 137,964 | 137,964 | 4,333 |
| Preservation of Records | 66,624 | 221,747 | 221,747 | 155,123 |
| <u>Finance</u> | | | | |
| Accounting and Budgeting | 422,573 | 481,646 | 481,646 | 59,073 |
| Property Assessor's Office | 655,177 | 688,358 | 689,908 | 34,731 |
| County Trustee's Office | 405,227 | 405,949 | 407,027 | 1,800 |
| County Clerk's Office | 695,595 | 710,660 | 719,210 | 23,615 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 665,319 | 730,135 | 737,535 | 72,216 |
| General Sessions Court | 271,847 | 281,675 | 281,675 | 9,828 |
| Chancery Court | 238,952 | 276,905 | 276,905 | 37,953 |
| Juvenile Court | 98,278 | 99,659 | 103,620 | 5,342 |
| Judicial Commissioners | 221,591 | 227,453 | 227,453 | 5,862 |
| Probate Court | 230,921 | 241,973 | 241,973 | 11,052 |
| Courtroom Security | 169,657 | 188,532 | 184,732 | 15,075 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 3,548,932 | 3,649,181 | 3,674,079 | 125,147 |
| Special Patrols | 448,944 | 463,962 | 463,962 | 15,018 |
| Drug Enforcement | 33,002 | 41,091 | 43,591 | 10,589 |
| Administration of the Sexual Offender Registry | 45,284 | 0 | 109,115 | 63,831 |
| Jail | 4,166,514 | 4,343,107 | 4,486,531 | 320,017 |
| Juvenile Services | 145,439 | 138,072 | 146,806 | 1,367 |
| Fire Prevention and Control | 978,527 | 1,087,443 | 1,101,603 | 123,076 |
| Civil Defense | 131,464 | 139,267 | 152,567 | 21,103 |

(Continued)

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

| | | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|----------------------|-----------------------|-----------------------|---------------------|--|
| | | Actual | Original | Final | |
| Expenditures (Cont.) | | | | | |
| Public Safety (Cont.) | | | | | |
| Rescue Squad | \$ 12,000 | \$ 12,000 | \$ 12,000 | \$ 12,000 | 0 |
| County Coroner/Medical Examiner | 85,343 | 115,000 | 120,275 | 120,275 | 34,932 |
| Other Public Safety | 14,540 | 28,212 | 28,212 | 28,212 | 13,672 |
| Public Health and Welfare | | | | | |
| Local Health Center | 1,076,000 | 1,263,683 | 1,295,501 | 1,295,501 | 219,501 |
| Rabies and Animal Control | 57,782 | 74,924 | 74,924 | 74,924 | 17,142 |
| Ambulance/Emergency Medical Services | 4,426,266 | 4,549,804 | 4,669,315 | 4,669,315 | 243,049 |
| Alcohol and Drug Programs | 115,757 | 115,870 | 115,870 | 115,870 | 113 |
| Appropriation to State | 27,965 | 55,930 | 27,965 | 27,965 | 0 |
| Other Public Health and Welfare | 227,775 | 260,428 | 268,805 | 268,805 | 41,030 |
| Social, Cultural, and Recreational Services | | | | | |
| Senior Citizens Assistance | 25,775 | 25,775 | 25,775 | 25,775 | 0 |
| Libraries | 756,473 | 805,974 | 809,871 | 809,871 | 53,398 |
| Parks and Fair Boards | 253,020 | 276,137 | 276,137 | 276,137 | 23,117 |
| Other Social, Cultural, and Recreational | 17,100 | 17,100 | 17,100 | 17,100 | 0 |
| Agriculture and Natural Resources | | | | | |
| Agricultural Extension Service | 108,174 | 112,784 | 112,784 | 112,784 | 4,610 |
| Soil Conservation | 107,200 | 107,292 | 107,292 | 107,292 | 92 |
| Other Operations | | | | | |
| Tourism | 85,000 | 85,000 | 85,000 | 85,000 | 0 |
| Other Economic and Community Development | 52,500 | 52,500 | 521,365 | 521,365 | 468,865 |
| Veterans' Services | 89,956 | 105,793 | 105,793 | 105,793 | 15,837 |
| Other Charges | 664,633 | 651,000 | 662,840 | 662,840 | (1,793) |
| Contributions to Other Agencies | 40,200 | 40,200 | 40,200 | 40,200 | 0 |
| Employee Benefits | 64,228 | 149,190 | 149,190 | 149,190 | 84,962 |
| COVID-19 Grant #1 | 2,238 | 0 | 2,238 | 2,238 | 0 |
| Miscellaneous | 55,060 | 55,500 | 55,500 | 55,500 | 440 |
| Total Expenditures | \$ 26,226,841 | \$ 27,775,583 | \$ 29,066,146 | \$ 2,839,305 | |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| | \$ 1,166,737 | \$ (2,363,209) | \$ (2,948,304) | \$ 4,115,041 | |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from Sale of Capital Assets | \$ 10,520 | \$ 0 | \$ 0 | \$ 10,520 | |
| Total Other Financing Sources | \$ 10,520 | \$ 0 | \$ 0 | \$ 10,520 | |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | | | | | |
| | \$ 1,177,257 | \$ (2,363,209) | \$ (2,948,304) | \$ 4,125,561 | |
| | 7,296,493 | 7,008,232 | 7,008,232 | 288,261 | |
| Fund Balance, June 30, 2020 | \$ 8,473,750 | \$ 4,645,023 | \$ 4,059,928 | \$ 4,413,822 | |

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

Exhibit C-6

Cumberland County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 2,217,442 | \$ 2,194,527 | \$ 2,194,527 | \$ 22,915 |
| Charges for Current Services | 77,279 | 67,268 | 67,268 | 10,011 |
| Other Local Revenues | 206,026 | 325,000 | 325,000 | (118,974) |
| State of Tennessee | 41,029 | 42,000 | 42,000 | (971) |
| Other Governments and Citizens Groups | 6,865 | 2,865 | 6,965 | (100) |
| Total Revenues | \$ 2,548,641 | \$ 2,631,660 | \$ 2,635,760 | \$ (87,119) |
| Expenditures | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Waste Pickup | \$ 241,008 | \$ 286,549 | \$ 286,549 | \$ 45,541 |
| Convenience Centers | 1,268,995 | 1,305,368 | 1,410,368 | 141,373 |
| Recycling Center | 623,208 | 711,901 | 716,000 | 92,792 |
| Postclosure Care Costs | 25,074 | 83,800 | 83,800 | 58,726 |
| <u>Other Operations</u> | | | | |
| Other Charges | 45,268 | 39,246 | 46,816 | 1,548 |
| Employee Benefits | 43,042 | 64,200 | 64,200 | 21,158 |
| <u>Highways</u> | | | | |
| Litter and Trash Collection | 86,051 | 86,883 | 86,883 | 832 |
| Total Expenditures | \$ 2,332,646 | \$ 2,577,947 | \$ 2,694,616 | \$ 361,970 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 215,995 | \$ 53,713 | \$ (58,856) | \$ 274,851 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ 215,995 | \$ 53,713 | \$ (58,856) | \$ 274,851 |
| | 702,298 | 679,508 | 679,508 | 22,790 |
| Fund Balance, June 30, 2020 | \$ 918,293 | \$ 733,221 | \$ 620,652 | \$ 297,641 |

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

Exhibit C-7

Cumberland County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 53,312 | \$ 90,000 | \$ 90,000 | \$ (36,688) |
| Charges for Current Services | 3,500 | 3,500 | 3,500 | 0 |
| Other Local Revenues | 145 | 1,100 | 1,100 | (955) |
| State of Tennessee | 3,853,146 | 3,877,287 | 3,877,287 | (24,141) |
| Total Revenues | \$ 3,910,103 | \$ 3,971,887 | \$ 3,971,887 | \$ (61,784) |
| Expenditures | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 178,979 | \$ 188,646 | \$ 188,646 | \$ 9,667 |
| Highway and Bridge Maintenance | 2,540,301 | 2,761,110 | 2,761,110 | 220,809 |
| Operation and Maintenance of Equipment | 198,786 | 291,759 | 291,759 | 92,973 |
| Other Charges | 106,164 | 112,600 | 112,600 | 6,436 |
| Employee Benefits | 80,603 | 92,388 | 92,388 | 11,785 |
| Capital Outlay | 755,947 | 901,000 | 901,000 | 145,053 |
| Total Expenditures | \$ 3,860,780 | \$ 4,347,503 | \$ 4,347,503 | \$ 486,723 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 49,323 | \$ (375,616) | \$ (375,616) | \$ 424,939 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ 49,323 | \$ (375,616) | \$ (375,616) | \$ 424,939 |
| Fund Balance, June 30, 2020 | \$ 1,407,642 | \$ 1,236,178 | \$ 1,236,178 | \$ 171,464 |
| | \$ 1,456,965 | \$ 860,562 | \$ 860,562 | \$ 596,403 |

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

Exhibit D

Cumberland County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

| | Agency Funds |
|---------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,861,669 |
| Equity in Pooled Cash and Investments | 40,456 |
| Due from Other Governments | <u>1,654,983</u> |
| Total Assets | <u><u>\$ 3,557,108</u></u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | \$ 40,456 |
| Due to Other Taxing Units | 1,654,983 |
| Due to Litigants, Heirs, and Others | <u>1,861,669</u> |
| Total Liabilities | <u><u>\$ 3,557,108</u></u> |

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

CUMBERLAND COUNTY, TENNESSEE

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**CUMBERLAND COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Cumberland County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Cumberland County (the primary government) and its component units. The financial statements of the Cumberland County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Cumberland County Railroad Authority was created pursuant to Section 7-56-201, *Tennessee Code Annotated*. The authority is governed by a three-member board, which includes the county mayor and two members appointed by the Cumberland County Commission. The operations of the authority are managed by the county mayor. The purpose of the authority is to acquire, operate, maintain, and dispose of railroad facilities, properties, and equipment for the benefit of public transportation in Cumberland County. The authority is funded primarily from state grants.

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

The Cumberland County School Department and the Cumberland County Railroad Authority do not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department and the railroad authority are included in this report as listed in the table of contents. Complete financial statements of the Cumberland County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Cumberland County Emergency
Communications District
42 Southbend Drive
Crossville, TN 38555

B. Government-wide and Fund Financial Statements

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

Cumberland County issues all debt for the discretely presented Cumberland County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, 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 Cumberland County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Cumberland County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Cumberland County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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.

Cumberland County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the collection of Cumberland County's solid waste. Local taxes are the foundational revenues of this fund.

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

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

Additionally, Cumberland County reports the following fund types:

Capital Projects Fund – The General Capital Projects Funds is used to account for transactions associated with various capital projects undertaken by the county.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Cumberland County, and funds received from the resale of properties acquired through property tax sales. 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 Cumberland County School Department reports the following major governmental funds:

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Cumberland County and contributed to the school department for building construction and renovations.

Additionally, the Cumberland County 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 specified purposes other than debt service or capital projects.

The discretely presented Cumberland County Railroad Authority reports the following major governmental fund:

General Fund – This fund is the only operating fund for the railroad authority. It is used to account for general operations of the railroad authority.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds, the discretely presented Cumberland County School Department, and the discretely presented Cumberland County Railroad Authority. 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 Debt Service Fund. Cumberland County, the school department, and the railroad authority have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value.

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

All other investments are reported at fair value.

2. Receivables and Payables

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court

for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements.

3. Inventories

Inventories of the discretely presented Cumberland County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as

assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 50 |
| Other Capital Assets | 5 - 20 |
| Infrastructure: | |
| Roads | 40 |
| Bridges | 60 |

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for an accumulated decrease in fair value of hedging derivatives resulting from the estimated fair value of the interest rate swaps on June 30, 2020; pension changes in experience, assumptions, and proportionate share of contributions; employer contributions made to the pension and other postemployment benefits plan (OPEB) after the measurement date; and OPEB changes in experience and assumptions. The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for

hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. See Note IV.C.

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

Cumberland County and the discretely presented Cumberland County School Department permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation of service or annually upon request if certain circumstances apply. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. 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, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and 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, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

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

As of June 30, 2020, Cumberland County had \$45,307,602 in outstanding debt for capital purposes for the discretely presented Cumberland County School Department. This debt is a liability of Cumberland County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Cumberland County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. 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.

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 Cumberland County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Cumberland County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Cumberland County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Cumberland County School Department

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

payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Cumberland County School Department

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

Discretely Presented Cumberland County Railroad Authority

The Cumberland County Railroad Authority did not have capital assets, debt, and accruals or deferrals to report; therefore, the only reconciling items from the governmental fund financial statements to the government-wide financial statements were reclassifications and are noted on the face of the governmental fund financial statements.

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 Cumberland County School Department

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

Discretely Presented Cumberland County Railroad Authority

The Cumberland County Railroad Authority did not have capital assets, debt, and accruals or deferrals to report; therefore, the only reconciling items from the governmental fund financial statements to the government-wide financial statements were reclassifications and are noted on the face of the governmental fund financial statements.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (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 county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Other Debt Service major appropriations category (the legal level of control) of the General Debt Service Fund by \$2,195 and the Other Charges major appropriations category of the General Fund by \$1,793. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Debt Service and General funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions

set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2020, Cumberland County had the following investments carried at amortized cost using a Stable Net Asset Value and fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Cumberland County, the discretely presented Cumberland County School Department, and the discretely presented Cumberland County Railroad Authority since all pool their deposits and investments through the county trustee.

| Investments: | | Weighted Average Maturity (days) | Maturities | Fair Value or Amortized Cost |
|-----------------------------------|----------|---|------------|------------------------------------|
| Investments at Amortized Cost: | | | | |
| State Treasurer's Investment Pool | 1 to 105 | N/A | \$ | 259,851 |
| Investments at Fair Value: | | | | |
| Schwab - Bank Sweep Account | N/A | N/A | | 261,892 |
| Schwab - U.S. Treasury MMF | N/A | N/A | | 1,355,000 |
| Schwab - Municipal Bonds | N/A | N/A | | 4,361,058 |
| U.S. Treasury Bills | N/A | Various | | 11,897,915 |
| U.S. Treasury Notes | N/A | Various | | <u>3,487,391</u> |
| Total | | | \$ | <u>21,623,107</u> |

| Investment by Fair Value Level | Fair Value Measurements Using | | | | |
|--------------------------------|-------------------------------|---------------|-------------|------------|--------------|
| | Quoted Prices in | | | | |
| | Active Markets for | | Significant | | |
| | Identical | Other | Significant | Observable | Unobservable |
| | Fair Value | Assets | Inputs | Inputs | |
| | 6-30-20 | (Level 1) | (Level 2) | (Level 3) | |
| Schwab - Bank Sweep Account | \$ 261,892 | \$ 261,892 | \$ 0 | \$ 0 | 0 |
| Schwab - U.S. Treasury MMF | 1,355,000 | 1,355,000 | 0 | 0 | 0 |
| Schwab - Municipal Bonds | 4,361,058 | 4,361,058 | 0 | 0 | 0 |
| U.S. Treasury Bills | 11,897,915 | 11,897,915 | 0 | 0 | 0 |
| U.S. Treasury Notes | 3,487,391 | 3,487,391 | 0 | 0 | 0 |
| Total | \$ 21,363,256 | \$ 21,363,256 | \$ 0 | \$ 0 | 0 |

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Cumberland County has an investment policy that limits investment maturities as a

means of managing its exposure to fair value losses arising from increasing interest rates. The policy allows no more than 20 percent of the county's total funds to be invested in maturities of more than two years but less than five years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Cumberland County's investment policy limits investments to fixed income securities that are backed directly or indirectly by agencies of the United States government. As of June 30, 2020, Cumberland County's investment in the State Treasurer's Investment Pool was unrated.

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. Cumberland County does not have a formal policy that limits custodial credit risk for investments.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-cafr.html>.

TCRS Stabilization Trust

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Cumberland County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined

daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. 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 fair value of investments and interest and dividend income. Interest income is recognized when earned. 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, 2020, 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 where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

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, 2020, the Cumberland County School Department had the following investments held by the trust on its behalf.

| Investment | Weighted Average Maturity (days) | Maturities | Fair Value |
|--|---|------------|-------------------|
| Investments at Fair Value: | | | |
| U.S. Equity | N/A | N/A | \$ 69,480 |
| Developed Market International Equity | N/A | N/A | 31,378 |
| Emerging Market International Equity | N/A | N/A | 8,965 |
| U.S. Fixed Income | N/A | N/A | 44,826 |
| Real Estate | N/A | N/A | 22,414 |
| Short-term Securities | N/A | N/A | 2,241 |
| NAV - Private Equity and Strategic Lending | N/A | N/A | <u>44,826</u> |
| Total | | | <u>\$ 224,130</u> |

| Investment by Fair Value Level | Fair Value Measurements Using | | | | | |
|--|-------------------------------|---|---------------------|------------------------------------|------------------|-----|
| | Fair Value 6-30-20 | Quoted Prices in Active Markets for Identical | | Significant Other Observable | | NAV |
| | | Assets (Level 1) | Inputs (Level 2) | Inputs (Level 3) | | |
| U.S. Equity | \$ 69,480 | \$ 69,480 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Developed Market International Equity | 31,378 | 31,378 | 0 | 0 | 0 | 0 |
| Emerging Market International Equity | 8,965 | 8,965 | 0 | 0 | 0 | 0 |
| U.S. Fixed Income | 44,826 | 0 | 44,826 | 0 | 0 | 0 |
| Real Estate | 22,414 | 0 | 0 | 22,414 | 0 | 0 |
| Short-term Securities | 2,241 | 0 | 2,241 | 0 | 0 | 0 |
| Private Equity and Strategic Lending | <u>44,826</u> | 0 | 0 | 0 | <u>44,826</u> | |
| Total | <u>\$ 224,130</u> | <u>\$ 109,823</u> | <u>\$ 47,067</u> | <u>\$ 22,414</u> | <u>\$ 44,826</u> | |

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

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

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

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

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

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag18092.pdf>.

B. Notes Receivable

Notes receivable of \$225,849 in the Courthouse and Jail Maintenance Fund (a nonmajor special revenue fund) resulted from the sale of the former health department building. The amount of the notes outstanding at June 30, 2020, is included in the fund's restricted fund balance.

C. Derivative Instruments

At June 30, 2020, Cumberland County had the following derivative instruments outstanding:

| Instrument | Type | Objective | Original Notional Amount | Effective Date | Maturity Date | Terms |
|--------------|-----------|----------------------|--------------------------|----------------|---------------|---------------------------------|
| \$6.95M Swap | Pay fixed | Variable to interest | 6,950,000 | 5-7-13 | 6-1-27 | Pay 4.13% receive 63% of LIBOR |
| \$10M Swap | Pay fixed | Variable to interest | 10,000,000 | 12-29-10 | 6-1-39 | Pay 3.293% receive 59% of LIBOR |

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2020 financial statements are as follows:

| Type | Changes in Fair Value | | Fair Value at June 30, 2020 | | Notional Amount | 6-30-20 | |
|---------------------------------|-----------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|---------|--|
| | Classification | Amount | Classification | Amount | | | |
| Governmental Activities: | | | | | | | |
| Cash Flow Hedges: | | | | | | | |
| Pay-fixed interest | | | | | | | |
| rate swaps: | | | | | | | |
| \$7.5M Swap | Investment | \$ 35,582 | Debt | \$ 0 | \$ 0 | | |
| | Earnings | | | | | | |
| \$6.95M Swap | Deferred Outflow | (87,035) | Debt | (1,084,118) | 6,650,000 | | |
| \$10M Swap | Deferred Outflow | (1,185,294) | Debt | (3,965,605) | 10,000,000 | | |
| Totals | | <u><u>\$ (1,236,747)</u></u> | | <u><u>\$ (5,049,723)</u></u> | <u><u>\$ 16,650,000</u></u> | | |

Derivative Swap Agreement Detail

\$6.95M Swap:

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee (the “authority”), at the request of the county, entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series IV-H-2.

Objective of the interest rate swap. In order to protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$6.95 million Series IV-H-2 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series IV-H-2 bonds have since been refunded with a portion of the proceeds

of the Series E-3-A bonds, and the interest rate swap is now associated with the Series E-3-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.13 percent and receives a variable payment computed as 63 percent of the five-year London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$6,650,000, and the associated variable-rate bond has a \$6,650,000 principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-3-A Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the "SIFMA"). The bonds and the related swap agreement mature on June 1, 2027. As of June 30, 2020, rates were as follows:

| | Terms | Rates |
|------------------------------------|------------|--------|
| Interest rate swap: | | |
| Fixed payment to counterparty | Fixed | 4.13 % |
| Variable payment from counterparty | % of LIBOR | (0.21) |
| Net interest rate swap payments | | 3.92 % |
| Variable-rate bond payments | | 0.56 |
| Synthetic interest rate on bonds | | 4.48 % |

Fair value. As of June 30, 2020, the swap had a negative fair value of \$1,084,118. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, Raymond James Financial Products ("RJFP", formerly Morgan Keegan Financial Products), was rated Baa1/BBB+ by Moody's and Standard and Poor's as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the rate on the bonds increase to above 63 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the rate on the bonds to be below 63 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic fixed interest rate. Also, if at the time of termination, the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Year Ending June 30 | Variable Rate Bonds | | Net Interest | | |
|---------------------------|---------------------|-------------------|----------------------|---------------------|--|
| | Principal | Interest | Rate Swap Payment | Total | |
| 2021 | \$ 530,000 | \$ 37,294 | \$ 260,979 | \$ 828,273 | |
| 2022 | 875,000 | 34,322 | 240,179 | 1,149,501 | |
| 2023 | 930,000 | 29,415 | 205,840 | 1,165,255 | |
| 2024 | 985,000 | 24,199 | 169,342 | 1,178,541 | |
| 2025 | 1,045,000 | 18,675 | 130,686 | 1,194,361 | |
| 2026-2027 | 2,285,000 | 19,404 | 135,787 | 2,440,191 | |
| Total | \$ 6,650,000 | \$ 163,309 | \$ 1,142,813 | \$ 7,956,122 | |

\$10M Swap:

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee (the “authority”), at the request of the county, entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series VI-C-2.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10 million Series VI-C-2 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series VI-C-2 bonds have since been refunded with a portion of the proceeds

of the Series VII-B-2 bonds, and the interest rate swap is now associated with the Series VII-B-2 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.293 percent and receives a variable payment computed as 59 percent of the five-year London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10,000,000, and the associated variable-rate bond has a \$10,000,000 principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-B-2 bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (the "SIFMA"). The bonds and the related swap agreement mature on June 1, 2039. As of June 30, 2020, rates were as follows:

| | Terms | Rates |
|------------------------------------|------------|---------|
| Interest rate swap: | | |
| Fixed payment to counterparty | Fixed | 3.293 % |
| Variable payment from counterparty | % of LIBOR | (0.192) |
| Net interest rate swap payments | | 3.101 % |
| Variable-rate bond payments | | 0.591 |
| Synthetic interest rate on bonds | | 3.692 % |

Fair value. As of June 30, 2020, the swap had a negative fair value of \$3,965,605. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, Raymond James Financial Products ("RJFP", formerly Morgan Keegan Financial Products), was rated Baa1/BBB+ by Moody's and Standard and Poor's as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the rate on the bonds increase to above 59 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the rate on the bonds to be below 59 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Year Ending June 30 | Variable Rate Bonds | | Net Interest | | |
|---------------------------|----------------------|-------------------|----------------------|----------------------|--|
| | Principal | Interest | Rate Swap Payment | Total | |
| 2021 | \$ 0 | \$ 59,082 | \$ 310,054 | \$ 369,136 | |
| 2022 | 0 | 59,082 | 310,054 | 369,136 | |
| 2023 | 0 | 59,082 | 310,054 | 369,136 | |
| 2024 | 0 | 59,082 | 310,054 | 369,136 | |
| 2025 | 0 | 59,082 | 310,054 | 369,136 | |
| 2026-2030 | 0 | 295,409 | 1,550,271 | 1,845,680 | |
| 2031-2035 | 4,525,000 | 257,006 | 1,348,736 | 6,130,742 | |
| 2036-2039 | 5,475,000 | 82,862 | 434,851 | 5,992,713 | |
| Total | \$ 10,000,000 | \$ 930,687 | \$ 4,884,128 | \$ 15,814,815 | |

D. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities

| | Balance 7-1-19 | Increases | Decreases | Balance 6-30-20 |
|--|-------------------|----------------|--------------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 2,137,896 | \$ 23,500 | \$ 0 | \$ 2,160,896 |
| Total Capital Assets Not Depreciated | \$ 2,137,896 | \$ 23,500 | \$ 0 | \$ 2,160,896 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 36,008,978 | \$ 9,756 | \$ 0 | \$ 36,018,734 |
| Infrastructure | 37,044,472 | 0 | 0 | 37,044,472 |
| Other Capital Assets | 18,068,504 | 606,711 | (298,990) | 18,376,225 |
| Total Capital Assets Depreciated | \$ 91,121,954 | \$ 616,467 | \$ (298,990) | \$ 91,439,431 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 9,063,509 | \$ 643,062 | \$ 0 | \$ 9,706,571 |
| Infrastructure | 18,619,692 | 774,497 | 0 | 19,394,189 |
| Other Capital Assets | 11,427,128 | 1,022,122 | (248,108) | 12,201,142 |
| Total Accumulated Depreciation | \$ 39,110,329 | \$ 2,439,681 | \$ (248,108) | \$ 41,301,902 |
| Total Capital Assets Depreciated, Net | \$ 52,011,625 | \$ (1,823,214) | \$ (50,882) | \$ 50,137,529 |
| Governmental Activities Capital Assets, Net | \$ 54,149,021 | \$ (1,799,714) | \$ (50,882) | \$ 52,298,425 |

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

Governmental Activities:

| | | |
|---|----|------------------|
| General Government | \$ | 304,202 |
| Finance | | 5,682 |
| Public Safety | | 670,991 |
| Public Health and Welfare | | 509,438 |
| Social, Cultural, and Recreational Services | | 130,215 |
| Highways | | <u>819,153</u> |
| Total Depreciation Expense - | | |
| Governmental Activities | \$ | <u>2,439,681</u> |

Discretely Presented Cumberland County School Department

Governmental Activities

| | Balance | | | Balance |
|--|----------------------|---------------|-----------------|----------------|
| | 7-1-19 | Increases | Decreases | 6-30-20 |
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 2,088,454 | \$ 0 | \$ 0 | \$ 2,088,454 |
| Construction in Progress | <u>7,262,062</u> | 3,180,284 | (10,442,346) | 0 |
| Total Capital Assets Not Depreciated | <u>\$ 9,350,516</u> | \$ 3,180,284 | \$ (10,442,346) | \$ 2,088,454 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 80,649,574 | \$ 10,442,346 | \$ (644,050) | \$ 90,447,870 |
| Infrastructure | 1,415,163 | 0 | 0 | 1,415,163 |
| Other Capital Assets | <u>10,422,258</u> | 221,496 | (164,647) | 10,479,107 |
| Total Capital Assets Depreciated | <u>\$ 92,486,995</u> | \$ 10,663,842 | \$ (808,697) | \$ 102,342,140 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 29,324,959 | \$ 1,445,176 | \$ (495,157) | \$ 30,274,978 |
| Infrastructure | 899,173 | 50,056 | 0 | 949,229 |
| Other Capital Assets | <u>6,907,615</u> | 384,371 | (160,147) | 7,131,839 |
| Total Accumulated Depreciation | <u>\$ 37,131,747</u> | \$ 1,879,603 | \$ (655,304) | \$ 38,356,046 |
| Total Capital Assets Depreciated, Net | <u>\$ 55,355,248</u> | \$ 8,784,239 | \$ (153,393) | \$ 63,986,094 |
| Governmental Activities | | | | |
| Capital Assets, Net | \$ 64,705,764 | \$ 11,964,523 | \$ (10,595,739) | \$ 66,074,548 |

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

Governmental Activities:

| | |
|---|---------------------|
| Instruction | \$ 1,519,549 |
| Support Services | 326,130 |
| Operation of Non-instructional Services | <u>33,924</u> |
| Total Depreciation Expense - | |
| Governmental Activities | <u>\$ 1,879,603</u> |

E. Construction Commitments

At June 30, 2020, the school department had uncompleted construction contracts in the General Purpose School Fund of approximately \$534,800, for renovation projects at various school buildings. The balance of the funding of these projects is expected to come from the General Purpose School Fund.

F. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 66,049 |

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

Due to/from Primary Government and Component Unit:

| <u>Receivable</u> | <u>Payable</u> | <u>Amount</u> |
|-------------------------|-------------------------|---------------|
| Primary Government | Component Unit: | |
| Governmental Activities | School Department | |
| | Governmental Activities | \$ 816,192 |

The Due to Primary Government is the balance of other loans issued by the county for the school department. The school department has agreed to contribute funds annually to retire these other loans. These long-term obligations are reflected in the governmental activities on the Statement of Net Position.

G. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Cumberland County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Cumberland County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 31 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-20 |
|--|---------------|----------------|--------------------------|-----------------|
| General Obligation Bonds | 2 to 3.25 % | 6-1-37 | \$ 12,625,000 | \$ 10,930,000 |
| General Refunding Bonds | 2 | 6-1-28 | 4,285,000 | 3,390,000 |
| Direct Borrowings and Direct Placements: | | | | |
| Other Loans | 0 to 2.5 | 6-30-23 | 3,484,996 | 864,652 |
| Other Loans | Variable | 6-1-39 | 54,015,000 | 39,830,000 |

In prior years, Cumberland County entered into various loan agreements with the Sevier County Public Building Authority and the Blount County Public Building Authority (PBAs) to finance various capital projects for Cumberland County and the discretely presented Cumberland County School Department. Under the loan agreements, the PBAs issued revenue bonds and made the proceeds available for loan to Cumberland County. In addition to repaying the

loans, the county pays various other fees (trustee, debt remarketing, etc.) in connection with these loans. The following table summarizes loan agreements outstanding at June 30, 2020:

| Description | Original Amount of Loan Agreement | Outstanding | | Interest Type | Interest Rates as of 6-30-20 | Approximate Fee Rates as of 6-30-20 | |
|---------------------------|--|---------------|---------------------|------------------|---------------------------------------|---|---|
| | | Principal | Interest 6-30-20 | | | | |
| Sevier County PBA: | | | | | | | |
| Series VII-B-2 | \$ 28,300,000 | \$ 26,225,000 | Variable | 0.591 | % | 0.251 | % |
| Series VII-F-1 | 5,100,000 | 5,100,000 | Variable | 0.693 | | 0.226 | |
| Blount County PBA: | | | | | | | |
| Series E-3-A | 20,615,000 | 8,505,000 | Variable | 0.561 | | 0.200 | |

The annual requirements to amortize all bonds and other loans outstanding as of June 30, 2020, including interest payments and other loan fees, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2021 | \$ 905,000 | \$ 387,494 | \$ 1,292,494 |
| 2022 | 925,000 | 365,694 | 1,290,694 |
| 2023 | 950,000 | 343,394 | 1,293,394 |
| 2024 | 975,000 | 320,394 | 1,295,394 |
| 2025 | 1,000,000 | 297,256 | 1,297,256 |
| 2026-2030 | 4,430,000 | 1,117,231 | 5,547,231 |
| 2031-2035 | 3,565,000 | 587,211 | 4,152,211 |
| 2036-2037 | 1,570,000 | 76,863 | 1,646,863 |
| Total | \$ 14,320,000 | \$ 3,495,537 | \$ 17,815,537 |

| Year Ending June 30 | Other Loans - Direct Placement | | | |
|------------------------|--------------------------------|---------------------|-------------------|----------------------|
| | Principal | Interest | Other Fees | Total |
| 2021 | \$ 1,962,780 | \$ 256,622 | \$ 94,361 | \$ 2,313,763 |
| 2022 | 1,981,256 | 240,485 | 91,081 | 2,312,822 |
| 2023 | 2,145,616 | 251,535 | 87,622 | 2,484,773 |
| 2024 | 1,940,000 | 208,416 | 83,370 | 2,231,786 |
| 2025 | 2,045,000 | 197,249 | 79,008 | 2,321,257 |
| 2026-2030 | 11,470,000 | 794,867 | 321,285 | 12,586,152 |
| 2031-2035 | 10,605,000 | 429,262 | 181,367 | 11,215,629 |
| 2036-2039 | 8,545,000 | 129,281 | 54,905 | 8,729,186 |
| Total | \$ 40,694,652 | \$ 2,507,717 | \$ 992,999 | \$ 44,195,368 |

There is \$14,679,458 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$255, based on the 2010 federal census. Total debt per capita, including bonds and other loans totaled \$726, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on its 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 financial statements of the primary government.

| Description of Debt | Outstanding 6-30-20 |
|---|------------------------|
| <u>Other Loans - Direct Placement</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Energy Efficiency Loans | \$ 816,192 |

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

| Governmental Activities: | Bonds | Notes - Direct Placement | Other Loans - Direct Placement |
|-----------------------------|----------------------|--------------------------------|---|
| Balance, July 1, 2019 | \$ 15,205,000 | \$ 0 | \$ 43,535,708 |
| Additions | 0 | 420,523 | 0 |
| Reductions | (885,000) | (420,523) | (2,841,056) |
| Balance, June 30, 2020 | <u>\$ 14,320,000</u> | <u>\$ 0</u> | <u>\$ 40,694,652</u> |
| Balance Due Within One Year | <u>\$ 905,000</u> | <u>\$ 0</u> | <u>\$ 1,962,780</u> |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

| | |
|--|----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2020 | \$ 55,014,652 |
| Less: Balance Due Within One Year - Debt | <u>(2,867,780)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A | <u>\$ 52,146,872</u> |

H. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

| | Landfill Postclosure Care Costs | Other Postemployment Benefits | Compensated Absences |
|-----------------------------|---------------------------------------|-------------------------------------|-------------------------|
| Balance, July 1, 2019 | \$ 2,833,370 | \$ 2,548,994 | \$ 1,025,815 |
| Additions | 50,755 | 259,053 | 762,276 |
| Reductions | (13,664) | (35,201) | (621,581) |
| Balance, June 30, 2020 | <u>\$ 2,870,461</u> | <u>\$ 2,772,846</u> | <u>\$ 1,166,510</u> |
| Balance Due Within One Year | <u>\$ 13,664</u> | <u>\$ 0</u> | <u>\$ 816,558</u> |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|------------------|
| Total Noncurrent Liabilities - Other, June 30, 2020 | \$ 6,809,817 |
| Less: Due Within One Year - Other | <u>(830,222)</u> |

| | |
|---|---------------------|
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | \$ <u>5,979,595</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.

Discretely Presented Cumberland County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Cumberland County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2019 | \$ 100,608 | \$ 12,152,200 |
| Additions | 285,473 | 1,813,498 |
| Reductions | <u>(260,036)</u> | <u>(1,713,306)</u> |
| Balance, June 30, 2020 | <u>\$ 126,045</u> | <u>\$ 12,252,392</u> |
| Balance Due Within One Year | <u>\$ 6,302</u> | <u>\$ 0</u> |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------|
| Total Noncurrent Liabilities - Other, June 30, 2020 | \$ 12,378,437 |
| Less: Due Within One Year - Other | <u>(6,302)</u> |

| | |
|---|----------------------|
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | \$ <u>12,372,135</u> |
|---|----------------------|

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

I. On-Behalf Payments - Discretely Presented Cumberland County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Cumberland County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$241,921 and \$59,326, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF), which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to these pools for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for it to be self-sustaining through member premiums. The LGPCF and LGWCF reinsurance through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county 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*, 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 this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Cumberland County School Department

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

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

The county is involved in one lawsuit involving the former director of the recycling center. Attorneys for the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

C. Landfill Postclosure Care Costs

State and federal laws and regulations require the county 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 county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Cumberland County closed its sanitary landfill in 2012. The \$2,870,461 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Joint Ventures

Cumberland County entered into an agreement with the counties of Morgan and Roane to establish an Industrial Development Board to purchase land for the development of a joint industrial park. Cumberland, Morgan, and Roane counties jointly comprise the board. The agreement established a nine-member board with each county appointing three members and being

responsible for one-third of the entity's funding. Cumberland County did not make any appropriations to the board for the year ended June 30, 2020.

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and White counties, and participating municipalities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Cumberland County did not make appropriations to the DTF for the year ended June 30, 2020.

Cumberland County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Industrial Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

The Industrial Development Board of the Counties of
Cumberland, Morgan, and Roane, Tennessee
Baker, Donelson, Bearman & Caldwell
Commerce Center, Suite 800
211 Commerce Street
Nashville, TN 37201

Office of District Attorney General
Thirteenth Judicial District Drug Task Force
1519A East Spring Street
Cookeville, TN 38506

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Cumberland County and non-certified employees of the discretely presented Cumberland County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer

pension plan administered by the TCRS. The primary government employees comprise 65.49 percent, the non-certified employees of the discretely presented school department comprise 34.51 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 404 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 619 |
| Active Employees | 713 |
| | |
| Total | <u>1,736</u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Cumberland County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Cumberland County was \$1,090,135 based on a rate of 5.50 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Cumberland County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Cumberland County's net pension liability (asset) was measured as of June 30, 2019, 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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | | Net |
|---|--------------------------------------|--|---------------------------------|---------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Pension Liability (Asset) | (a)-(b) |
| Balance, July 1, 2018 | \$ 68,058,087 | \$ 69,191,637 | \$ (1,133,550) | |
| Changes for the Year: | | | | |
| Service Cost | \$ 1,785,663 | \$ 0 | \$ 1,785,663 | |
| Interest | 4,963,426 | 0 | 4,963,426 | |
| Differences Between Expected and Actual Experience | 830,036 | 0 | 830,036 | |
| Contributions-Employer | 0 | 1,125,290 | (1,125,290) | |
| Contributions-Employees | 0 | 1,031,618 | (1,031,618) | |
| Net Investment Income | 0 | 5,127,082 | (5,127,082) | |
| Benefit Payments, Including Refunds of Employee Contributions | (2,765,390) | (2,765,390) | 0 | |
| Administrative Expense | 0 | (60,388) | 60,388 | |
| Net Changes | \$ 4,813,735 | \$ 4,458,212 | \$ 355,523 | |
| Balance, June 30, 2019 | \$ 72,871,822 | \$ 73,649,849 | \$ (778,027) | |

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

| | | | Plan | Net |
|--------------------|-----------|-----------------------------|-----------------------------|----------------------------|
| | Total | Fiduciary | Pension | |
| | Pension | Net | Liability | |
| | Liability | Position | (Asset) | |
| Primary Government | 65.49% | \$ 47,723,756 | \$ 48,233,286 | \$ (509,530) |
| School Department | 34.51% | <u>25,148,066</u> | <u>25,416,563</u> | <u>(268,497)</u> |
| Total | | <u><u>\$ 72,871,822</u></u> | <u><u>\$ 73,649,849</u></u> | <u><u>\$ (778,027)</u></u> |

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

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|-------------------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability (Asset) | \$ 8,722,638 | \$ (778,027) | \$ (8,677,920) |

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

Pension Expense. For the year ended June 30, 2020, Cumberland County recognized pension expense of \$1,922,341.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Cumberland County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 988,031 | \$ 8,204 |
| Net Difference Between Projected and Actual Earnings on Pension Plan | 0 | 855,565 |
| Investments | 588,862 | 0 |
| Changes in Assumptions | <u>1,090,135</u> | N/A |
| Contributions Subsequent to the Measurement Date of June 30, 2019 (1) | <u>1,090,135</u> | N/A |
| Total | <u>\$ 2,667,028</u> | <u>\$ 863,769</u> |

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 1,733,216 | \$ 565,682 |
| School Department | <u>933,812</u> | 298,087 |
| Total | <u>\$ 2,667,028</u> | <u>\$ 863,769</u> |

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

| Year Ending June 30 | Amount |
|------------------------|------------|
| 2021 | \$ 652,481 |
| 2022 | (79,806) |
| 2023 | 1,436 |
| 2024 | 139,020 |
| 2025 | 0 |
| Thereafter | 0 |

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

Payable to the Pension Plan

At June 30, 2020, Cumberland County reported a payable of \$98,298 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Cumberland County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Cumberland County and non-certified employees of the discretely presented Cumberland County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.49 percent and the non-certified employees of the discretely presented school department comprise 34.51 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Cumberland County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are

provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to

the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$121,683, which is 2.03 percent of covered payroll. In addition, employer contributions of \$113,807, which is 1.97 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, 2020, the school department reported a liability (asset) of (\$265,645) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .470597 percent. The proportion as of June 30, 2018, was .460783 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$83,924.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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 | \$ 11,015 | \$ 46,374 |
| Net Difference Between Projected and Actual Earnings on Pension Plan | 0 | 11,231 |
| Investments | 9,230 | 0 |
| Changes in Assumptions | 9,692 | 4,158 |
| Changes in Proportion of Net Pension Liability (Asset) | 121,683 | N/A |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2019 | \$ 151,620 | \$ 61,763 |
| Total | | |

The school department's employer contributions of \$121,683, 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, 2021. 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 |
|------------------------|------------|
| 2021 | \$ (5,076) |
| 2022 | (6,795) |
| 2023 | (3,644) |
| 2024 | (2,038) |
| 2025 | (1,581) |
| Thereafter | (12,692) |

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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

| Asset Class | Percentage Long-term Expected Real Rate of Return | Percentage Target Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity | 5.69 | % |
| Developed Market | | 31 |
| International Equity | 5.29 | 14 |
| Emerging Market | | |
| International Equity | 6.36 | 4 |
| Private Equity and | | |
| Strategic Lending | 5.79 | 20 |
| U.S. Fixed Income | 2.01 | 20 |
| Real Estate | 4.32 | 10 |
| Short-term Securities | 0.00 | 1 |
| Total | <hr/> | <hr/> |
| | 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 | Current Discount Rate | 1% Increase |
|---|----------------|-----------------------------|----------------|
| | 6.25% | 7.25% | 8.25% |
| Net Pension Liability (Asset) | \$ 84,167 | \$ (265,645) | \$ (524,222) |

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

www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Cumberland County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$2,146,362, which is 10.63 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, 2020, the school department reported a liability (asset) of (\$6,386,252) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's

proportion was .621122 percent. The proportion measured at June 30, 2018, was .619299 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$871,685.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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 | \$ 310,930 | \$ 3,900,849 |
| Changes in Assumptions | 860,580 | 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 1,824,675 |
| Changes in Proportion of Net Pension Liability (Asset) | 79,755 | 73,742 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2019 | <u>2,146,362</u> | N/A |
| Total | <u>\$ 3,397,627</u> | <u>\$ 5,799,266</u> |

The school department's employer contributions of \$2,146,362 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. 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 |
|------------------------|----------------|
| 2021 | \$ (1,283,637) |
| 2022 | (1,856,073) |
| 2023 | (802,238) |
| 2024 | (606,053) |
| 2025 | 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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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) | \$ 13,058,040 | \$ (6,386,252) | \$ (21,853,646) |

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute 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 \$290,053 and teachers contributed \$165,224 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

Retirees of the Cumberland County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Certified and noncertified employees of the school department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the Cumberland County School Department does not provide premium support for teachers in the TNM plan.

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, 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 | 2.20% |
| Salary Increases | Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation |
| Discount Rate | 3.51% |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 6.03 for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5 percent. |
| Retirees Share of Benefit | |
| Related Cost | Discussed under each plan |

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2019, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the 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 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Local Government OPEB Plan (Primary Government)

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

Benefits Provided. Cumberland County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. 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 LGP 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 the retiree premiums. Cumberland County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

| | |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 5 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Employees | 309 |
| Total | 314 |

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP 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. For the fiscal year ended June 30, 2020, the county paid \$62,765 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|------------------------|-------------------------|
| Balance July 1, 2018 | \$ 2,548,994 |
| Changes for the Year: | |
| Service Cost | 162,068 |
| Interest | 96,985 |
| Difference between | |
| Expected and Actuarial | |
| Experience | (22,732) |
| Changes in Assumption | |
| and Other Inputs | 51,926 |
| Benefit Payments | (64,395) |
| Net Changes | <u>\$ 223,852</u> |
| Balance June 30, 2019 | \$ 2,772,846 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$226,054. At June 30, 2020, the county reported deferred outflows

of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 0 | \$ 133,863 |
| Changes of Assumptions/Inputs | 45,103 | 149,487 |
| Net Difference Between Projected and Benefits paid after the Measurement Date of June 30, 2019 | <u>62,765</u> | 0 |
| Total | <u>\$ 107,868</u> | <u>\$ 283,350</u> |

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

| Year Ending June 30 | Total Amount |
|------------------------|-----------------|
| 2021 | \$ (32,999) |
| 2022 | (32,999) |
| 2023 | (32,999) |
| 2024 | (32,999) |
| 2025 | (32,999) |
| Thereafter | (73,252) |

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

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

| <u>Discount Rate</u> | 1% | Current Discount Rate | 1% |
|----------------------|--------------|-----------------------------|--------------|
| | Decrease | 3.51% | Increase |
| Total OPEB Liability | \$ 3,037,179 | \$ 2,772,846 | \$ 2,528,384 |

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

| <u>Healthcare Cost Trend Rate</u> | Current | | |
|-----------------------------------|--------------|--------------|--------------|
| | 1% | Trend | 1% |
| | Decrease | Rates | Increase |
| 5.03 to 3.5% | 6.03 to 4.5% | 7.03 to 5.5% | |
| Total OPEB Liability | \$ 2,435,067 | \$ 2,772,846 | \$ 3,175,530 |

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

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

Benefits Provided. The Cumberland County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

| | |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 58 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 4 |
| Active Employees | 672 |
| | |
| Total | <u>734</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 \$557,168 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

| | Share of Collective Liability | | |
|--|-------------------------------------|--------------|----------------------|
| | Cumberland County School Department | State of TN | Total OPEB Liability |
| Balance July 1, 2018 | \$ 12,152,200 | \$ 3,887,915 | \$ 16,040,115 |
| Changes for the Year: | | | |
| Service Cost | \$ 632,426 | \$ 211,283 | \$ 843,709 |
| Interest | 445,864 | 148,956 | 594,820 |
| Change in Proportion | (128,882) | 128,882 | 0 |
| Changes in Benefit Terms | 213,506 | 71,330 | 284,836 |
| Difference between Expected and Actuarial Experience | 521,702 | 174,292 | 695,994 |
| Changes in Assumption and Other Inputs | (900,208) | (300,745) | (1,200,953) |
| Benefit Payments | (684,217) | (228,585) | (912,802) |
| Net Changes | \$ 100,191 | \$ 205,413 | \$ 305,604 |
| Balance June 30, 2019 | \$ 12,252,391 | \$ 4,093,328 | \$ 16,345,719 |

The Cumberland County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Cumberland County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers 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 \$399,892 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Cumberland County School Department's proportionate share of the collective OPEB liability was 74.96 percent and the State of Tennessee's share was 25.04 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$1,095,904 including the state's share of the expense. At June 30, 2020, 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 | \$ 461,737 | \$ 3,086,457 |
| Changes of Assumptions/Inputs | 372,282 | 1,362,888 |
| Changes in Proportions | 0 | 986,902 |
| Benefits Paid After the Measurement Date of June 30, 2019 | <u>557,168</u> | <u>0</u> |
| Total | <u>\$ 1,391,187</u> | <u>\$ 5,436,247</u> |

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

| Year Ending June 30 | School Department |
|------------------------|----------------------|
| 2021 | \$ (595,784) |
| 2022 | (595,784) |
| 2023 | (595,784) |
| 2024 | (595,784) |
| 2025 | (595,784) |
| Thereafter | (1,623,308) |

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> | | Current Discount | |
|----------------------|----------|---------------------|----------|
| | 1% | | 1% |
| | Decrease | Rate | Increase |
| | 2.51% | 3.51% | 4.51% |

Proportionate Share of the
Collective Total OPEB
Liability \$ 13,231,615 \$ 12,252,392 \$ 11,328,452

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 | Current Rates | 1% Increase |
| 5.03 to 3.5% | 6.03 to 4.5% | 7.03 to 5.5% |

G. Office of Central Accounting, Budgeting, and Purchasing

Cumberland County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

H. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. All purchase orders are issued by the finance department. Purchases exceeding \$10,000 are required to be competitively bid.

I. Subsequent Event

Director of Schools, Janet Graham left June 30, 2020, and was succeeded by Ina Maxwell effective July 1, 2020.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Cumberland County, TennesseeSchedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRSPrimary GovernmentFor the Fiscal Year Ended June 30**Total Pension Liability**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Service Cost | \$ 1,500,494 | \$ 1,482,253 | \$ 1,517,492 | \$ 1,664,453 | \$ 1,760,025 | \$ 1,785,663 |
| Interest | 3,676,730 | 3,858,274 | 4,109,224 | 4,440,755 | 4,691,555 | 4,963,426 |
| Differences Between Actual and Expected Experience | (987,029) | 25,671 | 922,313 | 348,854 | (13,672) | 830,036 |
| Changes in Assumptions | 0 | 0 | 0 | 1,472,158 | 0 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,563,296) | (1,939,440) | (2,171,434) | (2,379,714) | (2,661,798) | (2,765,390) |
| Net Change in Total Pension Liability | \$ 2,626,899 | \$ 3,426,758 | \$ 4,377,595 | \$ 5,546,506 | \$ 3,776,110 | \$ 4,813,735 |
| Total Pension Liability, Beginning | \$ 48,304,219 | \$ 50,931,118 | \$ 54,357,876 | \$ 58,735,471 | \$ 64,281,977 | \$ 68,058,087 |
| Total Pension Liability, Ending (a) | <u>\$ 50,931,118</u> | <u>\$ 54,357,876</u> | <u>\$ 58,735,471</u> | <u>\$ 64,281,977</u> | <u>\$ 68,058,087</u> | <u>\$ 72,871,822</u> |

Plan Fiduciary Net Position

| | | | | | | |
|---|-----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|
| Contributions - Employer | \$ 1,684,239 | \$ 1,762,031 | \$ 1,869,154 | \$ 1,058,162 | \$ 1,096,865 | \$ 1,125,290 |
| Contributions - Employee | 892,867 | 883,970 | 962,373 | 964,342 | 1,002,458 | 1,031,618 |
| Net Investment Income | 7,596,302 | 1,669,553 | 1,499,194 | 6,585,740 | 5,327,179 | 5,127,082 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,563,296) | (1,939,440) | (2,171,434) | (2,379,714) | (2,661,798) | (2,765,390) |
| Administrative Expense | (26,961) | (34,623) | (52,152) | (56,902) | (65,277) | (60,388) |
| Other | 0 | 0 | 13,108 | 15 | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | \$ 8,583,151 | \$ 2,341,491 | \$ 2,120,243 | \$ 6,171,643 | \$ 4,699,427 | \$ 4,458,212 |
| Plan Fiduciary Net Position, Beginning | <u>\$ 45,275,682</u> | <u>\$ 53,858,833</u> | <u>\$ 56,200,324</u> | <u>\$ 58,320,567</u> | <u>\$ 64,492,210</u> | <u>\$ 69,191,637</u> |
| Plan Fiduciary Net Position, Ending (b) | <u>\$ 53,858,833</u> | <u>\$ 56,200,324</u> | <u>\$ 58,320,567</u> | <u>\$ 64,492,210</u> | <u>\$ 69,191,637</u> | <u>\$ 73,649,849</u> |
| Net Pension Liability (Asset), Ending (a - b) | <u>\$ (2,927,715)</u> | <u>\$ (1,842,448)</u> | <u>\$ 414,904</u> | <u>\$ (210,233)</u> | <u>\$ (1,133,550)</u> | <u>\$ (778,027)</u> |

| | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 105.75% | 103.39% | 99.29% | 100.33% | 101.67% | 101.07% |
| Covered Payroll | \$ 17,617,606 | \$ 17,744,522 | \$ 18,823,385 | \$ 19,241,625 | \$ 19,942,969 | \$ 20,459,794 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | (16.62)% | (10.38)% | 2.20% | 1.09% | (5.68)% | (3.80)% |

Note: Ten-year information 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 E-2

Cumberland County, Tennessee

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 1,684,239 | \$ 1,762,031 | \$ 1,869,154 | \$ 1,058,162 | \$ 1,096,865 | \$ 1,051,634 | \$ 1,090,135 |
| Less Contributions in Relation to the Actuarially Determined Contribution | (1,684,239) | (1,762,031) | (1,869,154) | (1,058,162) | (1,096,865) | (1,125,290) | (1,090,135) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (73,656) | \$ 0 |
| Covered Payroll | \$ 17,617,606 | \$ 17,744,522 | \$ 18,823,385 | \$ 19,241,625 | \$ 19,942,969 | \$ 20,459,794 | \$ 20,115,262 |
| Contributions as a Percentage of Covered Payroll | 9.56% | 9.93% | 9.93% | 5.50% | 5.50% | 5.50% | 5.50% |

Note: Ten-year information 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 E-3

Cumberland County, Tennessee

Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS

Discretely Presented Cumberland County School Department
For the Fiscal Year Ended June 30

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution | \$ 49,159 | \$ 87,369 | \$ 130,376 | \$ 161,067 | \$ 96,610 | \$ 121,683 |
| Less Contributions in Relation to the Contractually Required Contribution | (49,159) | (87,369) | (130,376) | (161,067) | (96,610) | (121,683) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 1,228,977 | \$ 2,184,225 | \$ 3,093,950 | \$ 4,026,711 | \$ 4,979,837 | \$ 5,994,230 |
| Contributions as a Percentage of Covered Payroll | 4.00% | 4.00% | 4.21% | 4.00% | 1.94% | 2.03% |

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

Exhibit E-4

Cumberland County, Tennessee

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$ 2,189,577 | \$ 2,158,102 | \$ 2,069,222 | \$ 1,951,454 | \$ 1,969,075 | \$ 2,178,516 | \$ 2,146,362 |
| Less Contributions in Relation to the Contractually Required Contribution | <u>(2,189,577)</u> | <u>(2,158,102)</u> | <u>(2,069,222)</u> | <u>(1,951,454)</u> | <u>(1,969,075)</u> | <u>(2,178,516)</u> | <u>(2,146,362)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> |
| Covered Payroll | \$ 24,657,402 | \$ 23,872,782 | \$ 22,889,601 | \$ 21,756,070 | \$ 21,685,858 | \$ 20,827,098 | \$ 20,191,550 |
| Contributions as a Percentage of Covered Payroll | 8.88% | 9.04% | 9.04% | 8.97% | 9.08% | 10.46% | 10.63% |

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

Exhibit E-5

Cumberland County, Tennessee

Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS

Discretely Presented Cumberland County School Department
For the Fiscal Year Ended June 30

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|--------------|--------------|--------------|--------------|
| School Department's Proportion of the Net Pension Liability/Asset | 0.579293% | 0.496411% | 0.496605% | 0.460783% | 0.470597% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (23,796) | \$ (51,678) | \$ (131,021) | \$ (208,978) | \$ (265,645) |
| Covered Payroll | \$ 1,228,977 | \$ 2,184,225 | \$ 3,093,950 | \$ 4,026,711 | \$ 4,979,837 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)% | (2.37)% | (4.23)% | (5.19)% | (5.33)% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 127.46% | 121.88% | 126.81% | 126.97% | 123.07% |

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

Exhibit E-6

Cumberland County, Tennessee

Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Cumberland County School Department
For the Fiscal Year Ended June 30

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|----------------|----------------|
| School Department's Proportion of the Net Pension Liability/Asset | 0.628215% | 0.637713% | 0.634097% | 0.610670% | 0.619299% | 0.621122% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (102,082) | \$ 261,229 | \$ 3,962,755 | \$ (199,801) | \$ (2,179,262) | \$ (6,386,252) |
| Covered Payroll | \$ 24,657,409 | \$ 23,872,782 | \$ 22,889,601 | \$ 21,756,070 | \$ 21,685,858 | \$ 20,827,098 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (0.41)% | 1.09% | 17.31% | (0.92)% | (10.05)% | (30.66)% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 100.08% | 99.81% | 97.14% | 100.14% | 101.49% | 104.28% |

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

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

Cumberland County Plan

| | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service Cost | \$ 153,210 | \$ 140,924 | \$ 162,068 |
| Interest | 77,377 | 95,467 | 96,985 |
| Differences Between Actual and Expected Experience | 0 | (144,960) | (22,732) |
| Changes in Assumptions or Other Inputs | (146,632) | (60,645) | 51,926 |
| Benefit Payments | (34,792) | (45,042) | (64,395) |
| Net Change in Total OPEB Liability | \$ 49,163 | \$ (14,256) | \$ 223,852 |
| Total OPEB Liability, Beginning | <u>\$ 2,514,087</u> | <u>2,563,250</u> | <u>2,548,994</u> |
| Total OPEB Liability, Ending | <u>\$ 2,563,250</u> | <u>\$ 2,548,994</u> | <u>\$ 2,772,846</u> |
| Covered Employee Payroll | \$ 12,637,584 | \$ 12,810,018 | \$ 12,766,115 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 20.28% | 19.90% | 21.72% |

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

Note 2: Changes in assumptions.

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

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

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

2019 plan year - from 5.4% to 6.75%.
 2020 plan year - from 6.75% to 6.03%

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

Cumberland County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Education PlanDiscretely Presented Cumberland County School DepartmentFor the Fiscal Year Ended June 30

| | 2017 | 2018 | 2019 |
|---|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | |
| Service Cost | \$ 1,581,584 | \$ 1,477,023 | \$ 843,709 |
| Interest | 718,573 | 880,006 | 594,820 |
| Changes in Benefit Terms | 0 | (4,491,425) | 284,835 |
| Differences Between Actual and Expected Experience | 0 | (5,160,022) | 695,994 |
| Changes in Assumptions or Other Inputs | (1,088,510) | 622,391 | (1,200,953) |
| Benefit Payments | (932,718) | (1,060,211) | (912,801) |
| Net Change in Total OPEB Liability | \$ 278,929 | \$ (7,732,238) | \$ 305,604 |
| Total OPEB Liability, Beginning | 23,493,424 | 23,772,353 | 16,040,115 |
| Total OPEB Liability, Ending | \$ 23,772,353 | \$ 16,040,115 | \$ 16,345,719 |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 4,764,930 | \$ 3,887,915 | \$ 4,093,327 |
| Employer Proportionate Share of the Total OPEB Liability | 19,007,423 | 12,152,200 | 12,252,392 |
| Covered Employee Payroll | \$ 33,390,758 | \$ 37,581,556 | \$ 39,307,946 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 71.19% | 42.68% | 41.58% |

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

Note 2: Changes in assumptions.

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

| | |
|------|-------|
| 2016 | 2.92% |
| 2017 | 3.56% |
| 2018 | 3.62% |
| 2019 | 3.51% |

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

| |
|--------------------------------------|
| 2019 plan year - from 5.4% to 6.75%. |
| 2020 plan year - from 6.75% to 6.03% |

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

CUMBERLAND COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Dollar, Closed (Not to Exceed 20 Years) |
| Remaining Amortization | |
| Period | Varies by Year |
| Asset Valuation | 10-Year Smoothed Within a 20% Corridor to Market Value |
| Inflation | 2.5% |
| Salary Increases | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4% |
| Investment Rate of Return | 7.25%, Net of Investment Expense, Including Inflation |
| Retirement Age | Pattern of Retirement Determined by Experience Study |
| Mortality | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment | 2.25% |

Changes of assumptions: In 2017, the following assumptions were changed: (1) decreased 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 graded ranges from an average of 4.25 to an average of 4.0 percent; and (5) modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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.

Capital Projects Fund

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

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

Exhibit F-1

Cumberland County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

| | Special Revenue Funds | | | | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|--|---------------------------------|-------------------|-----------------------------------|---------------------|--------------------------|---------------------|-----------------------------------|
| | Courthouse and Jail Maintenance | Drug Control | Constitu - tional Officers - Fees | Total | General Capital Projects | | |
| <u>ASSETS</u> | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 32,661 | \$ 32,661 | \$ 0 | \$ 32,661 | |
| Equity in Pooled Cash and Investments | 485,662 | 231,052 | 0 | 716,714 | 46,241 | 762,955 | |
| Accounts Receivable | 0 | 0 | 33,388 | 33,388 | 0 | 33,388 | |
| Notes Receivable - Current | 33,986 | 0 | 0 | 33,986 | 0 | 33,986 | |
| Notes Receivable - Long-term | 191,863 | 0 | 0 | 191,863 | 0 | 191,863 | |
| Total Assets | \$ 711,511 | \$ 231,052 | \$ 66,049 | \$ 1,008,612 | \$ 46,241 | \$ 1,054,853 | |
| <u>LIABILITIES</u> | | | | | | | |
| Due to Other Funds | \$ 0 | \$ 0 | \$ 66,049 | \$ 66,049 | \$ 0 | \$ 66,049 | |
| Total Liabilities | \$ 0 | \$ 0 | \$ 66,049 | \$ 66,049 | \$ 0 | \$ 66,049 | |
| <u>FUND BALANCES</u> | | | | | | | |
| Restricted: | | | | | | | |
| Restricted for General Government | \$ 711,511 | \$ 0 | \$ 0 | \$ 711,511 | \$ 0 | \$ 711,511 | |
| Restricted for Public Safety | 0 | 231,052 | 0 | 231,052 | 0 | 231,052 | |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 46,241 | 46,241 | |
| Total Fund Balances | \$ 711,511 | \$ 231,052 | \$ 0 | \$ 942,563 | \$ 46,241 | \$ 988,804 | |
| Total Liabilities and Fund Balances | \$ 711,511 | \$ 231,052 | \$ 66,049 | \$ 1,008,612 | \$ 46,241 | \$ 1,054,853 | |

Exhibit F-2

Cumberland County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

| | Special Revenue Funds | | | Capital Projects Fund | | Total Nonmajor Governmental Funds |
|---|---------------------------------|--------------|------------|--------------------------|--------------|-----------------------------------|
| | Courthouse and Jail Maintenance | Drug Control | Total | General Capital Projects | | |
| | | | | | | |
| Revenues | | | | | | |
| Local Taxes | \$ 45,749 | \$ 0 | \$ 45,749 | 0 | \$ 45,749 | |
| Fines, Forfeitures, and Penalties | 0 | 55,095 | 55,095 | 0 | 55,095 | |
| Other Local Revenues | 9,806 | 0 | 9,806 | 0 | 9,806 | |
| Total Revenues | \$ 55,555 | \$ 55,095 | \$ 110,650 | 0 | \$ 110,650 | |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Public Safety | \$ 0 | \$ 58,604 | \$ 58,604 | 0 | \$ 58,604 | |
| Other Operations | 436 | 182 | 618 | 0 | 618 | |
| Capital Projects - Donated | 0 | 0 | 0 | 420,523 | 420,523 | |
| Total Expenditures | \$ 436 | \$ 58,786 | \$ 59,222 | \$ 420,523 | \$ 479,745 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 55,119 | \$ (3,691) | \$ 51,428 | \$ (420,523) | \$ (369,095) | |
| Other Financing Sources (Uses) | | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 0 | 420,523 | \$ 420,523 | |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 420,523 | \$ 420,523 | |
| Net Change in Fund Balances | \$ 55,119 | \$ (3,691) | \$ 51,428 | 0 | \$ 51,428 | |
| Fund Balance, July 1, 2019 | 656,392 | 234,743 | 891,135 | 46,241 | 937,376 | |
| Fund Balance, June 30, 2020 | \$ 711,511 | \$ 231,052 | \$ 942,563 | \$ 46,241 | \$ 988,804 | |

Exhibit F-3

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|------------|------------------|------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 45,749 | \$ 49,475 | \$ 49,475 | \$ (3,726) |
| Other Local Revenues | 9,806 | 9,746 | 9,746 | 60 |
| Total Revenues | \$ 55,555 | \$ 59,221 | \$ 59,221 | \$ (3,666) |
| Expenditures | | | | |
| <u>General Government</u> | | | | |
| County Buildings | \$ 0 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| <u>Other Operations</u> | | | | |
| Other Charges | 436 | 1,000 | 1,000 | 564 |
| Total Expenditures | \$ 436 | \$ 31,000 | \$ 31,000 | \$ 30,564 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 55,119 | \$ 28,221 | \$ 28,221 | \$ 26,898 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ 55,119 | \$ 28,221 | \$ 28,221 | \$ 26,898 |
| | 656,392 | 660,301 | 660,301 | (3,909) |
| Fund Balance, June 30, 2020 | \$ 711,511 | \$ 688,522 | \$ 688,522 | \$ 22,989 |

Exhibit F-4

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Fines, Forfeitures, and Penalties | \$ 55,095 | \$ 14,100 | \$ 14,100 | \$ 40,995 |
| Total Revenues | <u>\$ 55,095</u> | <u>\$ 14,100</u> | <u>\$ 14,100</u> | <u>\$ 40,995</u> |
| Expenditures | | | | |
| Public Safety | | | | |
| Drug Enforcement | \$ 58,604 | \$ 71,075 | \$ 74,675 | \$ 16,071 |
| Other Operations | | | | |
| Other Charges | 182 | 300 | 300 | 118 |
| Total Expenditures | <u>\$ 58,786</u> | <u>\$ 71,375</u> | <u>\$ 74,975</u> | <u>\$ 16,189</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,691) | \$ (57,275) | \$ (60,875) | \$ 57,184 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ (3,691) | \$ (57,275) | \$ (60,875) | \$ 57,184 |
| | <u>\$ 234,743</u> | <u>\$ 232,870</u> | <u>\$ 232,870</u> | <u>\$ 1,873</u> |
| Fund Balance, June 30, 2020 | <u>\$ 231,052</u> | <u>\$ 175,595</u> | <u>\$ 171,995</u> | <u>\$ 59,057</u> |

Major Governmental Fund

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.

Exhibit G

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------|------------------|---------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 6,563,554 | \$ 6,446,561 | \$ 6,446,561 | \$ 116,993 |
| Other Local Revenues | 23,927 | 25,000 | 25,000 | (1,073) |
| Other Governments and Citizens Groups | 292,896 | 0 | 292,896 | 0 |
| Total Revenues | \$ 6,880,377 | \$ 6,471,561 | \$ 6,764,457 | \$ 115,920 |
| Expenditures | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 989,580 | \$ 1,135,000 | \$ 989,580 | \$ 0 |
| Education | 3,156,999 | 2,744,027 | 3,156,999 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 260,270 | 415,564 | 387,047 | 126,777 |
| Education | 1,548,834 | 2,110,195 | 2,164,056 | 615,222 |
| <u>Other Debt Service</u> | | | | |
| General Government | 108,195 | 106,000 | 106,000 | (2,195) |
| Total Expenditures | \$ 6,063,878 | \$ 6,510,786 | \$ 6,803,682 | \$ 739,804 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 816,499 | \$ (39,225) | \$ (39,225) | \$ 855,724 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ 816,499 | \$ (39,225) | \$ (39,225) | \$ 855,724 |
| | 13,862,959 | 13,794,862 | 13,794,862 | 68,097 |
| Fund Balance, June 30, 2020 | \$ 14,679,458 | \$ 13,755,637 | \$ 13,755,637 | \$ 923,821 |

Fiduciary Funds

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

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

Delinquent Tax Agency Fund – The Delinquent Tax Agency Fund is used to account for funds received from the resale of county properties previously acquired through Chancery Court tax sales.

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.

Exhibit H-1

Cumberland County, TennesseeCombining Statement of Fiduciary Assets and LiabilitiesFiduciary FundsJune 30, 2020

| | Agency Funds | | | | | Total | |
|---------------------------------------|---------------------|------------------|---------------------|---------------------|-----------|-------|--|
| | Cities - | Delinquent | Constitu - | | | | |
| | Sales | Tax - | Officers - | Agency | | | |
| | Tax | Agency | | | | | |
| ASSETS | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 1,861,669 | \$ 1,861,669 | | | |
| Equity in Pooled Cash and Investments | | 0 | 40,456 | 0 | 40,456 | | |
| Due from Other Governments | | 1,654,983 | 0 | 0 | 1,654,983 | | |
| Total Assets | \$ 1,654,983 | \$ 40,456 | \$ 1,861,669 | \$ 3,557,108 | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 0 | \$ 40,456 | \$ 0 | \$ 40,456 | | | |
| Due to Other Taxing Units | | 1,654,983 | 0 | 0 | 1,654,983 | | |
| Due to Litigants, Heirs, and Others | | 0 | 0 | 1,861,669 | 1,861,669 | | |
| Total Liabilities | \$ 1,654,983 | \$ 40,456 | \$ 1,861,669 | \$ 3,557,108 | | | |

Exhibit H-2

Cumberland County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|----------------------|----------------------|---------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 8,869,741 | \$ 8,869,741 | \$ 0 |
| Due from Other Governments | 1,531,221 | 1,654,983 | 1,531,221 | 1,654,983 |
| Total Assets | <u>\$ 1,531,221</u> | <u>\$ 10,524,724</u> | <u>\$ 10,400,962</u> | <u>\$ 1,654,983</u> |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 1,531,221 | \$ 10,524,724 | \$ 10,400,962 | \$ 1,654,983 |
| Total Liabilities | <u>\$ 1,531,221</u> | <u>\$ 10,524,724</u> | <u>\$ 10,400,962</u> | <u>\$ 1,654,983</u> |
| <u>Delinquent Tax - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 10,462 | \$ 31,061 | \$ 1,067 | \$ 40,456 |
| Total Assets | <u>\$ 10,462</u> | <u>\$ 31,061</u> | <u>\$ 1,067</u> | <u>\$ 40,456</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 10,462 | \$ 31,061 | \$ 1,067 | \$ 40,456 |
| Total Liabilities | <u>\$ 10,462</u> | <u>\$ 31,061</u> | <u>\$ 1,067</u> | <u>\$ 40,456</u> |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,783,662 | \$ 12,878,325 | \$ 12,800,318 | \$ 1,861,669 |
| Total Assets | <u>\$ 1,783,662</u> | <u>\$ 12,878,325</u> | <u>\$ 12,800,318</u> | <u>\$ 1,861,669</u> |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,783,662 | \$ 12,878,325 | \$ 12,800,318 | \$ 1,861,669 |
| Total Liabilities | <u>\$ 1,783,662</u> | <u>\$ 12,878,325</u> | <u>\$ 12,800,318</u> | <u>\$ 1,861,669</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,783,662 | \$ 12,878,325 | \$ 12,800,318 | \$ 1,861,669 |
| Equity in Pooled Cash and Investments | 10,462 | 8,900,802 | 8,870,808 | 40,456 |
| Due from Other Governments | 1,531,221 | 1,654,983 | 1,531,221 | 1,654,983 |
| Total Assets | <u>\$ 3,325,345</u> | <u>\$ 23,434,110</u> | <u>\$ 23,202,347</u> | <u>\$ 3,557,108</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 10,462 | \$ 31,061 | \$ 1,067 | \$ 40,456 |
| Due to Other Taxing Units | 1,531,221 | 10,524,724 | 10,400,962 | 1,654,983 |
| Due to Litigants, Heirs, and Others | 1,783,662 | 12,878,325 | 12,800,318 | 1,861,669 |
| Total Liabilities | <u>\$ 3,325,345</u> | <u>\$ 23,434,110</u> | <u>\$ 23,202,347</u> | <u>\$ 3,557,108</u> |

Cumberland County School Department

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

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

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

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

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

Exhibit I-1

Cumberland County, Tennessee

Statement of Activities

Discretely Presented Cumberland County School Department

For the Year Ended June 30, 2020

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--|----------------------|----------------------------|---|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | |
| | | | Total Governmental Activities | |
| Governmental Activities: | | | | |
| Instruction | \$ 35,505,935 | \$ 598,273 | \$ 3,631,126 | \$ (31,276,536) |
| Support Services | 23,955,159 | 60,015 | 134,940 | (23,760,204) |
| Operation of Non-instructional Services | 6,810,450 | 518,569 | 6,046,980 | (244,901) |
| Interest on Long-term Debt | 25,344 | 0 | 0 | (25,344) |
| Total Governmental Activities | <u>\$ 66,296,888</u> | <u>\$ 1,176,857</u> | <u>\$ 9,813,046</u> | <u>\$ (55,306,985)</u> |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 8,612,686 |
| Local Option Sales Taxes | | | | 10,421,174 |
| Mixed Drink Tax | | | | 53,050 |
| Other Local Taxes | | | | 3,940 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 36,614,410 |
| Unrestricted Investment Earnings | | | | 8,619 |
| Miscellaneous | | | | 197,528 |
| Total General Revenues | | | | <u>\$ 55,911,407</u> |
| Insurance Recovery | | | | 900 |
| Change in Net Position | | | | \$ 605,322 |
| Net Position, July 1, 2019 | | | | <u>\$ 63,434,595</u> |
| Net Position, June 30, 2020 | | | | <u>\$ 64,039,917</u> |

Exhibit I-2

Cumberland County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Cumberland County School Department

June 30, 2020

| | Major Funds | | | Nonmajor Funds | |
|---|------------------------|----------------------------|--------------------------|--------------------------|--|
| | General Purpose School | Education Capital Projects | Other Governmental Funds | Total Governmental Funds | |
| | | | | | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 500 | \$ 500 | |
| Equity in Pooled Cash and Investments | 7,325,094 | 69,681 | 841,387 | 8,236,162 | |
| Inventories | 0 | 0 | 117,285 | 117,285 | |
| Accounts Receivable | 298 | 0 | 5,635 | 5,933 | |
| Due from Other Governments | 1,970,890 | 0 | 510,480 | 2,481,370 | |
| Property Taxes Receivable | 8,378,777 | 0 | 0 | 8,378,777 | |
| Allowance for Uncollectible Property Taxes | (331,867) | 0 | 0 | (331,867) | |
| Restricted Assets | 224,130 | 0 | 0 | 224,130 | |
| Total Assets | \$ 17,567,322 | \$ 69,681 | \$ 1,475,287 | \$ 19,112,290 | |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 492,867 | \$ 0 | \$ 20,017 | \$ 512,884 | |
| Accrued Payroll | 4,486 | 0 | 45,724 | 50,210 | |
| Payroll Deductions Payable | 119,318 | 0 | 10,070 | 129,388 | |
| Contracts Payable | 555,340 | 0 | 0 | 555,340 | |
| Total Liabilities | \$ 1,172,011 | \$ 0 | \$ 75,811 | \$ 1,247,822 | |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 7,903,747 | \$ 0 | \$ 0 | \$ 7,903,747 | |
| Deferred Delinquent Property Taxes | 112,080 | 0 | 0 | 112,080 | |
| Other Deferred/Unavailable Revenue | 1,020,777 | 0 | 0 | 1,020,777 | |
| Total Deferred Inflows of Resources | \$ 9,036,604 | \$ 0 | \$ 0 | \$ 9,036,604 | |

(Continued)

Exhibit I-2

Cumberland County, TennesseeBalance Sheet - Governmental FundsDiscretely Presented Cumberland County School Department (Cont.)

| | Major Funds | | | Nonmajor Funds | | Total Governmental Funds |
|---|------------------------------|------------------|---------------------|-------------------------------------|--|--------------------------------|
| | General Purpose School | Education | Capital Projects | Other Govern- mental Funds | | |
| | | | | | | |
| <u>FUND BALANCES</u> | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | \$ 0 | \$ 0 | \$ 93,375 | \$ 93,375 | | |
| Restricted: | | | | | | |
| Restricted for Education | 60,316 | 69,681 | 1,106,101 | 1,236,098 | | |
| Restricted for Hybrid Retirement Stabilization Funds | 224,130 | 0 | 0 | 224,130 | | |
| Committed: | | | | | | |
| Committed for Education | 0 | 0 | 200,000 | 200,000 | | |
| Unassigned | 7,074,261 | 0 | 0 | 7,074,261 | | |
| Total Fund Balances | <u>\$ 7,358,707</u> | <u>\$ 69,681</u> | <u>\$ 1,399,476</u> | <u>\$ 8,827,864</u> | | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 17,567,322</u> | <u>\$ 69,681</u> | <u>\$ 1,475,287</u> | <u>\$ 19,112,290</u> | | |

Exhibit I-3

Cumberland County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Cumberland County School Department
June 30, 2020

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) | \$ 8,827,864 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. | |
| Add: land | \$ 2,088,454 |
| Add: buildings and improvements net of accumulated depreciation | 60,172,892 |
| Add: infrastructure net of accumulated depreciation | 465,934 |
| Add: other capital assets net of accumulated depreciation | <u>3,347,268</u> 66,074,548 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | |
| Less: contributions due on primary government debt for other loans | \$ (816,192) |
| Less: compensated absences payable | (126,045) |
| Less: other postemployment benefits liability | <u>(12,252,392)</u> (13,194,629) |
| (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 | \$ 4,483,058 |
| Less: deferred inflows of resources related to pensions | (6,159,115) |
| Add: deferred outflows of resources related to OPEB | 1,391,187 |
| Less: deferred inflows of resources related to OPEB | <u>(5,436,247)</u> (5,721,117) |
| (4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds. | |
| Add: net pension asset - agent plan | \$ 268,497 |
| Add: net pension asset - teacher retirement plan | 265,645 |
| Add: net pension asset - teacher legacy pension plan | <u>6,386,252</u> 6,920,394 |
| (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds. | <u>1,132,857</u> |
| Net position of governmental activities (Exhibit A) | <u>\$ 64,039,917</u> |

Exhibit I-4

Cumberland County, Tennessee

Statement of Revenues, Expenditures,

and Changes in Fund Balances -

Governmental Funds

Discretely Presented Cumberland County School Department

For the Year Ended June 30, 2020

| | Major Funds | | | Nonmajor Funds | |
|--|------------------------|----------------------------|--------------------------|--------------------------|-------|
| | General Purpose School | Education Capital Projects | Other Governmental Funds | Total Governmental Funds | |
| | | | | Governmental Funds | Total |
| Revenues | | | | | |
| Local Taxes | \$ 18,965,482 | \$ 0 | \$ 0 | \$ 18,965,482 | |
| Charges for Current Services | 205,776 | 0 | 531,958 | 737,734 | |
| Other Local Revenues | 223,955 | 0 | 17,605 | 241,560 | |
| State of Tennessee | 36,643,997 | 0 | 161,996 | 36,805,993 | |
| Federal Government | 19,951 | 0 | 9,480,013 | 9,499,964 | |
| Other Governments and Citizens Groups | 0 | 420,523 | 6,041 | 426,564 | |
| Total Revenues | \$ 56,059,161 | \$ 420,523 | \$ 10,197,613 | \$ 66,677,297 | |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction | \$ 32,226,474 | \$ 0 | \$ 3,387,317 | \$ 35,613,791 | |
| Support Services | 21,659,857 | 0 | 1,016,533 | 22,676,390 | |
| Operation of Non-Instructional Services | 1,229,640 | 0 | 5,604,893 | 6,834,533 | |
| Capital Outlay | 686,453 | 0 | 0 | 686,453 | |
| Debt Service: | | | | | |
| Principal on Debt | 267,552 | 0 | 0 | 267,552 | |
| Interest on Debt | 25,344 | 0 | 0 | 25,344 | |
| Capital Projects | 0 | 2,556,588 | 0 | 2,556,588 | |
| Total Expenditures | \$ 56,095,320 | \$ 2,556,588 | \$ 10,008,743 | \$ 68,660,651 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (36,159) | \$ (2,136,065) | \$ 188,870 | \$ (1,983,354) | |

(Continued)

Exhibit I-4

Cumberland County, Tennessee

Statement of Revenues, Expenditures,

and Changes in Fund Balances -

Governmental Funds

Discretely Presented Cumberland County School Department (Cont.)

| | Major Funds | | | Nonmajor Funds | | Total Governmental Funds |
|---------------------------------------|------------------------------|----------------------------------|-------------------------------------|----------------|--|--------------------------------|
| | General Purpose School | Education Capital Projects | Other Govern- mental Funds | | | |
| | | | | | | |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 900 | \$ 0 | \$ 0 | \$ 900 | | |
| Total Other Financing Sources (Uses) | \$ 900 | \$ 0 | \$ 0 | \$ 900 | | |
| Net Change in Fund Balances | \$ (35,259) | \$ (2,136,065) | \$ 188,870 | \$ (1,982,454) | | |
| Fund Balance, July 1, 2019 | 7,393,966 | 2,205,746 | 1,210,606 | 10,810,318 | | |
| Fund Balance, June 30, 2020 | \$ 7,358,707 | \$ 69,681 | \$ 1,399,476 | \$ 8,827,864 | | |

Exhibit I-5

Cumberland County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

of Governmental Funds to the Statement of Activities

Discretely Presented Cumberland County School Department

For the Year Ended June 30, 2020

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

| | | |
|--|--------------|----------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ (1,982,454) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 3,401,780 | |
| Less: current-year depreciation expense | (1,879,603) | 1,522,177 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | | |
| Less: book value of capital assets disposed | | (153,393) |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2020 | \$ 1,132,857 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2019 | (1,007,489) | 125,368 |
| (4) The contributions of long-term debt (e.g., bonds, other 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 other loans to primary government | | 267,552 |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in compensated absences payable | \$ (25,437) | |
| Change in net pension asset/liability - agent plan | (151,257) | |
| Change in net pension asset/liability - teacher legacy pension plan | 56,667 | |
| Change in net pension asset - teacher retirement plan | 4,206,990 | |
| Change in deferred outflows related to pensions | (621,788) | |
| Change in deferred inflows related to pensions | (2,500,259) | |
| Change in OPEB liability | (100,192) | |
| Change in deferred outflows related to OPEB | 296,405 | |
| Change in deferred inflows related to OPEB | (335,057) | 826,072 |
| Change in net position of governmental activities (Exhibit B) | | \$ 605,322 |

Exhibit I-6

Cumberland County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Cumberland County School Department
June 30, 2020

| | Special Revenue Funds | | | Total |
|--|-------------------------------|----------------------|---------------------|-----------------------------------|
| | School Federal Projects | Central Cafeteria | | Nonmajor Governmental Funds |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 500 | \$ 500 | \$ 500 |
| Equity in Pooled Cash and Investments | 220,583 | 620,804 | | 841,387 |
| Inventories | 0 | 117,285 | | 117,285 |
| Accounts Receivable | 0 | 5,635 | | 5,635 |
| Due from Other Governments | 18,167 | 492,313 | | 510,480 |
| Total Assets | \$ 238,750 | \$ 1,236,537 | \$ 1,475,287 | |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 20,017 | \$ 0 | \$ 20,017 | \$ 20,017 |
| Accrued Payroll | 1,831 | 43,893 | | 45,724 |
| Payroll Deductions Payable | 7,567 | 2,503 | | 10,070 |
| Total Liabilities | \$ 29,415 | \$ 46,396 | \$ 75,811 | |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable: | | | | |
| Inventory | \$ 0 | \$ 93,375 | \$ 93,375 | \$ 93,375 |
| Restricted: | | | | |
| Restricted for Education | 9,335 | 1,096,766 | | 1,106,101 |
| Committed: | | | | |
| Committed for Education | 200,000 | 0 | | 200,000 |
| Total Fund Balances | \$ 209,335 | \$ 1,190,141 | \$ 1,399,476 | |
| Total Liabilities and Fund Balances | \$ 238,750 | \$ 1,236,537 | \$ 1,475,287 | |

Exhibit I-7

Cumberland County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Cumberland County School Department
For the Year Ended June 30, 2020

| | Special Revenue Funds | | | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|---------------|--|
| | School Federal Projects | Central Cafeteria | | |
| Revenues | | | | |
| Charges for Current Services | \$ 0 | \$ 531,958 | \$ 531,958 | |
| Other Local Revenues | 0 | 17,605 | 17,605 | |
| State of Tennessee | 116,058 | 45,938 | 161,996 | |
| Federal Government | 4,574,074 | 4,905,939 | 9,480,013 | |
| Other Governments and Citizens Groups | 0 | 6,041 | 6,041 | |
| Total Revenues | \$ 4,690,132 | \$ 5,507,481 | \$ 10,197,613 | |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | \$ 3,387,317 | \$ 0 | \$ 3,387,317 | |
| Support Services | 1,016,533 | 0 | 1,016,533 | |
| Operation of Non-Instructional Services | 228,589 | 5,376,304 | 5,604,893 | |
| Total Expenditures | \$ 4,632,439 | \$ 5,376,304 | \$ 10,008,743 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 57,693 | \$ 131,177 | \$ 188,870 | |
| Net Change in Fund Balances | \$ 57,693 | \$ 131,177 | \$ 188,870 | |
| Fund Balance, July 1, 2019 | 151,642 | 1,058,964 | 1,210,606 | |
| Fund Balance, June 30, 2020 | \$ 209,335 | \$ 1,190,141 | \$ 1,399,476 | |

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cumberland County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------|------------------|----------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 18,965,482 | \$ 18,717,384 | \$ 18,717,384 | \$ 248,098 |
| Charges for Current Services | 205,776 | 246,000 | 246,000 | (40,224) |
| Other Local Revenues | 223,955 | 201,000 | 234,125 | (10,170) |
| State of Tennessee | 36,643,997 | 36,451,775 | 36,780,022 | (136,025) |
| Federal Government | 19,951 | 0 | 19,951 | 0 |
| Other Governments and Citizens Groups | 0 | 2,000 | 2,000 | (2,000) |
| Total Revenues | \$ 56,059,161 | \$ 55,618,159 | \$ 55,999,482 | \$ 59,679 |
| Expenditures | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 25,661,307 | \$ 27,309,924 | \$ 27,315,849 | \$ 1,654,542 |
| Alternative Instruction Program | 202,487 | 248,729 | 249,229 | 46,742 |
| Special Education Program | 2,948,887 | 3,128,301 | 3,148,252 | 199,365 |
| Career and Technical Education Program | 2,977,439 | 3,246,818 | 3,256,672 | 279,233 |
| Student Body Education Program | 436,354 | 459,808 | 461,808 | 25,454 |
| <u>Support Services</u> | | | | |
| Attendance | 144,665 | 127,677 | 147,812 | 3,147 |
| Health Services | 559,971 | 562,042 | 567,171 | 7,200 |
| Other Student Support | 1,314,545 | 1,454,750 | 1,436,662 | 122,117 |
| Regular Instruction Program | 1,173,998 | 1,206,091 | 1,207,091 | 33,093 |
| Special Education Program | 650,820 | 710,523 | 710,523 | 59,703 |
| Career and Technical Education Program | 321,094 | 375,245 | 375,245 | 54,151 |
| Technology | 1,096,590 | 1,148,456 | 1,148,456 | 51,866 |
| Other Programs | 301,247 | 0 | 301,247 | 0 |
| Board of Education | 1,011,780 | 1,129,353 | 1,104,653 | 92,873 |
| Director of Schools | 261,351 | 277,315 | 277,315 | 15,964 |
| Office of the Principal | 3,738,013 | 3,814,603 | 3,836,103 | 98,090 |
| Fiscal Services | 167,968 | 168,971 | 168,971 | 1,003 |
| Human Services/Personnel | 150,776 | 181,189 | 181,189 | 30,413 |
| Operation of Plant | 4,594,490 | 5,108,172 | 5,108,172 | 513,682 |
| Maintenance of Plant | 3,293,074 | 3,443,405 | 3,545,718 | 252,644 |
| Transportation | 2,879,475 | 3,016,197 | 3,208,392 | 328,917 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Community Services | 165,337 | 202,923 | 206,605 | 41,268 |
| Early Childhood Education | 1,064,303 | 1,144,384 | 1,144,384 | 80,081 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 686,453 | 470,000 | 860,001 | 173,548 |
| <u>Principal on Debt</u> | | | | |
| Education | 267,552 | 267,552 | 267,552 | 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 25,344 | 25,344 | 25,344 | 0 |
| Total Expenditures | \$ 56,095,320 | \$ 59,227,772 | \$ 60,260,416 | \$ 4,165,096 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (36,159) | \$ (3,609,613) | \$ (4,260,934) | \$ 4,224,775 |

(Continued)

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from Sale of Capital Assets | \$ 900 | \$ 0 | \$ 0 | \$ 900 |
| Total Other Financing Sources | \$ 900 | \$ 0 | \$ 0 | \$ 900 |
| Net Change in Fund Balance | \$ (35,259) | \$ (3,609,613) | \$ (4,260,934) | \$ 4,225,675 |
| Fund Balance, July 1, 2019 | 7,393,966 | 5,794,045 | 5,794,045 | 1,599,921 |
| Fund Balance, June 30, 2020 | <u>\$ 7,358,707</u> | <u>\$ 2,184,432</u> | <u>\$ 1,533,111</u> | <u>\$ 5,825,596</u> |

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cumberland County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| Revenues | | | | |
| State of Tennessee | \$ 116,058 | \$ 185,077 | \$ 185,077 | \$ (69,019) |
| Federal Government | 4,574,074 | 5,973,640 | 5,974,640 | (1,400,566) |
| Total Revenues | \$ 4,690,132 | \$ 6,158,717 | \$ 6,159,717 | \$ (1,469,585) |
| Expenditures | | | | |
| Instruction | | | | |
| Regular Instruction Program | \$ 1,922,336 | \$ 2,517,553 | \$ 2,512,109 | \$ 589,773 |
| Special Education Program | 1,334,950 | 1,537,669 | 1,537,669 | 202,719 |
| Career and Technical Education Program | 130,031 | 110,014 | 130,031 | 0 |
| Support Services | | | | |
| Other Student Support | 69,464 | 98,968 | 72,573 | 3,109 |
| Regular Instruction Program | 676,174 | 943,894 | 942,716 | 266,542 |
| Special Education Program | 189,901 | 489,374 | 489,374 | 299,473 |
| Career and Technical Education Program | 22,368 | 22,368 | 22,368 | 0 |
| Transportation | 58,626 | 87,709 | 101,709 | 43,083 |
| Operation of Non-Instructional Services | | | | |
| Community Services | 228,589 | 338,499 | 348,499 | 119,910 |
| Total Expenditures | \$ 4,632,439 | \$ 6,146,048 | \$ 6,157,048 | \$ 1,524,609 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 57,693 | \$ 12,669 | \$ 2,669 | \$ 55,024 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | \$ 0 | \$ (12,669) | \$ (2,669) | \$ 2,669 |
| Total Other Financing Sources | \$ 0 | \$ (12,669) | \$ (2,669) | \$ 2,669 |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ 57,693 | \$ 0 | \$ 0 | \$ 57,693 |
| Fund Balance, June 30, 2020 | \$ 151,642 | \$ 0 | \$ 0 | \$ 151,642 |
| | \$ 209,335 | \$ 0 | \$ 0 | \$ 209,335 |

Cumberland County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cumberland County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|----------------------------|--------------------------|--------------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Charges for Current Services | \$ 531,958 | \$ 685,212 | \$ 685,212 | \$ (153,254) |
| Other Local Revenues | 17,605 | 10,341 | 15,054 | 2,551 |
| State of Tennessee | 45,938 | 41,500 | 44,000 | 1,938 |
| Federal Government | 4,905,939 | 4,664,917 | 4,690,326 | 215,613 |
| Other Governments and Citizens Groups | 6,041 | 0 | 6,041 | 0 |
| Total Revenues | <u>\$ 5,507,481</u> | <u>\$ 5,401,970</u> | <u>\$ 5,440,633</u> | <u>\$ 66,848</u> |
| Expenditures | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 5,376,304 | \$ 5,400,090 | \$ 5,476,075 | \$ 99,771 |
| Total Expenditures | <u>\$ 5,376,304</u> | <u>\$ 5,400,090</u> | <u>\$ 5,476,075</u> | <u>\$ 99,771</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 131,177</u> | <u>\$ 1,880</u> | <u>\$ (35,442)</u> | <u>\$ 166,619</u> |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | <u>\$ 131,177</u> | <u>\$ 1,880</u> | <u>\$ (35,442)</u> | <u>\$ 166,619</u> |
| | <u>1,058,964</u> | <u>985,938</u> | <u>985,938</u> | <u>73,026</u> |
| Fund Balance, June 30, 2020 | <u><u>\$ 1,190,141</u></u> | <u><u>\$ 987,818</u></u> | <u><u>\$ 950,496</u></u> | <u><u>\$ 239,645</u></u> |

Cumberland County Railroad Authority

This section presents combining and individual fund financial statements for the Cumberland County Railroad Authority, a discretely presented component unit. The Cumberland County Railroad Authority uses only one fund, a General Fund.

General Fund – The General Fund is used to account for the general operations of the railroad authority.

Exhibit J-1

Cumberland County, Tennessee
Statement of Net Position and Governmental Fund Balance Sheet
Discretely Presented Cumberland County Railroad Authority
June 30, 2020

| | General Fund | Adjustments | Statement of Net Position |
|--|-------------------------|--------------------|---------------------------------|
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 47,710 | \$ 0 | \$ 47,710 |
| Total Assets | <u>\$ 47,710</u> | <u>\$ 0</u> | <u>\$ 47,710</u> |
| <u>LIABILITIES AND FUND BALANCE/ NET POSITION</u> | | | |
| <u>Fund Balances</u> | | | |
| Unassigned | \$ 47,710 | \$ (47,710) | \$ 0 |
| Total Fund Balances | <u>\$ 47,710</u> | <u>\$ (47,710)</u> | <u>\$ 0</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 47,710</u></u> | | |
| Net Position: | | | |
| Unrestricted | \$ 47,710 | \$ 47,710 | |
| Total Net Position | <u>\$ 0</u> | | <u>\$ 47,710</u> |

Exhibit J-2

Cumberland County, Tennessee

Statement of Activities and Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance/Net Position

Discretely Presented Cumberland County Railroad Authority

For the Year Ended June 30, 2020

| | General Fund | Adjustments | Statement of Activities |
|--------------------------------------|-----------------|-------------|-------------------------------|
| Expenditures/Expenses: | | | |
| Capital Projects | \$ 370 | \$ 0 | \$ 370 |
| Total Expenditures/Expenses | \$ 370 | \$ 0 | \$ 370 |
| Net Program Expense | | | \$ 370 |
| Excess of Revenues Over Expenditures | \$ (370) | \$ 0 | \$ (370) |
| Change in Net Position | 0 | 0 | 0 |
| Fund Balance/Net Position: | | | |
| July 1, 2019 | 48,080 | 0 | 48,080 |
| June 30, 2020 | \$ 47,710 | \$ 0 | \$ 47,710 |

Exhibit J-3

Cumberland County, Tennessee

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Cumberland County Railroad Authority
General Fund
For the Year Ended June 30, 2020

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-----------|------------------|-----------|--|
| | | Original | Final | |
| Revenues | | | | |
| State of Tennessee | \$ 0 | \$ 10,000 | \$ 10,000 | \$ (10,000) |
| Total Revenues | \$ 0 | \$ 10,000 | \$ 10,000 | \$ (10,000) |
| Expenditures | | | | |
| <u>Other Operations</u> | | | | |
| Other Economic and Community Development | \$ 0 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| <u>Capital Projects</u> | | | | |
| Other General Government Projects | 370 | 9,000 | 9,000 | 8,630 |
| Total Expenditures | \$ 370 | \$ 10,000 | \$ 10,000 | \$ 9,630 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (370) | \$ 0 | \$ 0 | \$ (370) |
| Net Change in Fund Balance Fund Balance, July 1, 2019 | \$ (370) | \$ 0 | \$ 0 | \$ (370) |
| | 48,080 | 48,080 | 48,080 | 0 |
| Fund Balance, June 30, 2020 | \$ 47,710 | \$ 48,080 | \$ 48,080 | \$ (370) |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Cumberland County, Tennessee

Schedule of Changes in Long-term Bonds, Notes, and Other Loans
For the Year Ended June 30, 2020

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-19 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-20 |
|---|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------------|
| BONDS PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| General Obligation School Bonds, Series 2018 | \$ 4,625,000 | 2 to 3.25 % | 4-10-18 | 6-1-37 | \$ 4,255,000 | \$ 0 | \$ 175,000 | \$ 4,080,000 |
| General Obligation School Bonds, Series 2017 | 8,000,000 | 2 to 3.25 | 12-15-17 | 6-1-37 | 7,175,000 | 0 | 325,000 | 6,850,000 |
| General Obligation Refunding Bonds, Series 2016 | 4,285,000 | 2 | 8-12-16 | 6-1-28 | 3,775,000 | 0 | 385,000 | 3,390,000 |
| Total Bonds Payable | | | | | \$ 15,205,000 | \$ 0 | \$ 885,000 | \$ 14,320,000 |
| NOTES PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Various School Projects | 420,523 | 3 | 12-9-19 | 12-9-19 | \$ 0 | \$ 420,523 | \$ 420,523 | \$ 0 |
| Total Notes Payable | | | | | \$ 0 | \$ 420,523 | \$ 420,523 | \$ 0 |
| OTHER LOANS PAYABLE | | | | | | | | |
| <u>Public Building Authority Loan Agreements</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Refunding - Series E-3-A | 20,615,000 | Variable | 7-31-08 | 6-1-27 | \$ 10,280,000 | \$ 0 | \$ 1,775,000 | \$ 8,505,000 |
| Refunding - Series VII-B-2 | 28,300,000 | Variable | 11-20-08 | 6-1-39 | 26,225,000 | 0 | 0 | 26,225,000 |
| Refunding - Series VII-F-1 | 5,100,000 | Variable | 11-19-09 | 6-1-31 | 5,100,000 | 0 | 0 | 5,100,000 |
| Plateau Partners Industrial Park - Series B-20-A | 750,000 | 4.25 to 5 | 6-15-10 | 5-18-20 | 750,000 | 0 | 750,000 | 0 |
| <u>Energy Efficiency Loans</u> | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Energy Efficiency | 484,996 | 0 | 6-20-11 | 7-1-21 | 96,964 | 0 | 48,504 | 48,460 |
| <u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u> | | | | | | | | |
| Energy Efficiency Loans | 3,000,000 | 2.5 | 6-20-11 | 6-30-23 | 1,083,744 | 0 | 267,552 | 816,192 |
| Total Other Loans Payable | | | | | \$ 43,535,708 | \$ 0 | \$ 2,841,056 | \$ 40,694,652 |

Exhibit K-2

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

| Year Ending June 30 | Bonds | | |
|---------------------------|---------------|--------------|---------------|
| | Principal | Interest | Total |
| 2021 | \$ 905,000 | \$ 387,494 | \$ 1,292,494 |
| 2022 | 925,000 | 365,694 | 1,290,694 |
| 2023 | 950,000 | 343,394 | 1,293,394 |
| 2024 | 975,000 | 320,394 | 1,295,394 |
| 2025 | 1,000,000 | 297,256 | 1,297,256 |
| 2026 | 1,020,000 | 273,519 | 1,293,519 |
| 2027 | 1,045,000 | 247,819 | 1,292,819 |
| 2028 | 1,075,000 | 221,481 | 1,296,481 |
| 2029 | 635,000 | 195,731 | 830,731 |
| 2030 | 655,000 | 178,681 | 833,681 |
| 2031 | 670,000 | 159,031 | 829,031 |
| 2032 | 695,000 | 138,931 | 833,931 |
| 2033 | 710,000 | 118,081 | 828,081 |
| 2034 | 735,000 | 96,781 | 831,781 |
| 2035 | 755,000 | 74,387 | 829,387 |
| 2036 | 775,000 | 51,025 | 826,025 |
| 2037 | 795,000 | 25,838 | 820,838 |
| Total | \$ 14,320,000 | \$ 3,495,537 | \$ 17,815,537 |
| Year Ending June 30 | Other Loans | | |
| | Principal | Interest | Other Fees |
| 2021 | \$ 1,962,780 | \$ 256,622 | \$ 94,361 |
| 2022 | 1,981,256 | 240,485 | 91,081 |
| 2023 | 2,145,616 | 251,535 | 87,622 |
| 2024 | 1,940,000 | 208,416 | 83,370 |
| 2025 | 2,045,000 | 197,249 | 79,008 |
| 2026 | 2,160,000 | 185,478 | 74,411 |
| 2027 | 2,245,000 | 173,047 | 69,558 |
| 2028 | 2,240,000 | 160,133 | 64,525 |
| 2029 | 2,355,000 | 145,696 | 59,196 |
| 2030 | 2,470,000 | 130,513 | 53,595 |
| 2031 | 2,545,000 | 114,584 | 47,722 |
| 2032 | 2,620,000 | 98,136 | 41,679 |
| 2033 | 1,755,000 | 82,651 | 35,102 |
| 2034 | 1,805,000 | 72,279 | 30,697 |
| 2035 | 1,880,000 | 61,612 | 26,167 |
| 2036 | 1,980,000 | 50,501 | 21,448 |
| 2037 | 2,080,000 | 38,799 | 16,478 |
| 2038 | 2,205,000 | 26,506 | 11,257 |
| 2039 | 2,280,000 | 13,475 | 5,722 |
| Total | \$ 40,694,652 | \$ 2,507,717 | \$ 992,999 |
| | | | \$ 44,195,368 |

Exhibit K-3

Cumberland County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2020

| Description | Debtor | Original Amount of Notes | Date of Issue | Date of Maturity | Interest Rate | Balance 6-30-20 |
|---|-----------------|--------------------------|---------------|------------------|---------------|-------------------|
| <u>Courthouse and Jail Maintenance Fund</u> | | | | | | |
| Health Department Building | JPJG Properties | \$ 349,000 | 4-18-16 | 6-1-26 | 4.0% | \$ 225,849 |
| Total | | | | | | <u>\$ 225,849</u> |

Exhibit K-4

Cumberland County, TennesseeSchedule of Salaries and Official Bonds of Principal OfficialsPrimary Government and Discretely Presented Cumberland County School DepartmentFor the Year Ended June 30, 2020

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|------------------------------------|--------------------|--|
| County Mayor | Section 8-24-102, TCA | \$ 101,298 | (5) | |
| Road Superintendent | Section 8-24-102, TCA | 96,475 | (5) | |
| Director of Schools | State Board of Education and Cumberland County Board of Education | 109,777 | (1) (5) \$ 100,000 | Auto - Owners (Mutual) Insurance Company |
| Trustee | Section 8-24-102, TCA | 87,705 | 2,437,993 | Travelers Casualty and Surety Company of America |
| Assessor of Property | Section 8-24-102, TCA | 87,705 | (5) 50,000 | " |
| Finance Director | County Commission | 87,705 | (2) (5) | |
| County Clerk | Section 8-24-102, TCA | 87,705 | (5) | |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, TCA | 87,705 | (5) | |
| Clerk and Master | Section 8-24-102, TCA and Chancery Court Judge | 87,705 | (3) (5) 150,000 | Travelers Casualty and Surety Company of America |
| Register of Deeds | Section 8-24-102, TCA | 87,705 | (5) | |
| Sheriff | Section 8-24-102, TCA | 96,475 | (4) (5) | |
| Employee Blanket Bonds | | | | |
| Public Employee Dishonesty - County Departments | | | | 400,000 Local Government Insurance Pool |
| Public Employee Dishonesty - School Department | | | | 400,000 Tennessee Risk Management Trust |

(1) Does not include chief executive officer training supplement of \$1,000.

(2) Does not include longevity pay of \$3,512.

(3) Does not include special commissioner fees of \$7,316.

(4) Does not include a law enforcement training supplement of \$800.

(5) Covered by the employee insurance policy pursuant to Section 8-19-101, TCA.

Exhibit K-5

Cumberland County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

| | General | Special Revenue Funds | | | | |
|--|----------------------|---------------------------------|--------------------------|--------------|------------------------|--|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | Highway / Public Works | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 9,718,358 | \$ 0 | \$ 2,134,178 | \$ 0 | \$ 0 | |
| Trustee's Collections - Prior Year | 207,599 | 0 | 40,937 | 0 | 0 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 111,384 | 0 | 22,550 | 0 | 0 | |
| Interest and Penalty | 97,313 | 0 | 19,777 | 0 | 0 | |
| Payments in-Lieu-of Taxes - Other | 177,421 | 0 | 0 | 0 | 0 | |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 848,419 | 0 | 0 | 0 | 0 | |
| Hotel/Motel Tax | 688,600 | 0 | 0 | 0 | 0 | |
| Litigation Tax - General | 84,643 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Special Purpose | 16,638 | 45,749 | 0 | 0 | 0 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | |
| Business Tax | 971,737 | 0 | 0 | 0 | 0 | |
| Mixed Drink Tax | 27,134 | 0 | 0 | 0 | 0 | |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 53,312 | |
| Other County Local Option Taxes | 6,171 | 0 | 0 | 0 | 0 | |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 298,464 | 0 | 0 | 0 | 0 | |
| Wholesale Beer Tax | 333,879 | 0 | 0 | 0 | 0 | |
| Other Statutory Local Taxes | 5,352 | 0 | 0 | 0 | 0 | |
| Total Local Taxes | \$ 13,593,112 | \$ 45,749 | \$ 2,217,442 | \$ 0 | \$ 53,312 | |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Animal Vaccination | \$ 22,647 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Cable TV Franchise | 292,277 | 0 | 0 | 0 | 0 | |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | General | Special Revenue Funds | | | | |
|--|------------|---------------------------------|--------------------------|--------------|------------------------|--|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | Highway / Public Works | |
| <u>Licenses and Permits (Cont.)</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Beer Permits | \$ 36,106 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Total Licenses and Permits | \$ 351,030 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 526 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Officers Costs | 6,163 | 0 | 0 | 0 | 0 | |
| Drug Court Fees | 2,852 | 0 | 0 | 0 | 0 | |
| Veterans Treatment Court Fees | 1,520 | 0 | 0 | 0 | 0 | |
| Jail Fees | 2,311 | 0 | 0 | 0 | 0 | |
| DUI Treatment Fines | 380 | 0 | 0 | 0 | 0 | |
| Data Entry Fee - Circuit Court | 2,345 | 0 | 0 | 0 | 0 | |
| Courtroom Security Fee | 17 | 0 | 0 | 0 | 0 | |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 18,678 | 0 | 0 | 0 | 0 | |
| Officers Costs | 71,149 | 0 | 0 | 0 | 0 | |
| Game and Fish Fines | 718 | 0 | 0 | 0 | 0 | |
| Drug Court Fees | 5,080 | 0 | 0 | 0 | 0 | |
| Veterans Treatment Court Fees | 3,381 | 0 | 0 | 0 | 0 | |
| Jail Fees | 8,091 | 0 | 0 | 0 | 0 | |
| DUI Treatment Fines | 9,791 | 0 | 0 | 0 | 0 | |
| Data Entry Fee - General Sessions Court | 32,912 | 0 | 0 | 0 | 0 | |
| Courtroom Security Fee | 1,549 | 0 | 0 | 0 | 0 | |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 23,613 | 0 | 0 | 0 | 0 | |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | General | Special Revenue Funds | | | | Highway / Public Works |
|---|------------|---------------------------------------|--------------------------------|-----------------|-------|------------------------------|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Chancery Court (Cont.)</u> | | | | | | |
| Data Entry Fee - Chancery Court | \$ 13,271 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Courtroom Security Fee | 136 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | |
| Drug Control Fines | 0 | 0 | 0 | 18,702 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 36,393 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 204,483 | \$ 0 | \$ 0 | \$ 55,095 | \$ 0 | 0 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Tipping Fees | \$ 180 | \$ 0 | \$ 15,092 | \$ 0 | \$ 0 | 0 |
| Surcharge - Waste Tire Disposal | 0 | 0 | 62,187 | 0 | 0 | 0 |
| Patient Charges | 4,931,526 | 0 | 0 | 0 | 0 | 0 |
| Other General Service Charges | 0 | 0 | 0 | 0 | 3,500 | 0 |
| <u>Fees</u> | | | | | | |
| Copy Fees | 934 | 0 | 0 | 0 | 0 | 0 |
| Library Fees | 12,617 | 0 | 0 | 0 | 0 | 0 |
| Archives and Records Management Fee | 88,548 | 0 | 0 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 250 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 54,075 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 31,061 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 11,084 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 7,650 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 1,335 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | General | Special Revenue Funds | | | | |
|---|--------------|---------------------------------|--------------------------|--------------|------------------------|--|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | Highway / Public Works | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Education Charges</u> | | | | | | |
| TBI Criminal Background Fee | \$ 4,245 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Total Charges for Current Services | \$ 5,143,505 | \$ 0 | \$ 77,279 | \$ 0 | \$ 3,500 | |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 596,080 | \$ 9,806 | \$ 0 | \$ 0 | \$ 0 | |
| Lease/Rentals | 44,645 | 0 | 0 | 0 | 0 | |
| Commissary Sales | 2,544 | 0 | 0 | 0 | 0 | |
| Sale of Recycled Materials | 0 | 0 | 204,882 | 0 | 0 | |
| E-Rate Funding | 2,088 | 0 | 0 | 0 | 0 | |
| Miscellaneous Refunds | 32,156 | 0 | 1,144 | 0 | 145 | |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 230 | 0 | 0 | 0 | 0 | |
| Contributions and Gifts | 2,952 | 0 | 0 | 0 | 0 | |
| Total Other Local Revenues | \$ 680,695 | \$ 9,806 | \$ 206,026 | \$ 0 | \$ 145 | |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 549,897 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Circuit Court Clerk | 148,028 | 0 | 0 | 0 | 0 | |
| General Sessions Court Clerk | 382,207 | 0 | 0 | 0 | 0 | |
| Clerk and Master | 355,815 | 0 | 0 | 0 | 0 | |
| Register | 429,510 | 0 | 0 | 0 | 0 | |
| Sheriff | 31,154 | 0 | 0 | 0 | 0 | |
| Trustee | 922,029 | 0 | 0 | 0 | 0 | |
| Total Fees Received From County Officials | \$ 2,818,640 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

(Continued)

Exhibit K-5

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund Types (Cont.)

| | General | Special Revenue Funds | | | | |
|--|---------------------|---------------------------------|--------------------------|--------------|------------------------|--|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | Highway / Public Works | |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Other General Government Grants | 17,601 | 0 | 0 | 0 | 0 | |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 44,800 | 0 | 0 | 0 | 0 | |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 1,007,473 | 0 | 0 | 0 | 0 | |
| <u>Public Works Grants</u> | | | | | | |
| State Aid Program | 0 | 0 | 0 | 0 | 785,651 | |
| Litter Program | 0 | 0 | 41,029 | 0 | 0 | |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 211,930 | 0 | 0 | 0 | 0 | |
| Beer Tax | 8,559 | 0 | 0 | 0 | 0 | |
| Vehicle Certificate of Title Fees | 12,961 | 0 | 0 | 0 | 0 | |
| Alcoholic Beverage Tax | 144,383 | 0 | 0 | 0 | 0 | |
| State Revenue Sharing - T.V.A. | 1,155,766 | 0 | 0 | 0 | 0 | |
| State Revenue Sharing - Telecommunications | 122,622 | 0 | 0 | 0 | 0 | |
| Contracted Prisoner Boarding | 598,884 | 0 | 0 | 0 | 0 | |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 3,027,050 | |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 40,445 | |
| Reappraisal Program Reimbursement | 12,688 | 0 | 0 | 0 | 0 | |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | |
| Other State Grants | 559 | 0 | 0 | 0 | 0 | |
| Other State Revenues | 8,577 | 0 | 0 | 0 | 0 | |
| Total State of Tennessee | \$ 3,370,967 | \$ 0 | \$ 41,029 | \$ 0 | \$ 3,853,146 | |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | General | Special Revenue Funds | | | | Highway / Public Works |
|--|---------------|---------------------------------------|--------------------------------|-----------------|--------------|------------------------------|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Drug Control | | |
| Federal Government | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| COVID-19 Grant #1 | \$ 1,679 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Other Federal through State | 143,899 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | |
| COVID-19 Grant #6 | 167,828 | 0 | 0 | 0 | 0 | 0 |
| Other Direct Federal Revenue | 577,263 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 890,669 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Other Governments and Citizens Groups | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 251,542 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Contracted Services | 56,093 | 0 | 2,865 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 32,842 | 0 | 4,000 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 340,477 | \$ 0 | \$ 6,865 | \$ 0 | \$ 0 | 0 |
| Total | \$ 27,393,578 | \$ 55,555 | \$ 2,548,641 | \$ 55,095 | \$ 3,910,103 | |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Debt Service Fund | | |
|--|----------------------------|---------------|-------|
| | General Debt Service | | Total |
| Local Taxes | | | |
| County Property Taxes | | | |
| Current Property Tax | \$ 3,676,858 | \$ 15,529,394 | |
| Trustee's Collections - Prior Year | 75,411 | 323,947 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 43,436 | 177,370 | |
| Interest and Penalty | 37,124 | 154,214 | |
| Payments in-Lieu-of Taxes - Other | 0 | 177,421 | |
| County Local Option Taxes | | | |
| Local Option Sales Tax | 2,470,880 | 3,319,299 | |
| Hotel/Motel Tax | 0 | 688,600 | |
| Litigation Tax - General | 0 | 84,643 | |
| Litigation Tax - Special Purpose | 0 | 62,387 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 259,845 | 259,845 | |
| Business Tax | 0 | 971,737 | |
| Mixed Drink Tax | 0 | 27,134 | |
| Mineral Severance Tax | 0 | 53,312 | |
| Other County Local Option Taxes | 0 | 6,171 | |
| Statutory Local Taxes | | | |
| Bank Excise Tax | 0 | 298,464 | |
| Wholesale Beer Tax | 0 | 333,879 | |
| Other Statutory Local Taxes | 0 | 5,352 | |
| Total Local Taxes | \$ 6,563,554 | \$ 22,473,169 | |
| Licenses and Permits | | | |
| Licenses | | | |
| Animal Vaccination | \$ 0 | \$ 22,647 | |
| Cable TV Franchise | 0 | 292,277 | |

(Continued)

Exhibit K-5

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund Types (Cont.)

| | | Debt Service | Service | |
|--|--|--------------|------------|-------|
| | | Fund | | |
| | | General | | |
| | | Debt | | |
| | | Service | | Total |
| <u>Licenses and Permits (Cont.)</u> | | | | |
| <u>Permits</u> | | | | |
| Beer Permits | | \$ 0 | \$ 36,106 | |
| Total Licenses and Permits | | \$ 0 | \$ 351,030 | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | |
| <u>Circuit Court</u> | | | | |
| Fines | | \$ 0 | \$ 526 | |
| Officers Costs | | 0 | 6,163 | |
| Drug Court Fees | | 0 | 2,852 | |
| Veterans Treatment Court Fees | | 0 | 1,520 | |
| Jail Fees | | 0 | 2,311 | |
| DUI Treatment Fines | | 0 | 380 | |
| Data Entry Fee - Circuit Court | | 0 | 2,345 | |
| Courtroom Security Fee | | 0 | 17 | |
| <u>General Sessions Court</u> | | | | |
| Fines | | 0 | 18,678 | |
| Officers Costs | | 0 | 71,149 | |
| Game and Fish Fines | | 0 | 718 | |
| Drug Court Fees | | 0 | 5,080 | |
| Veterans Treatment Court Fees | | 0 | 3,381 | |
| Jail Fees | | 0 | 8,091 | |
| DUI Treatment Fines | | 0 | 9,791 | |
| Data Entry Fee - General Sessions Court | | 0 | 32,912 | |
| Courtroom Security Fee | | 0 | 1,549 | |
| <u>Chancery Court</u> | | | | |
| Officers Costs | | 0 | 23,613 | |

(Continued)

Exhibit K-5

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund Types (Cont.)

| | | Debt Service | Service | |
|--|--|--------------|---------|------------|
| | | Fund | | |
| | | General | | |
| | | Debt | | |
| | | Service | | Total |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | |
| <u>Chancery Court (Cont.)</u> | | | | |
| Data Entry Fee - Chancery Court | | \$ | 0 | \$ 13,271 |
| Courtroom Security Fee | | 0 | | 136 |
| <u>Other Courts - In-county</u> | | | | |
| Drug Control Fines | | 0 | | 18,702 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | |
| Proceeds from Confiscated Property | | 0 | | 36,393 |
| Total Fines, Forfeitures, and Penalties | | \$ | 0 | \$ 259,578 |
| <u>Charges for Current Services</u> | | | | |
| <u>General Service Charges</u> | | | | |
| Tipping Fees | | \$ | 0 | \$ 15,272 |
| Surcharge - Waste Tire Disposal | | 0 | | 62,187 |
| Patient Charges | | 0 | | 4,931,526 |
| Other General Service Charges | | 0 | | 3,500 |
| <u>Fees</u> | | | | |
| Copy Fees | | 0 | | 934 |
| Library Fees | | 0 | | 12,617 |
| Archives and Records Management Fee | | 0 | | 88,548 |
| Greenbelt Late Application Fee | | 0 | | 250 |
| Telephone Commissions | | 0 | | 54,075 |
| Data Processing Fee - Register | | 0 | | 31,061 |
| Data Processing Fee - Sheriff | | 0 | | 11,084 |
| Sexual Offender Registration Fee - Sheriff | | 0 | | 7,650 |
| Data Processing Fee - County Clerk | | 0 | | 1,335 |

(Continued)

Exhibit K-5

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

| | Debt Service Fund | General Debt Service | Total |
|---|----------------------|----------------------------|-------|
| <u>Charges for Current Services (Cont.)</u> | | | |
| <u>Education Charges</u> | | | |
| TBI Criminal Background Fee | \$ 0 | \$ 4,245 | |
| Total Charges for Current Services | \$ 0 | \$ 5,224,284 | |
| <u>Other Local Revenues</u> | | | |
| <u>Recurring Items</u> | | | |
| Investment Income | \$ 23,927 | \$ 629,813 | |
| Lease/Rentals | 0 | 44,645 | |
| Commissary Sales | 0 | 2,544 | |
| Sale of Recycled Materials | 0 | 204,882 | |
| E-Rate Funding | 0 | 2,088 | |
| Miscellaneous Refunds | 0 | 33,445 | |
| <u>Nonrecurring Items</u> | | | |
| Sale of Equipment | 0 | 230 | |
| Contributions and Gifts | 0 | 2,952 | |
| Total Other Local Revenues | \$ 23,927 | \$ 920,599 | |
| <u>Fees Received From County Officials</u> | | | |
| <u>Fees In-Lieu-of Salary</u> | | | |
| County Clerk | \$ 0 | \$ 549,897 | |
| Circuit Court Clerk | 0 | 148,028 | |
| General Sessions Court Clerk | 0 | 382,207 | |
| Clerk and Master | 0 | 355,815 | |
| Register | 0 | 429,510 | |
| Sheriff | 0 | 31,154 | |
| Trustee | 0 | 922,029 | |
| Total Fees Received From County Officials | \$ 0 | \$ 2,818,640 | |

(Continued)

Exhibit K-5

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund Types (Cont.)

| | | Debt Service Fund | |
|--|------|----------------------------|-------|
| | | General Debt Service | Total |
| <u>State of Tennessee</u> | | | |
| <u>General Government Grants</u> | | | |
| Juvenile Services Program | \$ 0 | \$ 9,000 | |
| Other General Government Grants | 0 | 17,601 | |
| <u>Public Safety Grants</u> | | | |
| Law Enforcement Training Programs | 0 | 44,800 | |
| <u>Health and Welfare Grants</u> | | | |
| Health Department Programs | 0 | 1,007,473 | |
| <u>Public Works Grants</u> | | | |
| State Aid Program | 0 | 785,651 | |
| Litter Program | 0 | 41,029 | |
| <u>Other State Revenues</u> | | | |
| Income Tax | 0 | 211,930 | |
| Beer Tax | 0 | 8,559 | |
| Vehicle Certificate of Title Fees | 0 | 12,961 | |
| Alcoholic Beverage Tax | 0 | 144,383 | |
| State Revenue Sharing - T.V.A. | 0 | 1,155,766 | |
| State Revenue Sharing - Telecommunications | 0 | 122,622 | |
| Contracted Prisoner Boarding | 0 | 598,884 | |
| Gasoline and Motor Fuel Tax | 0 | 3,027,050 | |
| Petroleum Special Tax | 0 | 40,445 | |
| Reappraisal Program Reimbursement | 0 | 12,688 | |
| Registrar's Salary Supplement | 0 | 15,164 | |
| Other State Grants | 0 | 559 | |
| Other State Revenues | 0 | 8,577 | |
| Total State of Tennessee | \$ 0 | \$ 7,265,142 | |

(Continued)

Exhibit K-5

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund Types (Cont.)

| | | Debt Service | Service | |
|--|--|--------------|---------------|-------|
| | | Fund | | |
| | | General | | |
| | | Debt | | |
| | | Service | | Total |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| COVID-19 Grant #1 | | \$ 0 | \$ 1,679 | |
| Other Federal through State | | 0 | 143,899 | |
| <u>Direct Federal Revenue</u> | | | | |
| COVID-19 Grant #6 | | 0 | 167,828 | |
| Other Direct Federal Revenue | | 0 | 577,263 | |
| Total Federal Government | | \$ 0 | \$ 890,669 | |
| <u>Other Governments and Citizens Groups</u> | | | | |
| <u>Other Governments</u> | | | | |
| Contributions | | \$ 292,896 | \$ 544,438 | |
| Contracted Services | | 0 | 58,958 | |
| <u>Citizens Groups</u> | | | | |
| Donations | | 0 | 36,842 | |
| Total Other Governments and Citizens Groups | | \$ 292,896 | \$ 640,238 | |
| Total | | \$ 6,880,377 | \$ 40,843,349 | |

Exhibit K-6

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cumberland County School Department

For the Year Ended June 30, 2020

| | General Purpose School | Special Revenue Funds | | | Capital Projects Fund | | Total |
|--|------------------------------|-----------------------|---------------------|----------------------|----------------------------------|---------------|-------|
| | | School | Federal Projects | Central Cafeteria | Education Capital Projects | | |
| | | | | | | | |
| Local Taxes | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 8,218,163 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 8,218,163 | |
| Trustee's Collections - Prior Year | 206,966 | 0 | 0 | 0 | 0 | 206,966 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 115,064 | 0 | 0 | 0 | 0 | 115,064 | |
| Interest and Penalty | 97,330 | 0 | 0 | 0 | 0 | 97,330 | |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 10,270,969 | 0 | 0 | 0 | 0 | 10,270,969 | |
| Business Tax | 3,940 | 0 | 0 | 0 | 0 | 3,940 | |
| Mixed Drink Tax | 53,050 | 0 | 0 | 0 | 0 | 53,050 | |
| Total Local Taxes | \$ 18,965,482 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 18,965,482 | |
| Charges for Current Services | | | | | | | |
| <u>Education Charges</u> | | | | | | | |
| Tuition - Other | \$ 126,994 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 126,994 | |
| Lunch Payments - Children | 0 | 0 | 227,352 | 0 | 0 | 227,352 | |
| Lunch Payments - Adults | 0 | 0 | 51,659 | 0 | 0 | 51,659 | |
| Income from Breakfast | 0 | 0 | 16,526 | 0 | 0 | 16,526 | |
| A la Carte Sales | 0 | 0 | 223,032 | 0 | 0 | 223,032 | |
| Receipts from Individual Schools | 50,756 | 0 | 0 | 0 | 0 | 50,756 | |
| Other Charges for Services | 28,026 | 0 | 13,389 | 0 | 0 | 41,415 | |
| Total Charges for Current Services | \$ 205,776 | \$ 0 | \$ 531,958 | \$ 0 | \$ 0 | \$ 737,734 | |
| Other Local Revenues | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | \$ 6,950 | \$ 0 | \$ 1,669 | \$ 0 | \$ 0 | \$ 8,619 | |

(Continued)

Exhibit K-6

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cumberland County School Department (Cont.)

| | General Purpose School | Special Revenue Funds | | | Capital Projects Fund | | Total |
|-------------------------------------|------------------------------|-----------------------|---------------------|----------------------|----------------------------------|------------|-------|
| | | School | Federal Projects | Central Cafeteria | Education Capital Projects | | |
| | | | | | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | | | |
| Lease/Rentals | \$ 6,211 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 6,211 | |
| Sale of Recycled Materials | 1,971 | 0 | 0 | 0 | 0 | 1,971 | |
| Miscellaneous Refunds | 182,418 | 0 | 12,436 | 0 | 0 | 194,854 | |
| <u>Nonrecurring Items</u> | | | | | | | |
| Damages Recovered from Individuals | 703 | 0 | 0 | 0 | 0 | 703 | |
| Contributions and Gifts | 13,313 | 0 | 3,500 | 0 | 0 | 16,813 | |
| <u>Other Local Revenues</u> | | | | | | | |
| Other Local Revenues | 12,389 | 0 | 0 | 0 | 0 | 12,389 | |
| Total Other Local Revenues | \$ 223,955 | \$ 0 | \$ 17,605 | \$ 0 | \$ 0 | \$ 241,560 | |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| On-behalf Contributions for OPEB | \$ 301,247 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 301,247 | |
| <u>State Education Funds</u> | | | | | | | |
| Basic Education Program | 34,314,465 | 0 | 0 | 0 | 0 | 34,314,465 | |
| Early Childhood Education | 1,059,450 | 0 | 0 | 0 | 0 | 1,059,450 | |
| School Food Service | 0 | 0 | 43,438 | 0 | 0 | 43,438 | |
| Other State Education Funds | 607,989 | 0 | 0 | 0 | 0 | 607,989 | |
| Coordinated School Health | 100,000 | 0 | 0 | 0 | 0 | 100,000 | |
| Family Resource Centers | 29,612 | 0 | 0 | 0 | 0 | 29,612 | |
| Career Ladder Program | 69,294 | 0 | 0 | 0 | 0 | 69,294 | |
| Other Vocational | 27,000 | 0 | 0 | 0 | 0 | 27,000 | |
| <u>Other State Revenues</u> | | | | | | | |
| Other State Grants | 0 | 116,058 | 2,500 | 0 | 0 | 118,558 | |

(Continued)

Exhibit K-6

Cumberland County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Cumberland County School Department (Cont.)

| General Purpose School | Special Revenue Funds | | | Capital Projects Fund | | Total |
|--|-----------------------|---------------------|----------------------|----------------------------------|------|---------------|
| | School | Federal Projects | Central Cafeteria | Education Capital Projects | | |
| | | | | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | |
| Safe Schools | \$ 134,940 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 134,940 |
| Total State of Tennessee | \$ 36,643,997 | \$ 116,058 | \$ 45,938 | \$ 0 | \$ 0 | \$ 36,805,993 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 2,051,986 | \$ 0 | \$ 0 | \$ 2,051,986 |
| USDA - Commodities | 0 | 0 | 341,451 | 0 | 0 | 341,451 |
| Breakfast | 0 | 0 | 892,327 | 0 | 0 | 892,327 |
| USDA - Other | 0 | 0 | 116,790 | 0 | 0 | 116,790 |
| Vocational Education - Basic Grants to States | 0 | 147,353 | 0 | 0 | 0 | 147,353 |
| Other Vocational | 0 | 35,000 | 0 | 0 | 0 | 35,000 |
| Title I Grants to Local Education Agencies | 0 | 2,183,132 | 0 | 0 | 0 | 2,183,132 |
| Special Education - Grants to States | 19,951 | 1,371,011 | 0 | 0 | 0 | 1,390,962 |
| Special Education Preschool Grants | 0 | 48,902 | 0 | 0 | 0 | 48,902 |
| English Language Acquisition Grants | 0 | 15,298 | 0 | 0 | 0 | 15,298 |
| Rural Education | 0 | 113,228 | 0 | 0 | 0 | 113,228 |
| Education for Homeless Children and Youth | 0 | 29,557 | 0 | 0 | 0 | 29,557 |
| Eisenhower Professional Development State Grants | 0 | 359,078 | 0 | 0 | 0 | 359,078 |
| COVID-19 Grant #1 | 0 | 0 | 1,503,385 | 0 | 0 | 1,503,385 |
| Other Federal through State | 0 | 271,515 | 0 | 0 | 0 | 271,515 |
| Total Federal Government | \$ 19,951 | \$ 4,574,074 | \$ 4,905,939 | \$ 0 | \$ 0 | \$ 9,499,964 |

(Continued)

Exhibit K-6

Cumberland County, TennesseeSchedule of Detailed Revenues -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)

| General Purpose School | Special Revenue Funds | | | Capital Projects Fund | | Total |
|--|-----------------------|--------------|----------------------|--------------------------|---------------------|-------|
| | School | Federal | Central Cafeteria | Education | Capital Projects | |
| | Projects | | | | | |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 420,523 | \$ 420,523 | |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 0 | 0 | 6,041 | 0 | 6,041 | |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 0 | \$ 6,041 | \$ 420,523 | \$ 426,564 | |
| Total | \$ 56,059,161 | \$ 4,690,132 | \$ 5,507,481 | \$ 420,523 | \$ 66,677,297 | |

Cumberland County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

| | |
|------------------------------------|--------------|
| Board and Committee Members Fees | \$ 90,312 |
| Social Security | 6,909 |
| Pensions | 2,360 |
| Audit Services | 21,700 |
| Consultants | 3,530 |
| Contracts with Government Agencies | 592,239 |
| Contracts with Private Agencies | 4,500 |
| Dues and Memberships | 2,902 |
| Maintenance Agreements | 3,500 |
| Travel | 9,859 |
| Remittance of Revenue Collected | 25,396 |
| Other Contracted Services | 440 |
| Other Equipment | 1,244,949 |
| Other Capital Outlay | 143,050 |
| Total County Commission | \$ 2,151,646 |

Board of Equalization

| | |
|----------------------------------|----------|
| Board and Committee Members Fees | \$ 3,300 |
| Total Board of Equalization | 3,300 |

Beer Board

| | |
|--|--------|
| Criminal Investigation of Applicants - TBI | \$ 116 |
| Total Beer Board | 116 |

Other Boards and Committees

| | |
|-----------------------------------|----------|
| Legal Services | \$ 2,500 |
| Other Charges | 1,017 |
| Total Other Boards and Committees | 3,517 |

County Mayor/Executive

| | |
|--|------------|
| County Official/Administrative Officer | \$ 101,298 |
| Assistant(s) | 39,393 |
| Secretary(ies) | 27,846 |
| Longevity Pay | 336 |
| Social Security | 12,709 |
| Pensions | 8,126 |
| Employee and Dependent Insurance | 23,832 |
| Life Insurance | 144 |
| Dental Insurance | 694 |
| Communication | 2,768 |
| Contracts with Private Agencies | 28,130 |
| Contributions | 17,000 |
| Dues and Memberships | 1,850 |
| Printing, Stationery, and Forms | 438 |
| Travel | 4,210 |
| Office Supplies | 1,476 |
| Total County Mayor/Executive | 270,250 |

(Continued)

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

General Fund (Cont.)General Government (Cont.)Personnel Office

| | |
|----------------------------------|-----------|
| Supervisor/Director | \$ 50,106 |
| Longevity Pay | 272 |
| Social Security | 3,852 |
| Pensions | 2,545 |
| Employee and Dependent Insurance | 7,944 |
| Life Insurance | 74 |
| Dental Insurance | 320 |
| Communication | 565 |
| Dues and Memberships | 859 |
| Printing, Stationery, and Forms | 255 |
| Travel | 899 |
| Office Supplies | 1,264 |
| Total Personnel Office | \$ 68,955 |

County Attorney

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 63,289 |
| Total County Attorney | 63,289 |

Election Commission

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 78,934 |
| Clerical Personnel | 102,488 |
| Part-time Personnel | 8,150 |
| Longevity Pay | 3,552 |
| Election Commission | 10,500 |
| Election Workers | 28,180 |
| In-service Training | 865 |
| Social Security | 14,172 |
| Pensions | 10,174 |
| Employee and Dependent Insurance | 31,296 |
| Life Insurance | 167 |
| Dental Insurance | 1,279 |
| Communication | 2,748 |
| Dues and Memberships | 450 |
| Legal Notices, Recording, and Court Costs | 3,497 |
| Maintenance and Repair Services - Equipment | 2,715 |
| Maintenance and Repair Services - Office Equipment | 15,795 |
| Printing, Stationery, and Forms | 13,062 |
| Rentals | 800 |
| Travel | 981 |
| Other Contracted Services | 10,800 |
| Office Supplies | 3,495 |
| Other Charges | 1,447 |
| Data Processing Equipment | 16,378 |
| Total Election Commission | 361,925 |

Register of Deeds

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 87,705 |
|--|-----------|

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

| | |
|----------------------------------|------------|
| Deputy(ies) | \$ 105,793 |
| Part-time Personnel | 24,194 |
| Longevity Pay | 3,132 |
| Social Security | 16,813 |
| Pensions | 10,044 |
| Employee and Dependent Insurance | 35,778 |
| Life Insurance | 189 |
| Dental Insurance | 1,443 |
| Communication | 1,669 |
| Dues and Memberships | 775 |
| Maintenance Agreements | 18,705 |
| Printing, Stationery, and Forms | 1,432 |
| Office Supplies | 312 |
| Data Processing Equipment | 1,070 |
| Total Register of Deeds | \$ 309,054 |

Engineering

| | |
|---|---------|
| Communication | \$ 913 |
| Operating Lease Payments | 31,932 |
| Maintenance Agreements | 98,317 |
| Maintenance and Repair Services - Equipment | 21,266 |
| Utilities | 22,474 |
| Total Engineering | 174,902 |

County Buildings

| | |
|---|-----------|
| Supervisor/Director | \$ 35,052 |
| Custodial Personnel | 210,960 |
| Longevity Pay | 3,457 |
| Overtime Pay | 4,574 |
| Social Security | 19,562 |
| Pensions | 13,475 |
| Employee and Dependent Insurance | 72,633 |
| Life Insurance | 373 |
| Dental Insurance | 2,770 |
| Other Fringe Benefits | 4,149 |
| Architects | 72,224 |
| Maintenance and Repair Services - Buildings | 134,607 |
| Travel | 24 |
| Gasoline | 5,867 |
| Office Supplies | 586 |
| Uniforms | 3,200 |
| Utilities | 71,264 |
| Other Supplies and Materials | 6,792 |
| Other Charges | 1,222 |
| Building Improvements | 2,300 |
| Communication Equipment | 16,313 |
| Total County Buildings | 681,404 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

| | |
|---|-------------------|
| Supervisor/Director | \$ 39,874 |
| Mechanic(s) | 35,395 |
| Longevity Pay | 2,280 |
| Social Security | 5,889 |
| Pensions | 4,265 |
| Employee and Dependent Insurance | 14,880 |
| Life Insurance | 109 |
| Dental Insurance | 640 |
| Communication | 1,185 |
| Gasoline | 583 |
| Lubricants | 16,749 |
| Uniforms | 2,500 |
| Utilities | 4,785 |
| Other Supplies and Materials | 4,497 |
| Total Other General Administration | \$ 133,631 |

Preservation of Records

| | |
|--------------------------------------|---------------|
| Part-time Personnel | \$ 20,560 |
| In-service Training | 525 |
| Social Security | 1,573 |
| Communication | 1,850 |
| Dues and Memberships | 49 |
| Printing, Stationery, and Forms | 131 |
| Other Contracted Services | 2,833 |
| Library Books/Media | 1,475 |
| Office Supplies | 4,621 |
| Periodicals | 300 |
| Other Supplies and Materials | 7 |
| Building Improvements | 28,972 |
| Other Equipment | 3,728 |
| Total Preservation of Records | 66,624 |

Finance

Accounting and Budgeting

| | |
|---|-----------|
| County Official/Administrative Officer | \$ 87,705 |
| Accountants/Bookkeepers | 194,248 |
| Longevity Pay | 7,853 |
| Social Security | 22,623 |
| Pensions | 16,351 |
| Employee and Dependent Insurance | 47,664 |
| Life Insurance | 273 |
| Dental Insurance | 1,946 |
| Other Fringe Benefits | 7,497 |
| Communication | 2,098 |
| Data Processing Services | 6,000 |
| Legal Notices, Recording, and Court Costs | 2,333 |
| Maintenance Agreements | 16,293 |

(Continued)

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

| | | |
|---------------------------------|----|---------|
| Printing, Stationery, and Forms | \$ | 5,353 |
| Travel | | 624 |
| Office Supplies | | 3,712 |
| Total Accounting and Budgeting | \$ | 422,573 |

Property Assessor's Office

| | | |
|--|----|---------|
| County Official/Administrative Officer | \$ | 87,705 |
| Assistant(s) | | 259,967 |
| Clerical Personnel | | 61,589 |
| Longevity Pay | | 7,087 |
| In-service Training | | 2,228 |
| Social Security | | 31,178 |
| Pensions | | 22,272 |
| Employee and Dependent Insurance | | 81,532 |
| Life Insurance | | 354 |
| Dental Insurance | | 3,307 |
| Communication | | 1,423 |
| Data Processing Services | | 46,329 |
| Dues and Memberships | | 1,850 |
| Maintenance Agreements | | 3,600 |
| Maintenance and Repair Services - Vehicles | | 500 |
| Postal Charges | | 3,500 |
| Travel | | 4,056 |
| Other Contracted Services | | 29,000 |
| Duplicating Supplies | | 861 |
| Gasoline | | 1,532 |
| Office Supplies | | 2,007 |
| Other Supplies and Materials | | 3,300 |
| Total Property Assessor's Office | | 655,177 |

County Trustee's Office

| | | |
|--|----|---------|
| County Official/Administrative Officer | \$ | 87,705 |
| Deputy(ies) | | 166,214 |
| Longevity Pay | | 4,618 |
| Social Security | | 19,142 |
| Pensions | | 14,220 |
| Employee and Dependent Insurance | | 47,664 |
| Life Insurance | | 232 |
| Dental Insurance | | 1,919 |
| Communication | | 2,783 |
| Dues and Memberships | | 848 |
| Maintenance and Repair Services - Office Equipment | | 13,004 |
| Printing, Stationery, and Forms | | 3,040 |
| Travel | | 225 |
| Other Contracted Services | | 24,392 |
| Office Supplies | | 2,582 |
| Premiums on Corporate Surety Bonds | | 7,680 |

(Continued)

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

| | |
|-------------------------------|------------|
| Other Charges | \$ 1,400 |
| Data Processing Equipment | 7,559 |
| Total County Trustee's Office | \$ 405,227 |

County Clerk's Office

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 87,705 |
| Deputy(ies) | 380,560 |
| Longevity Pay | 10,625 |
| Social Security | 35,788 |
| Pensions | 24,601 |
| Employee and Dependent Insurance | 101,286 |
| Life Insurance | 491 |
| Dental Insurance | 3,777 |
| Communication | 6,112 |
| Dues and Memberships | 1,000 |
| Maintenance and Repair Services - Office Equipment | 22,430 |
| Printing, Stationery, and Forms | 3,057 |
| Travel | 595 |
| Office Supplies | 11,268 |
| Software | 6,300 |
| Total County Clerk's Office | 695,595 |

Administration of JusticeCircuit Court

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 87,705 |
| Deputy(ies) | 318,414 |
| Part-time Personnel | 26,717 |
| Longevity Pay | 8,057 |
| Jury and Witness Expense | 11,884 |
| Social Security | 33,296 |
| Pensions | 22,671 |
| Employee and Dependent Insurance | 86,376 |
| Life Insurance | 426 |
| Dental Insurance | 3,437 |
| Communication | 3,483 |
| Dues and Memberships | 918 |
| Maintenance and Repair Services - Office Equipment | 31,889 |
| Printing, Stationery, and Forms | 8,761 |
| Office Supplies | 6,957 |
| Data Processing Equipment | 14,328 |
| Total Circuit Court | 665,319 |

General Sessions Court

| | |
|----------------|------------|
| Judge(s) | \$ 171,035 |
| Assistant(s) | 14,377 |
| Secretary(ies) | 34,111 |
| Longevity Pay | 435 |

(Continued)

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

| | |
|----------------------------------|------------|
| Social Security | \$ 14,701 |
| Pensions | 11,306 |
| Employee and Dependent Insurance | 21,962 |
| Life Insurance | 103 |
| Dental Insurance | 851 |
| Communication | 622 |
| Dues and Memberships | 1,059 |
| Printing, Stationery, and Forms | 109 |
| Office Supplies | 816 |
| Data Processing Equipment | 360 |
| Total General Sessions Court | \$ 271,847 |

Chancery Court

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 87,705 |
| Deputy(ies) | 68,458 |
| Part-time Personnel | 4,286 |
| Longevity Pay | 1,885 |
| Social Security | 12,417 |
| Pensions | 8,584 |
| Employee and Dependent Insurance | 23,832 |
| Life Insurance | 116 |
| Dental Insurance | 980 |
| Communication | 1,705 |
| Dues and Memberships | 798 |
| Maintenance and Repair Services - Office Equipment | 18,649 |
| Printing, Stationery, and Forms | 4,972 |
| Office Supplies | 3,065 |
| Office Equipment | 1,500 |
| Total Chancery Court | 238,952 |

Juvenile Court

| | |
|----------------------------------|-----------|
| Youth Service Officer(s) | \$ 70,655 |
| Longevity Pay | 905 |
| Social Security | 5,261 |
| Pensions | 3,075 |
| Employee and Dependent Insurance | 14,564 |
| Life Insurance | 65 |
| Dental Insurance | 531 |
| Communication | 752 |
| Travel | 1,496 |
| Office Supplies | 974 |
| Total Juvenile Court | 98,278 |

Judicial Commissioners

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 85,072 |
| Supervisor/Director | 34,412 |
| Part-time Personnel | 43,998 |

(Continued)

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

General Fund (Cont.)Administration of Justice (Cont.)Judicial Commissioners (Cont.)

| | |
|-------------------------------------|-------------------|
| Longevity Pay | \$ 1,998 |
| In-service Training | 679 |
| Social Security | 12,560 |
| Pensions | 3,653 |
| Employee and Dependent Insurance | 30,926 |
| Life Insurance | 123 |
| Dental Insurance | 960 |
| Other Fringe Benefits | 4,514 |
| Printing, Stationery, and Forms | 718 |
| Office Supplies | 1,728 |
| Other Charges | 250 |
| Total Judicial Commissioners | \$ 221,591 |

Probate Court

| | |
|----------------------------------|----------------|
| Secretary(ies) | \$ 162,679 |
| Longevity Pay | 4,694 |
| Social Security | 12,647 |
| Pensions | 9,205 |
| Employee and Dependent Insurance | 39,720 |
| Life Insurance | 150 |
| Dental Insurance | 1,606 |
| Dues and Memberships | 220 |
| Total Probate Court | 230,921 |

Courtroom Security

| | |
|----------------------------------|----------------|
| Deputy(ies) | \$ 94,350 |
| Part-time Personnel | 40,619 |
| Longevity Pay | 610 |
| Social Security | 8,085 |
| Pensions | 3,832 |
| Employee and Dependent Insurance | 18,720 |
| Life Insurance | 96 |
| Dental Insurance | 988 |
| Uniforms | 1,257 |
| Other Supplies and Materials | 1,100 |
| Total Courtroom Security | 169,657 |

Public SafetySheriff's Department

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 96,475 |
| Deputy(ies) | 1,836,434 |
| Salary Supplements | 36,432 |
| Secretary(ies) | 82,705 |
| Longevity Pay | 46,629 |
| Overtime Pay | 59,691 |
| Other Salaries and Wages | 37,595 |
| In-service Training | 9,960 |

(Continued)

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

| | |
|---|---------------------|
| Social Security | \$ 166,919 |
| Pensions | 114,596 |
| Employee and Dependent Insurance | 398,146 |
| Life Insurance | 1,699 |
| Dental Insurance | 16,322 |
| Communication | 28,771 |
| Dues and Memberships | 2,800 |
| Evaluation and Testing | 7,756 |
| Maintenance and Repair Services - Equipment | 1,171 |
| Maintenance and Repair Services - Vehicles | 83,816 |
| Printing, Stationery, and Forms | 2,167 |
| Travel | 12,000 |
| Drug Treatment | 3,150 |
| Other Contracted Services | 42,389 |
| Gasoline | 130,180 |
| Office Supplies | 7,521 |
| Uniforms | 15,000 |
| Other Supplies and Materials | 31,059 |
| Workers' Compensation Insurance | 222,136 |
| Other Charges | 2,000 |
| Communication Equipment | 11,850 |
| Data Processing Equipment | 12,783 |
| Law Enforcement Equipment | 17,838 |
| Other Equipment | 10,942 |
| Total Sheriff's Department | \$ 3,548,932 |

Special Patrols

| | |
|----------------------------------|----------------|
| Deputy(ies) | \$ 316,743 |
| Longevity Pay | 8,675 |
| In-service Training | 12,190 |
| Social Security | 24,423 |
| Pensions | 17,895 |
| Employee and Dependent Insurance | 58,386 |
| Life Insurance | 268 |
| Dental Insurance | 2,457 |
| Travel | 2,907 |
| Uniforms | 2,000 |
| Law Enforcement Equipment | 3,000 |
| Total Special Patrols | 448,944 |

Drug Enforcement

| | |
|-------------------------------|---------------|
| Overtime Pay | \$ 29,301 |
| Social Security | 2,089 |
| Pensions | 1,612 |
| Total Drug Enforcement | 33,002 |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

| | |
|--|-----------|
| Travel | \$ 918 |
| Software | 14,574 |
| Law Enforcement Equipment | 29,792 |
| Total Administration of the Sexual Offender Registry | \$ 45,284 |

Jail

| | |
|---|-----------|
| Bus Drivers | \$ 66,010 |
| Guards | 1,576,505 |
| Clerical Personnel | 122,863 |
| Cafeteria Personnel | 94,320 |
| Part-time Personnel | 111,597 |
| Longevity Pay | 34,810 |
| Overtime Pay | 20,000 |
| Other Salaries and Wages | 33,726 |
| In-service Training | 1,476 |
| Social Security | 154,254 |
| Pensions | 91,608 |
| Employee and Dependent Insurance | 444,863 |
| Life Insurance | 2,016 |
| Dental Insurance | 17,454 |
| Contracts with Private Agencies | 337,200 |
| Evaluation and Testing | 6,900 |
| Maintenance and Repair Services - Buildings | 7,746 |
| Maintenance and Repair Services - Equipment | 50,113 |
| Medical and Dental Services | 122,474 |
| Rentals | 16,000 |
| Travel | 2,665 |
| Other Contracted Services | 4,014 |
| Custodial Supplies | 489 |
| Food Supplies | 273,834 |
| Office Supplies | 7,578 |
| Uniforms | 18,000 |
| Utilities | 323,968 |
| Other Supplies and Materials | 122,269 |
| Other Charges | 28,175 |
| Building Construction | 8,787 |
| Other Equipment | 64,800 |
| Total Jail | 4,166,514 |

Juvenile Services

| | |
|----------------------------------|-----------|
| Guards | \$ 43,848 |
| Part-time Personnel | 65,692 |
| Longevity Pay | 1,305 |
| Social Security | 8,400 |
| Pensions | 2,510 |
| Employee and Dependent Insurance | 7,944 |
| Life Insurance | 35 |

(Continued)

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

| | | |
|------------------------------------|----|------------|
| Dental Insurance | \$ | 320 |
| Communication | | 174 |
| Contracts with Government Agencies | | 15,000 |
| Office Supplies | | 23 |
| Uniforms | | 188 |
| Total Juvenile Services | | \$ 145,439 |

Fire Prevention and Control

| | | |
|---|----|---------|
| Supervisor/Director | \$ | 56,679 |
| Salary Supplements | | 7,200 |
| Part-time Personnel | | 17,089 |
| Longevity Pay | | 12,075 |
| Overtime Pay | | 60,728 |
| Other Salaries and Wages | | 350,069 |
| In-service Training | | 9,815 |
| Social Security | | 37,784 |
| Pensions | | 26,771 |
| Employee and Dependent Insurance | | 68,316 |
| Life Insurance | | 356 |
| Dental Insurance | | 2,879 |
| Communication | | 2,659 |
| Contracts with Government Agencies | | 2,000 |
| Maintenance and Repair Services - Buildings | | 17,716 |
| Maintenance and Repair Services - Equipment | | 28,863 |
| Maintenance and Repair Services - Vehicles | | 54,373 |
| Travel | | 2,080 |
| Gasoline | | 17,594 |
| Office Supplies | | 2,002 |
| Uniforms | | 4,923 |
| Utilities | | 33,545 |
| Other Supplies and Materials | | 2,822 |
| Workers' Compensation Insurance | | 98,255 |
| Other Charges | | 23,272 |
| Communication Equipment | | 24,876 |
| Other Equipment | | 13,786 |
| Total Fire Prevention and Control | | 978,527 |

Civil Defense

| | | |
|----------------------------------|----|--------|
| Assistant(s) | \$ | 28,184 |
| Supervisor/Director | | 51,962 |
| Longevity Pay | | 801 |
| Social Security | | 6,263 |
| Pensions | | 4,510 |
| Employee and Dependent Insurance | | 14,564 |
| Life Insurance | | 109 |
| Dental Insurance | | 320 |
| Other Fringe Benefits | | 1,045 |

(Continued)

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

General Fund (Cont.)Public Safety (Cont.)Civil Defense (Cont.)

| | | |
|--|----|---------|
| Communication | \$ | 3,410 |
| Maintenance and Repair Services - Vehicles | | 2,177 |
| Travel | | 978 |
| Gasoline | | 691 |
| Office Supplies | | 1,001 |
| Uniforms | | 1,000 |
| Other Charges | | 617 |
| Communication Equipment | | 28 |
| Office Equipment | | 1,482 |
| Other Capital Outlay | | 12,322 |
| Total Civil Defense | \$ | 131,464 |

Rescue Squad

| | | |
|---------------------------------|----|--------|
| Contracts with Private Agencies | \$ | 12,000 |
| Total Rescue Squad | | 12,000 |

County Coroner/Medical Examiner

| | | |
|---------------------------------------|----|--------|
| Other Per Diem and Fees | \$ | 85,343 |
| Total County Coroner/Medical Examiner | | 85,343 |

Other Public Safety

| | | |
|------------------------------|----|--------|
| Deputy(ies) | \$ | 4,660 |
| Social Security | | 357 |
| Evaluation and Testing | | 1,000 |
| Uniforms | | 784 |
| Other Supplies and Materials | | 3,539 |
| Other Charges | | 4,200 |
| Total Other Public Safety | | 14,540 |

Public Health and WelfareLocal Health Center

| | | |
|---|----|---------|
| Custodial Personnel | \$ | 21,865 |
| Longevity Pay | | 8,621 |
| Other Salaries and Wages | | 700,691 |
| Social Security | | 55,496 |
| Pensions | | 27,176 |
| Employee and Dependent Insurance | | 126,600 |
| Life Insurance | | 540 |
| Dental Insurance | | 4,932 |
| Communication | | 17,077 |
| Maintenance and Repair Services - Buildings | | 40,225 |
| Travel | | 8,583 |
| Other Contracted Services | | 4,556 |
| Drugs and Medical Supplies | | 932 |
| Instructional Supplies and Materials | | 2,788 |
| Office Supplies | | 4,848 |
| Utilities | | 34,733 |

(Continued)

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

| | | |
|------------------------------|----|-----------|
| Other Supplies and Materials | \$ | 3,157 |
| Liability Insurance | | 4,708 |
| Other Charges | | 1,615 |
| Health Equipment | | 6,857 |
| Total Local Health Center | \$ | 1,076,000 |

Rabies and Animal Control

| | | |
|----------------------------------|----|--------|
| Deputy(ies) | \$ | 28,438 |
| Part-time Personnel | | 9,649 |
| Longevity Pay | | 995 |
| Social Security | | 2,938 |
| Pensions | | 1,619 |
| Employee and Dependent Insurance | | 7,440 |
| Life Insurance | | 35 |
| Dental Insurance | | 320 |
| Communication | | 800 |
| Gasoline | | 3,255 |
| Uniforms | | 894 |
| Other Supplies and Materials | | 1,399 |
| Total Rabies and Animal Control | | 57,782 |

Ambulance/Emergency Medical Services

| | | |
|---|----|-----------|
| Supervisor/Director | \$ | 62,347 |
| Medical Personnel | | 1,394,555 |
| Secretary(ies) | | 67,424 |
| Part-time Personnel | | 147,026 |
| Longevity Pay | | 41,917 |
| Overtime Pay | | 905,931 |
| In-service Training | | 8,274 |
| Social Security | | 198,947 |
| Pensions | | 126,367 |
| Employee and Dependent Insurance | | 381,071 |
| Life Insurance | | 1,700 |
| Dental Insurance | | 15,427 |
| Other Fringe Benefits | | 8,311 |
| Communication | | 10,007 |
| Consultants | | 3,000 |
| Contracts with Government Agencies | | 64,101 |
| Maintenance Agreements | | 21,524 |
| Maintenance and Repair Services - Buildings | | 1,402 |
| Maintenance and Repair Services - Vehicles | | 39,982 |
| Travel | | 360 |
| Other Contracted Services | | 245,732 |
| Drugs and Medical Supplies | | 156,675 |
| Gasoline | | 105,311 |
| Office Supplies | | 8,229 |
| Uniforms | | 12,000 |

(Continued)

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

| | |
|---|---------------------|
| Utilities | \$ 13,699 |
| Other Supplies and Materials | 15,460 |
| Workers' Compensation Insurance | 312,594 |
| Other Charges | 8,556 |
| Communication Equipment | 826 |
| Motor Vehicles | 40,761 |
| Health Equipment | 6,750 |
| Total Ambulance/Emergency Medical Services | \$ 4,426,266 |

Alcohol and Drug Programs

| | |
|--|----------------|
| Assistant(s) | \$ 40,808 |
| Supervisor/Director | 41,630 |
| Longevity Pay | 3,298 |
| Social Security | 6,627 |
| Pensions | 4,822 |
| Employee and Dependent Insurance | 15,888 |
| Life Insurance | 109 |
| Dental Insurance | 633 |
| Other Fringe Benefits | 1,942 |
| Total Alcohol and Drug Programs | 115,757 |

Appropriation to State

| | |
|-------------------------------------|---------------|
| Contributions | \$ 27,965 |
| Total Appropriation to State | 27,965 |

Other Public Health and Welfare

| | |
|--|----------------|
| Laborers | \$ 45,634 |
| Attendants | 39,076 |
| Part-time Personnel | 43,001 |
| Longevity Pay | 1,433 |
| Social Security | 9,975 |
| Pensions | 4,895 |
| Employee and Dependent Insurance | 23,328 |
| Life Insurance | 144 |
| Dental Insurance | 960 |
| Other Fringe Benefits | 2,854 |
| Communication | 5,007 |
| Maintenance and Repair Services - Vehicles | 419 |
| Other Contracted Services | 953 |
| Gasoline | 108 |
| Utilities | 17,414 |
| Other Supplies and Materials | 30,750 |
| Building Improvements | 1,824 |
| Total Other Public Health and Welfare | 227,775 |

(Continued)

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

| | | |
|----------------------------------|-----------|-----------|
| Contracts with Private Agencies | \$ 25,775 | \$ 25,775 |
| Total Senior Citizens Assistance | | |

Libraries

| | | |
|--|-----------|---------|
| Supervisor/Director | \$ 54,339 | |
| Deputy(ies) | 39,291 | |
| Librarians | 114,111 | |
| Laborers | 20,490 | |
| Part-time Personnel | 131,165 | |
| Longevity Pay | 6,563 | |
| In-service Training | 3,232 | |
| Social Security | 27,861 | |
| Pensions | 13,070 | |
| Employee and Dependent Insurance | 47,664 | |
| Life Insurance | 255 | |
| Dental Insurance | 2,239 | |
| Other Fringe Benefits | 2,896 | |
| Communication | 9,268 | |
| Dues and Memberships | 1,799 | |
| Maintenance Agreements | 38,487 | |
| Maintenance and Repair Services - Buildings | 29,065 | |
| Maintenance and Repair Services - Office Equipment | 3,438 | |
| Postal Charges | 3,000 | |
| Custodial Supplies | 6,412 | |
| Library Books/Media | 89,721 | |
| Office Supplies | 33,221 | |
| Periodicals | 7,963 | |
| Utilities | 67,026 | |
| Other Charges | 900 | |
| Other Equipment | 2,997 | |
| Total Libraries | | 756,473 |

Parks and Fair Boards

| | | |
|---|-----------|--|
| Supervisor/Director | \$ 37,852 | |
| Custodial Personnel | 49,008 | |
| Part-time Personnel | 15,873 | |
| Longevity Pay | 1,529 | |
| Social Security | 8,140 | |
| Pensions | 4,133 | |
| Employee and Dependent Insurance | 19,203 | |
| Life Insurance | 115 | |
| Dental Insurance | 912 | |
| Other Fringe Benefits | 2,407 | |
| Advertising | 4,255 | |
| Communication | 2,535 | |
| Maintenance and Repair Services - Buildings | 3,827 | |
| Gasoline | 1,711 | |

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

| | |
|------------------------------|------------|
| Uniforms | \$ 396 |
| Utilities | 53,454 |
| Other Supplies and Materials | 33,914 |
| Building Improvements | 13,756 |
| Total Parks and Fair Boards | \$ 253,020 |

Other Social, Cultural, and Recreational

| | |
|--|-----------|
| Contracts with Private Agencies | \$ 17,100 |
| Total Other Social, Cultural, and Recreational | 17,100 |

Agriculture and Natural Resources

Agricultural Extension Service

| | |
|--------------------------------------|------------|
| Salary Supplements | \$ 102,562 |
| Communication | 2,130 |
| Travel | 1,600 |
| Office Supplies | 1,882 |
| Total Agricultural Extension Service | 108,174 |

Soil Conservation

| | |
|---|-----------|
| Assistant(s) | \$ 34,412 |
| Secretary(ies) | 38,101 |
| Longevity Pay | 2,022 |
| Social Security | 5,687 |
| Pensions | 4,099 |
| Employee and Dependent Insurance | 15,888 |
| Life Insurance | 71 |
| Dental Insurance | 640 |
| Dues and Memberships | 1,280 |
| Legal Notices, Recording, and Court Costs | 1,000 |
| Travel | 3,500 |
| Office Supplies | 500 |
| Total Soil Conservation | 107,200 |

Other Operations

Tourism

| | |
|---------------------------------|-----------|
| Contracts with Private Agencies | \$ 85,000 |
| Total Tourism | 85,000 |

Other Economic and Community Development

| | |
|--|-----------|
| Contracts with Private Agencies | \$ 52,500 |
| Total Other Economic and Community Development | 52,500 |

Veterans' Services

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 40,605 |
| Secretary(ies) | 26,120 |
| Longevity Pay | 1,240 |
| Social Security | 5,127 |

(Continued)

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

| | |
|----------------------------------|-----------|
| Pensions | \$ 3,738 |
| Employee and Dependent Insurance | 7,944 |
| Life Insurance | 109 |
| Dental Insurance | 320 |
| Communication | 1,307 |
| Maintenance Agreements | 1,029 |
| Travel | 1,291 |
| Office Supplies | 1,126 |
| Total Veterans' Services | \$ 89,956 |

Other Charges

| | |
|----------------------|------------|
| Liability Insurance | \$ 298,962 |
| Trustee's Commission | 318,319 |
| Other Charges | 47,352 |
| Total Other Charges | 664,633 |

Contributions to Other Agencies

| | |
|---------------------------------------|-----------|
| Contributions | \$ 40,200 |
| Total Contributions to Other Agencies | 40,200 |

Employee Benefits

| | |
|---------------------------------|-----------|
| Medical Insurance | \$ 44,836 |
| Unemployment Compensation | 4,464 |
| Workers' Compensation Insurance | 14,928 |
| Total Employee Benefits | 64,228 |

COVID-19 Grant #1

| | |
|-------------------------|----------|
| Other Charges | \$ 2,238 |
| Total COVID-19 Grant #1 | 2,238 |

Miscellaneous

| | |
|---------------------|-----------|
| Postal Charges | \$ 55,000 |
| Other Charges | 60 |
| Total Miscellaneous | 55,060 |

Total General Fund

\$ 26,226,841

Courthouse and Jail Maintenance FundOther OperationsOther Charges

| | |
|----------------------|--------|
| Trustee's Commission | \$ 436 |
| Total Other Charges | 436 |

Total Courthouse and Jail Maintenance Fund

436

(Continued)

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

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

| | | |
|----------------------------------|----|---------|
| Laborers | \$ | 113,940 |
| Longevity Pay | | 2,264 |
| Overtime Pay | | 533 |
| Social Security | | 9,823 |
| Pensions | | 6,473 |
| Employee and Dependent Insurance | | 31,776 |
| Life Insurance | | 146 |
| Dental Insurance | | 1,279 |
| Other Fringe Benefits | | 1,072 |
| Diesel Fuel | | 37,310 |
| Uniforms | | 1,450 |
| Other Supplies and Materials | | 34,942 |
| Total Waste Pickup | \$ | 241,008 |

Convenience Centers

| | | |
|---------------------------------|----|-----------|
| Part-time Personnel | \$ | 411,239 |
| Overtime Pay | | 223 |
| Social Security | | 31,477 |
| Contracts with Private Agencies | | 768,579 |
| Operating Lease Payments | | 4,600 |
| Uniforms | | 3,916 |
| Utilities | | 26,530 |
| Other Supplies and Materials | | 22,431 |
| Total Convenience Centers | | 1,268,995 |

Recycling Center

| | | |
|----------------------------------|----|---------|
| Supervisor/Director | \$ | 31,655 |
| Laborers | | 173,002 |
| Part-time Personnel | | 120,564 |
| Longevity Pay | | 2,719 |
| Overtime Pay | | 102 |
| Other Salaries and Wages | | 34,412 |
| Social Security | | 27,022 |
| Pensions | | 11,954 |
| Employee and Dependent Insurance | | 55,962 |
| Life Insurance | | 242 |
| Dental Insurance | | 2,314 |
| Other Fringe Benefits | | 2,464 |
| Advertising | | 1,636 |
| Contracts with Private Agencies | | 32,990 |
| Diesel Fuel | | 6,641 |
| Office Supplies | | 826 |
| Uniforms | | 1,754 |
| Utilities | | 23,653 |
| Other Supplies and Materials | | 43,147 |
| Other Equipment | | 50,149 |
| Total Recycling Center | | 623,208 |

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Postclosure Care Costs

| | |
|--------------------------------------|-----------|
| Part-time Personnel | \$ 227 |
| Social Security | 30 |
| Contracts for Postclosure Care Costs | 13,665 |
| Utilities | 1,428 |
| Other Supplies and Materials | 9,194 |
| Other Charges | 530 |
| Total Postclosure Care Costs | \$ 25,074 |

Other Operations

Other Charges

| | |
|----------------------|-----------|
| Trustee's Commission | \$ 45,268 |
| Total Other Charges | 45,268 |

Employee Benefits

| | |
|---------------------------------|--------|
| Unemployment Compensation | \$ 948 |
| Workers' Compensation Insurance | 42,094 |
| Total Employee Benefits | 43,042 |

Highways

Litter and Trash Collection

| | |
|-----------------------------------|-----------|
| Deputy(ies) | \$ 53,283 |
| Longevity Pay | 959 |
| Social Security | 4,224 |
| Pensions | 3,042 |
| Employee and Dependent Insurance | 15,888 |
| Life Insurance | 58 |
| Dental Insurance | 640 |
| Other Fringe Benefits | 1,072 |
| Travel | 551 |
| Diesel Fuel | 2,615 |
| Other Supplies and Materials | 3,719 |
| Total Litter and Trash Collection | 86,051 |

Total Solid Waste/Sanitation Fund

\$ 2,332,646

Drug Control Fund

Public Safety

Drug Enforcement

| | |
|--|-----------|
| In-service Training | \$ 520 |
| Maintenance and Repair Services - Vehicles | 837 |
| Travel | 750 |
| Other Supplies and Materials | 21,457 |
| Law Enforcement Equipment | 5,253 |
| Motor Vehicles | 29,787 |
| Total Drug Enforcement | \$ 58,604 |

(Continued)

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

Drug Control Fund (Cont.)Other OperationsOther Charges

Trustee's Commission

\$ 182

Total Other Charges

\$ 182

Total Drug Control Fund

\$ 58,786

Highway/Public Works FundHighwaysAdministration

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 96,475 |
| Assistant(s) | 37,440 |
| Longevity Pay | 1,123 |
| Overtime Pay | 324 |
| Social Security | 10,340 |
| Pensions | 7,484 |
| Employee and Dependent Insurance | 15,887 |
| Life Insurance | 90 |
| Dental Insurance | 649 |
| Other Fringe Benefits | 720 |
| Dues and Memberships | 5,135 |
| Maintenance and Repair Services - Office Equipment | 353 |
| Travel | 1,913 |
| Office Supplies | 406 |
| Other Charges | 585 |
| Data Processing Equipment | 55 |

| | |
|--|------------|
| | \$ 178,979 |
|--|------------|

Total Administration

\$ 178,979

Highway and Bridge Maintenance

| | |
|----------------------------------|------------|
| Equipment Operators - Heavy | \$ 168,480 |
| Truck Drivers | 143,743 |
| Laborers | 130,000 |
| Part-time Personnel | 14,773 |
| Longevity Pay | 9,053 |
| Overtime Pay | 19,814 |
| Social Security | 37,504 |
| Pensions | 26,295 |
| Employee and Dependent Insurance | 104,963 |
| Life Insurance | 376 |
| Dental Insurance | 3,859 |
| Other Fringe Benefits | 6,630 |
| Other Contracted Services | 100,000 |
| Asphalt - Cold Mix | 59,281 |
| Asphalt - Hot Mix | 1,200,000 |
| Asphalt - Liquid | 318,298 |
| Crushed Stone | 162,167 |
| Pipe - Metal | 23,398 |
| Road Signs | 10,474 |
| Sand | 298 |
| Other Supplies and Materials | 895 |

| | |
|--|--------------|
| | \$ 2,540,301 |
|--|--------------|

Total Highway and Bridge Maintenance

\$ 2,540,301

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

| | |
|--|------------|
| Mechanic(s) | \$ 38,378 |
| Longevity Pay | 302 |
| Overtime Pay | 440 |
| Social Security | 2,988 |
| Pensions | 1,695 |
| Employee and Dependent Insurance | 10,595 |
| Life Insurance | 38 |
| Dental Insurance | 404 |
| Laundry Service | 1,663 |
| Diesel Fuel | 38,556 |
| Equipment and Machinery Parts | 58,726 |
| Gasoline | 21,049 |
| Lubricants | 5,000 |
| Tires and Tubes | 18,952 |
| Total Operation and Maintenance of Equipment | \$ 198,786 |

Other Charges

| | |
|---------------------------------|----------|
| Communication | \$ 6,821 |
| Electricity | 4,772 |
| Natural Gas | 2,991 |
| Water and Sewer | 999 |
| Trustee's Commission | 31,602 |
| Vehicle and Equipment Insurance | 52,000 |
| Other Charges | 6,979 |
| Total Other Charges | 106,164 |

Employee Benefits

| | |
|---------------------------------|-----------|
| Medical Insurance | \$ 15,888 |
| Unemployment Compensation | 3,753 |
| Workers' Compensation Insurance | 60,962 |
| Total Employee Benefits | 80,603 |

Capital Outlay

| | |
|-------------------------|---------|
| Communication Equipment | \$ 500 |
| State Aid Projects | 755,447 |
| Total Capital Outlay | 755,947 |

Total Highway/Public Works Fund

\$ 3,860,780

General Debt Service Fund

Principal on Debt

General Government

| | |
|--------------------------|------------|
| Principal on Bonds | \$ 239,580 |
| Principal on Other Loans | 750,000 |
| Total General Government | \$ 989,580 |

(Continued)

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

| | |
|--------------------------|------------------|
| Principal on Bonds | \$ 645,420 |
| Principal on Notes | 420,523 |
| Principal on Other Loans | <u>2,091,056</u> |
| Total Education | \$ 3,156,999 |

Interest on Debt

General Government

| | |
|--------------------------|----------------|
| Interest on Bonds | \$ 46,983 |
| Interest on Other Loans | <u>213,287</u> |
| Total General Government | 260,270 |

Education

| | |
|-------------------------|------------------|
| Interest on Bonds | \$ 361,711 |
| Interest on Notes | 335 |
| Interest on Other Loans | <u>1,186,788</u> |
| Total Education | 1,548,834 |

Other Debt Service

General Government

| | |
|-----------------------------|----------------|
| Financial Advisory Services | \$ 4,000 |
| Trustee's Commission | <u>104,195</u> |
| Total General Government | 108,195 |

Total General Debt Service Fund

\$ 6,063,878

General Capital Projects Fund

Capital Projects - Donated

| | |
|--|-------------------|
| <u>Capital Projects Donated to School Department</u> | |
| Other Capital Outlay | \$ 420,523 |
| Total Capital Projects Donated to School Department | <u>\$ 420,523</u> |

Total General Capital Projects Fund

420,523

Total Governmental Funds - Primary Government

\$ 38,963,890

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School DepartmentFor the Year Ended June 30, 2020General Purpose School FundInstructionRegular Instruction Program

| | |
|--|----------------------|
| Teachers | \$ 16,040,307 |
| Career Ladder Program | 52,575 |
| Homebound Teachers | 50,561 |
| Educational Assistants | 884,930 |
| Certified Substitute Teachers | 19,220 |
| Non-certified Substitute Teachers | 166,725 |
| Social Security | 1,258,299 |
| Pensions | 1,574,705 |
| Life Insurance | 27,035 |
| Medical Insurance | 4,327,160 |
| Dental Insurance | 126,528 |
| Other Contracted Services | 21,974 |
| Instructional Supplies and Materials | 290,092 |
| Textbooks - Bound | 685,000 |
| Software | 75,726 |
| Other Supplies and Materials | 58,223 |
| Fee Waivers | 2,247 |
| Total Regular Instruction Program | \$ 25,661,307 |

Alternative Instruction Program

| | |
|--|----------------|
| Teachers | \$ 129,913 |
| Career Ladder Program | 1,500 |
| Educational Assistants | 6,545 |
| Social Security | 10,018 |
| Pensions | 14,021 |
| Life Insurance | 207 |
| Medical Insurance | 35,861 |
| Dental Insurance | 422 |
| Other Contracted Services | 1,000 |
| Instructional Supplies and Materials | 1,000 |
| Other Supplies and Materials | 1,000 |
| Other Equipment | 1,000 |
| Total Alternative Instruction Program | 202,487 |

Special Education Program

| | |
|-----------------------------------|--------------|
| Teachers | \$ 1,679,277 |
| Career Ladder Program | 9,500 |
| Homebound Teachers | 53,826 |
| Educational Assistants | 206,358 |
| Speech Pathologist | 61,935 |
| Other Salaries and Wages | 33,259 |
| Certified Substitute Teachers | 525 |
| Non-certified Substitute Teachers | 14,190 |
| Social Security | 152,110 |
| Pensions | 184,536 |
| Life Insurance | 3,210 |

(Continued)

Exhibit K-8

Cumberland County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Cumberland County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | |
|---|---------------------|
| Medical Insurance | \$ 524,230 |
| Dental Insurance | 15,003 |
| Maintenance and Repair Services - Equipment | 200 |
| Instructional Supplies and Materials | 9,800 |
| Other Supplies and Materials | 460 |
| Other Charges | 468 |
| Total Special Education Program | \$ 2,948,887 |

Career and Technical Education Program

| | |
|---|------------------|
| Teachers | \$ 1,927,313 |
| Career Ladder Program | 6,000 |
| Certified Substitute Teachers | 3,255 |
| Non-certified Substitute Teachers | 23,865 |
| Social Security | 144,751 |
| Pensions | 188,104 |
| Life Insurance | 3,219 |
| Medical Insurance | 508,612 |
| Dental Insurance | 13,042 |
| Maintenance and Repair Services - Equipment | 10,883 |
| Travel | 11,402 |
| Other Contracted Services | 38,260 |
| Instructional Supplies and Materials | 28,039 |
| Textbooks - Bound | 16,011 |
| Other Supplies and Materials | 2,128 |
| Other Charges | 1,629 |
| Building Construction | 4,179 |
| Vocational Instruction Equipment | 46,747 |
| Total Career and Technical Education Program | 2,977,439 |

Student Body Education Program

| | |
|---|----------------|
| Other Salaries and Wages | \$ 356,058 |
| Social Security | 23,714 |
| Pensions | 28,082 |
| Other Supplies and Materials | 25,500 |
| Other Charges | 3,000 |
| Total Student Body Education Program | 436,354 |

Support Services

Attendance

| | |
|---------------------|-----------|
| Supervisor/Director | \$ 63,038 |
| Social Security | 4,761 |
| Pensions | 6,701 |
| Life Insurance | 76 |
| Medical Insurance | 12,408 |
| Dental Insurance | 320 |
| Software | 53,399 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Attendance (Cont.)

| | |
|------------------------------|------------|
| Other Supplies and Materials | \$ 1,993 |
| In Service/Staff Development | 1,969 |
| Total Attendance | \$ 144,665 |

Health Services

| | |
|------------------------------|------------|
| Supervisor/Director | \$ 55,343 |
| Medical Personnel | 299,017 |
| Part-time Personnel | 13,950 |
| Social Security | 26,714 |
| Pensions | 22,329 |
| Life Insurance | 489 |
| Medical Insurance | 102,696 |
| Dental Insurance | 4,076 |
| Travel | 200 |
| Other Contracted Services | 10,815 |
| Drugs and Medical Supplies | 5,978 |
| Other Supplies and Materials | 1,000 |
| In Service/Staff Development | 4,800 |
| Other Charges | 9,066 |
| Health Equipment | 3,498 |
| Total Health Services | \$ 559,971 |

Other Student Support

| | |
|------------------------------|--------------|
| Career Ladder Program | \$ 4,100 |
| Guidance Personnel | 717,435 |
| Psychological Personnel | 151,435 |
| School Resource Officer | 75,084 |
| Social Security | 67,204 |
| Pensions | 84,322 |
| Life Insurance | 1,193 |
| Medical Insurance | 189,111 |
| Dental Insurance | 5,658 |
| Evaluation and Testing | 6,720 |
| Travel | 226 |
| Software | 6,480 |
| Other Supplies and Materials | 2,452 |
| In Service/Staff Development | 3,125 |
| Total Other Student Support | \$ 1,314,545 |

Regular Instruction Program

| | |
|-----------------------|------------|
| Supervisor/Director | \$ 196,448 |
| Career Ladder Program | 11,000 |
| Librarians | 477,916 |
| Social Security | 50,148 |
| Pensions | 71,809 |
| Life Insurance | 841 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

| | |
|--|---------------------|
| Medical Insurance | \$ 141,725 |
| Dental Insurance | 3,665 |
| Consultants | 4,150 |
| Travel | 4,774 |
| Library Books/Media | 116,816 |
| Software | 29,372 |
| Other Supplies and Materials | 639 |
| In Service/Staff Development | 64,695 |
| Total Regular Instruction Program | \$ 1,173,998 |

Special Education Program

| | |
|---|----------------|
| Supervisor/Director | \$ 84,105 |
| Career Ladder Program | 4,000 |
| Psychological Personnel | 106,309 |
| Secretary(ies) | 45,817 |
| Clerical Personnel | 24,486 |
| Other Salaries and Wages | 205,764 |
| Social Security | 34,174 |
| Pensions | 41,006 |
| Life Insurance | 552 |
| Medical Insurance | 94,983 |
| Dental Insurance | 3,062 |
| Maintenance and Repair Services - Equipment | 466 |
| Travel | 4,995 |
| Other Contracted Services | 90 |
| Other Supplies and Materials | 538 |
| Other Charges | 164 |
| Other Equipment | 309 |
| Total Special Education Program | 650,820 |

Career and Technical Education Program

| | |
|---|----------------|
| Supervisor/Director | \$ 89,443 |
| Career Ladder Program | 1,000 |
| Clerical Personnel | 40,685 |
| Other Salaries and Wages | 97,877 |
| Social Security | 16,766 |
| Pensions | 22,113 |
| Life Insurance | 238 |
| Medical Insurance | 42,190 |
| Dental Insurance | 1,205 |
| Travel | 417 |
| Other Supplies and Materials | 553 |
| In Service/Staff Development | 7,900 |
| Other Charges | 707 |
| Total Career and Technical Education Program | 321,094 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Technology

| | |
|---|---------------------|
| Supervisor/Director | \$ 65,235 |
| Instructional Computer Personnel | 266,880 |
| Secretary(ies) | 30,264 |
| Social Security | 27,522 |
| Pensions | 19,931 |
| Life Insurance | 326 |
| Medical Insurance | 60,799 |
| Dental Insurance | 2,879 |
| Dues and Memberships | 270 |
| Maintenance and Repair Services - Equipment | 44,238 |
| Internet Connectivity | 94,333 |
| Other Contracted Services | 8,600 |
| Cabling | 21,292 |
| Software | 10,080 |
| In Service/Staff Development | 1,451 |
| Regular Instruction Equipment | 442,490 |
| Total Technology | \$ 1,096,590 |

Other Programs

| | |
|-----------------------------|----------------|
| On-behalf Payments to OPEB | \$ 301,247 |
| Total Other Programs | 301,247 |

Board of Education

| | |
|----------------------------------|------------------|
| Board and Committee Members Fees | \$ 28,800 |
| Social Security | 2,503 |
| Pensions | 1,023 |
| Medical Insurance | 283,234 |
| Dental Insurance | 1,960 |
| Unemployment Compensation | 13,721 |
| Audit Services | 11,000 |
| Dues and Memberships | 18,666 |
| Legal Services | 39,848 |
| Travel | 12,080 |
| Other Contracted Services | 4,800 |
| Other Supplies and Materials | 500 |
| Trustee's Commission | 332,407 |
| Workers' Compensation Insurance | 259,657 |
| Other Charges | 1,581 |
| Total Board of Education | 1,011,780 |

Director of Schools

| | |
|--|------------|
| County Official/Administrative Officer | \$ 109,777 |
| Secretary(ies) | 71,303 |
| Social Security | 13,676 |
| Pensions | 15,591 |
| Life Insurance | 171 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

| | |
|------------------------------|------------|
| Medical Insurance | \$ 19,246 |
| Dental Insurance | 960 |
| Dues and Memberships | 12,115 |
| Postal Charges | 1,435 |
| Travel | 5,041 |
| Other Contracted Services | 6,377 |
| Office Supplies | 1,098 |
| Other Supplies and Materials | 4,063 |
| Administration Equipment | 498 |
| Total Director of Schools | \$ 261,351 |

Office of the Principal

| | |
|-------------------------------|------------|
| Principals | \$ 923,740 |
| Career Ladder Program | 9,000 |
| Assistant Principals | 870,561 |
| Secretary(ies) | 602,979 |
| Clerical Personnel | 250,541 |
| Social Security | 196,485 |
| Pensions | 232,796 |
| Life Insurance | 3,314 |
| Medical Insurance | 614,512 |
| Dental Insurance | 19,258 |
| Other Supplies and Materials | 6,885 |
| In Service/Staff Development | 7,942 |
| Total Office of the Principal | 3,738,013 |

Fiscal Services

| | |
|------------------------------|-----------|
| Supervisor/Director | \$ 68,978 |
| Clerical Personnel | 37,471 |
| Social Security | 8,089 |
| Pensions | 9,393 |
| Life Insurance | 112 |
| Medical Insurance | 19,932 |
| Dental Insurance | 640 |
| Dues and Memberships | 220 |
| Office Supplies | 419 |
| Software | 20,776 |
| Other Supplies and Materials | 138 |
| In Service/Staff Development | 1,800 |
| Total Fiscal Services | 167,968 |

Human Services/Personnel

| | |
|---------------------|-----------|
| Supervisor/Director | \$ 52,260 |
| Secretary(ies) | 32,635 |
| Social Security | 6,171 |
| Pensions | 4,669 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel (Cont.)

| | |
|---------------------------------------|-------------------|
| Life Insurance | \$ 73 |
| Medical Insurance | 14,234 |
| Dental Insurance | 640 |
| Dues and Memberships | 150 |
| Other Contracted Services | 7,569 |
| Office Supplies | 826 |
| Software | 29,856 |
| Other Supplies and Materials | 675 |
| In Service/Staff Development | 852 |
| Other Charges | 166 |
| Total Human Services/Personnel | \$ 150,776 |

Operation of Plant

| | |
|---------------------------------|------------------|
| Custodial Personnel | \$ 1,319,421 |
| Social Security | 99,878 |
| Pensions | 68,594 |
| Life Insurance | 1,886 |
| Medical Insurance | 396,384 |
| Dental Insurance | 16,700 |
| Communication | 104,363 |
| Janitorial Services | 20,890 |
| Pest Control | 13,281 |
| Disposal Fees | 36,831 |
| Other Contracted Services | 78,303 |
| Custodial Supplies | 147,918 |
| Electricity | 1,419,562 |
| Natural Gas | 157,062 |
| Water and Sewer | 263,614 |
| Building and Contents Insurance | 432,801 |
| Plant Operation Equipment | 17,002 |
| Total Operation of Plant | 4,594,490 |

Maintenance of Plant

| | |
|---|-----------|
| Supervisor/Director | \$ 53,106 |
| Secretary(ies) | 39,499 |
| Maintenance Personnel | 430,905 |
| Part-time Personnel | 8,015 |
| Social Security | 39,934 |
| Pensions | 28,387 |
| Life Insurance | 471 |
| Medical Insurance | 94,379 |
| Dental Insurance | 4,103 |
| Communication | 2,736 |
| Maintenance Agreements | 9,636 |
| Maintenance and Repair Services - Buildings | 2,143,306 |
| Other Contracted Services | 34,523 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Maintenance of Plant (Cont.)

| | |
|--|--------------|
| Equipment and Machinery Parts | \$ 17,170 |
| Fertilizer, Lime, and Seed | 9,422 |
| Drainage Materials | 32,091 |
| Chemicals | 3,537 |
| Other Supplies and Materials | 57,277 |
| In Service/Staff Development | 3,020 |
| Other Charges | 43,160 |
| Heating and Air Conditioning Equipment | 193,493 |
| Maintenance Equipment | 44,904 |
| Total Maintenance of Plant | \$ 3,293,074 |

Transportation

| | |
|--|-----------|
| Supervisor/Director | \$ 59,976 |
| Mechanic(s) | 152,525 |
| Bus Drivers | 975,182 |
| Clerical Personnel | 37,232 |
| Attendants | 37,767 |
| Bonus Payments | 12,650 |
| Other Salaries and Wages | 14,851 |
| Social Security | 95,662 |
| Pensions | 66,194 |
| Life Insurance | 2,089 |
| Medical Insurance | 476,305 |
| Dental Insurance | 21,238 |
| Maintenance and Repair Services - Vehicles | 10,000 |
| Other Contracted Services | 20,628 |
| Equipment and Machinery Parts | 10,000 |
| Gasoline | 216,795 |
| Lubricants | 10,366 |
| Office Supplies | 1,200 |
| Tires and Tubes | 29,992 |
| Vehicle Parts | 72,984 |
| Software | 3,500 |
| Other Supplies and Materials | 4,522 |
| In Service/Staff Development | 3,823 |
| Other Charges | 667 |
| Transportation Equipment | 543,327 |
| Total Transportation | 2,879,475 |

Operation of Non-Instructional ServicesCommunity Services

| | |
|--------------------------|-----------|
| Supervisor/Director | \$ 32,255 |
| Other Salaries and Wages | 78,827 |
| Social Security | 8,359 |
| Pensions | 3,846 |
| Life Insurance | 106 |

(Continued)

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

| | |
|---------------------------------|-------------------|
| Medical Insurance | \$ 21,945 |
| Dental Insurance | 966 |
| Travel | 1,240 |
| Food Supplies | 628 |
| Other Supplies and Materials | 2,500 |
| Fee Waivers | 14,313 |
| Other Charges | 352 |
| Total Community Services | \$ 165,337 |

Early Childhood Education

| | |
|--|------------------|
| Teachers | \$ 528,188 |
| Career Ladder Program | 1,000 |
| Educational Assistants | 178,622 |
| Certified Substitute Teachers | 210 |
| Non-certified Substitute Teachers | 8,520 |
| Social Security | 52,447 |
| Pensions | 64,126 |
| Life Insurance | 1,272 |
| Medical Insurance | 212,551 |
| Dental Insurance | 6,451 |
| Instructional Supplies and Materials | 10,000 |
| Other Supplies and Materials | 916 |
| Total Early Childhood Education | 1,064,303 |

Capital OutlayRegular Capital Outlay

| | |
|-------------------------------------|----------------|
| Engineering Services | \$ 33,625 |
| Building Construction | 11,250 |
| Building Improvements | 500,313 |
| Other Capital Outlay | 141,265 |
| Total Regular Capital Outlay | 686,453 |

Principal on DebtEducation

| | |
|---|----------------|
| Debt Service Contribution to Primary Government | \$ 267,552 |
| Total Education | 267,552 |

Interest on DebtEducation

| | |
|---|---------------|
| Debt Service Contribution to Primary Government | \$ 25,344 |
| Total Education | 25,344 |

Total General Purpose School Fund \$ 56,095,320

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)School Federal Projects FundInstructionRegular Instruction Program

| | |
|---|--------------|
| Teachers | \$ 676,194 |
| Educational Assistants | 320,407 |
| Part-time Personnel | 6,788 |
| Non-certified Substitute Teachers | 1,380 |
| Social Security | 63,460 |
| Pensions | 63,190 |
| Life Insurance | 1,439 |
| Medical Insurance | 250,061 |
| Dental Insurance | 9,064 |
| Unemployment Compensation | 4,516 |
| Other Fringe Benefits | 4,055 |
| Maintenance and Repair Services - Equipment | 1,013 |
| Instructional Supplies and Materials | 365,571 |
| Other Supplies and Materials | 3,896 |
| Regular Instruction Equipment | 151,302 |
| Total Regular Instruction Program | \$ 1,922,336 |

Special Education Program

| | |
|---|------------|
| Teachers | \$ 341,584 |
| Educational Assistants | 492,396 |
| Certified Substitute Teachers | 70 |
| Non-certified Substitute Teachers | 7,380 |
| Social Security | 61,824 |
| Pensions | 59,263 |
| Life Insurance | 1,649 |
| Medical Insurance | 304,714 |
| Dental Insurance | 12,528 |
| Unemployment Compensation | 4,729 |
| Maintenance and Repair Services - Equipment | 1,601 |
| Other Contracted Services | 2,126 |
| Instructional Supplies and Materials | 21,295 |
| Other Supplies and Materials | 8,579 |
| Other Charges | 2,860 |
| Special Education Equipment | 12,352 |
| Total Special Education Program | 1,334,950 |

Career and Technical Education Program

| | |
|--|-----------|
| Instructional Supplies and Materials | \$ 15,000 |
| Vocational Instruction Equipment | 115,031 |
| Total Career and Technical Education Program | 130,031 |

Support ServicesOther Student Support

| | |
|-----------------|-----------|
| Social Workers | \$ 15,582 |
| Social Security | 1,192 |
| Pensions | 857 |

(Continued)

Exhibit K-8

Cumberland County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Cumberland County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | |
|------------------------------|----|--------|
| Travel | \$ | 12,017 |
| In Service/Staff Development | | 18,521 |
| Other Charges | | 21,295 |
| Total Other Student Support | \$ | 69,464 |

Regular Instruction Program

| | | |
|---|----|---------|
| Supervisor/Director | \$ | 129,844 |
| Secretary(ies) | | 63,951 |
| Other Salaries and Wages | | 247,324 |
| Social Security | | 33,345 |
| Pensions | | 40,418 |
| Life Insurance | | 425 |
| Medical Insurance | | 63,514 |
| Dental Insurance | | 2,055 |
| Unemployment Compensation | | 774 |
| Other Fringe Benefits | | 1,824 |
| Consultants | | 4,500 |
| Maintenance and Repair Services - Equipment | | 1,134 |
| Travel | | 3,666 |
| Other Contracted Services | | 20,693 |
| Other Supplies and Materials | | 10,950 |
| In Service/Staff Development | | 47,229 |
| Other Charges | | 869 |
| Other Equipment | | 3,659 |
| Total Regular Instruction Program | | 676,174 |

Special Education Program

| | | |
|---------------------------------|----|---------|
| Other Salaries and Wages | \$ | 124,543 |
| Social Security | | 9,220 |
| Pensions | | 13,239 |
| Life Insurance | | 151 |
| Medical Insurance | | 17,574 |
| Dental Insurance | | 640 |
| Unemployment Compensation | | 210 |
| Travel | | 2,046 |
| Other Supplies and Materials | | 5,968 |
| In Service/Staff Development | | 16,310 |
| Total Special Education Program | | 189,901 |

Career and Technical Education Program

| | | |
|--|----|--------|
| Supervisor/Director | \$ | 6,021 |
| Social Security | | 564 |
| Pensions | | 783 |
| Other Charges | | 15,000 |
| Total Career and Technical Education Program | | 22,368 |

(Continued)

Cumberland County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Cumberland County School Department (Cont.)School Federal Projects Fund (Cont.)Support Services (Cont.)Transportation

| | |
|-----------------------------|------------------|
| Bus Drivers | \$ 22,764 |
| Part-time Personnel | 27,930 |
| Social Security | 3,859 |
| Pensions | 2,518 |
| Other Charges | 1,555 |
| Total Transportation | \$ 58,626 |

Operation of Non-Instructional ServicesCommunity Services

| | |
|--------------------------------------|----------------|
| Supervisor/Director | \$ 5,265 |
| Teachers | 128,426 |
| Clerical Personnel | 2,632 |
| Educational Assistants | 23,449 |
| Other Salaries and Wages | 27,014 |
| Social Security | 13,963 |
| Pensions | 14,350 |
| Travel | 51 |
| Instructional Supplies and Materials | 1,988 |
| In Service/Staff Development | 1,886 |
| Other Charges | 9,565 |
| Total Community Services | 228,589 |

Total School Federal Projects Fund

\$ 4,632,439

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

| | |
|--|-----------|
| Supervisor/Director | \$ 58,123 |
| Accountants/Bookkeepers | 78,421 |
| Cafeteria Personnel | 1,563,914 |
| Maintenance Personnel | 88,439 |
| Longevity Pay | 13,442 |
| Other Salaries and Wages | 17,817 |
| Social Security | 135,892 |
| Pensions | 54,865 |
| Life Insurance | 1,377 |
| Medical Insurance | 305,085 |
| Dental Insurance | 13,190 |
| Unemployment Compensation | 7,816 |
| Communication | 5,943 |
| Maintenance and Repair Services - Office Equipment | 801 |
| Pest Control | 4,161 |
| Transportation - Other than Students | 12,162 |
| Travel | 1,093 |
| Disposal Fees | 31,394 |
| Other Contracted Services | 6,116 |

(Continued)

Exhibit K-8

Cumberland County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Cumberland County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | |
|-------------------------------|---------------------|
| Equipment and Machinery Parts | \$ 30,957 |
| Food Supplies | 2,331,609 |
| Office Supplies | 7,644 |
| Uniforms | 3,373 |
| Utilities | 294 |
| USDA - Commodities | 341,451 |
| Other Supplies and Materials | 154,081 |
| In Service/Staff Development | 10,382 |
| Other Charges | 15,217 |
| Food Service Equipment | 81,245 |
| Total Food Service | \$ 5,376,304 |

Total Central Cafeteria Fund \$ 5,376,304

Education Capital Projects Fund

Capital Projects

Education Capital Projects

| | |
|---|---------------------|
| Building Construction | \$ 2,532,407 |
| Building Improvements | 24,181 |
| Total Education Capital Projects | \$ 2,556,588 |

Total Education Capital Projects Fund 2,556,588

Total Governmental Funds - Cumberland County School Department

\$ 68,660,651

Exhibit K-9

Cumberland County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Cumberland County Railroad Authority

For the Year Ended June 30, 2020

General Fund

Capital Projects

Other General Government Projects

Other Contracted Services

Total Other General Government Projects

\$ 370

\$ 370

Total General Fund

\$ 370

Total Governmental Funds - Cumberland County Railroad Authority

\$ 370

Cumberland County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

| | Cities - Sales Tax Fund |
|--------------------------------------|-------------------------------|
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | <u>\$ 8,869,741</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 8,780,122 |
| Trustee's Commission | <u>89,619</u> |
| Total Cash Disbursements | <u>\$ 8,869,741</u> |
| Excess of Cash Receipts Over (Under) | |
| Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2019 | <u>0</u> |
| Cash Balance, June 30, 2020 | <u><u>\$ 0</u></u> |

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cumberland County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cumberland County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 9, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cumberland County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

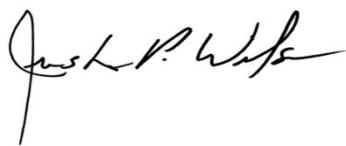
Cumberland County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 9, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Cumberland County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cumberland County's major federal programs for the year ended June 30, 2020. Cumberland County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Cumberland County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

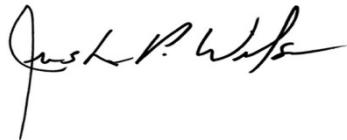
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cumberland County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cumberland County's basic financial statements. We issued our report thereon dated November 9, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 9, 2020

JPW/yu

Cumberland County, Tennessee, and the Cumberland County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Passed-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|---------------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: (5) | | | |
| School Breakfast Program | 10.553 | (4) | \$ 892,327 (6) |
| COVID 19 - School Breakfast Program | 10.553 | (4) | 580,752 (6) |
| National School Lunch Program | 10.555 | (4) | 2,143,203 (6) (7) |
| COVID 19 - National School Lunch Program | 10.555 | (4) | 920,633 (6) |
| Passed-through State Department of Agriculture: | | | |
| Child Nutrition Cluster: (5) | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | (4) | 341,451 (6) |
| Commodity Rebate | 10.555 | (4) | 13,409 (6) |
| Direct Program: | | | |
| Environmental Quality Incentives Program | 10.912 | N/A | 5,653 |
| Total U.S. Department of Agriculture | | | <u>\$ 4,897,428</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Alcohol Open Container Requirements | 20.607 | (4) | \$ 45,607 |
| Institute of Museum and Library Services: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Grants to States | 45.310 | (4) | \$ 2,997 |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | (4) | \$ 2,092,935 |
| Special Education Cluster: (5) | | | |
| Special Education - Grants to States | 84.027 | (4) | 1,391,803 |
| Special Education - Preschool Grants | 84.173 | (4) | 48,972 |
| Career and Technical Education - Basic Grants to States | 84.048 | (4) | 182,353 |
| Special Education - Grants for Infants and Families | 84.181 | (4) | 42,925 |
| Education for Homeless Children and Youth | 84.196 | (4) | 29,557 |
| Twenty-first Century Community Learning Centers | 84.287 | (4) | 228,589 |
| Rural Education | 84.358 | (4) | 131,005 |
| English Language Acquisition State Grants | 84.365 | (4) | 15,392 |
| Supporting Effective Instruction State Grants | 84.367 | (4) | 396,490 |
| Total U.S. Department of Education | | | <u>\$ 4,560,021</u> |
| U.S. Election Assistance Commission: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| COVID 19 - 2020 Supplemental Election Security Grants | 90.404 | (4) | \$ 1,812 |
| U.S. Department of Health and Human Services: | | | |
| Direct Program: | | | |
| Provider Relief Fund - COVID | 93.498 | N/A | \$ 167,828 |
| Executive Office of the President: | | | |
| Passed-through Laurel County, Kentucky Fiscal Court: | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | (4) | \$ 30,918 |

(Continued)

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

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Passed-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|----------------------|
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Emergency Management Performance Grants | 97.042 | (4) | \$ 62,565 |
| COVID 19 - Disaster Relief Fund - PPE | 97.036 | (4) | 1,679 |
| Direct Program: | | | |
| Assistance to Firefighters Grant | 97.044 | N/A | <u>571,610</u> |
| Total U.S. Department of Homeland Security | | | <u>\$ 635,854</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 10,342,465</u> |

| <u>State Grants</u> | Contract Number |
|---|-------------------------|
| State Supplement Juvenile Court Improvement Funds - State Department of Children's Services | N/A (4) \$ 9,000 |
| COVID 19 - PPE - State Department of Military | N/A (4) 559 |
| Litter Program - State Department of Transportation | N/A Z19LIT018 41,029 |
| Local Health Services - State Department of Health | N/A GG1959903 1,007,473 |
| Special Education - Grants for Infants and Families - State Department of Education | N/A (4) 92,369 |
| Voluntary PreK for Tennessee - State Department of Education | N/A (4) 1,059,450 |
| Safe Schools Act - State Department of Education | N/A (4) 134,940 |
| Coordinated School Health - State Department of Education | N/A (4) 100,000 |
| Family Resource Center - State Department of Education | N/A (4) 29,612 |
| Middle School CTE Start UP - State Department of Education | N/A (4) 27,000 |
| Total State Grants | <u>\$ 2,501,432</u> |

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles and prepared on the modified accrual basis of accounting.
- (2) Cumberland County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$4,891,775; Special Education Cluster total \$1,440,775.
- (6) Total for CFDA No. 10.555 is \$3,418,696; Total for CFDA No. 10.553 is \$1,473,079.
- (7) National School Lunch, \$2,051,986; After School Snack Program, \$91,217.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

| Program Title | Federal CFDA Number | Amount Provided to Consolidated Administration |
|--|---------------------------|---|
| Title I Grants to Local Educational Agencies | | |
| Rural Education | 84.010 | \$203,239 |
| English Language Acquisition State Grants | 84.358 | 18,945 |
| Supporting Effective Instruction State Grant | 84.365 | 95 |
| Total amounts consolidated for administration purposes | 84.367 | <u>42,626</u> <u>\$264,905</u> |

Cumberland County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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 Cumberland County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

| Fiscal Year | Page Number | Finding Number | Title of Finding | CFDA Number | Current Status |
|-------------|-------------|----------------|------------------|-------------|----------------|
|-------------|-------------|----------------|------------------|-------------|----------------|

OFFICE OF FINANCE DIRECTOR

| | | | | | |
|------|-----|----------|---|-----|-----------|
| 2019 | 209 | 2019-001 | Certain funds required material audit adjustments for proper financial statement presentation | N/A | Corrected |
|------|-----|----------|---|-----|-----------|

OFFICE OF REGISTER OF DEEDS

| | | | | | |
|------|-----|----------|---|-----|---|
| 2019 | 210 | 2019-002 | Multiple employees operated from the same cash drawer | N/A | Not Corrected - See explanation on Corrective Action Plan |
|------|-----|----------|---|-----|---|

Prior-year Federal Awards Findings

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

CUMBERLAND COUNTY, TENNESSEE
SCHEDEULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Cumberland County is unmodified.
2. Internal Control Over Financial Reporting:

* Material weakness identified? **NO**

* Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

* Material weakness identified? **NO**

* Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

* CFDA Number: 84.010 Title I Grants to Local Education Agencies

* 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? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF REGISTER OF DEEDS

FINDING 2020-001

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Office of Register of Deeds. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the register of deeds resulting in a loss of control over assets. Also, this deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

RECOMMENDATION

The register of deeds should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

I concur with the finding.

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, 2020.

Cumberland County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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

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

OFFICE OF REGISTER OF DEEDS

| | | |
|----------|--|-----|
| 2020-001 | Multiple employees operated from the same cash drawer. | 209 |
|----------|--|-----|

Register of Deeds
Judy Graham Swallows
2 North Main Street, Suite 204
Crossville, TN 38555

Corrective Action Plan

FINDING: MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

Response and Corrective Action Plan Prepared by:
Judy Graham Swallows, Register of Deeds

Person Responsible for Implementing the Corrective Action:
Judy Graham Swallows, Register of Deeds

Anticipated Completion Date of Corrective Action:
June 30, 2021

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Time and Money. Also, our computer system prints a report of each receipt and the operators' name every day. I know who has handled the money: checks, cash, and change. It is printed on each receipt. Additionally, we have always balanced at the end of each day.

Planned Corrective Action:
Working on it.



Judy Graham Swallows
Register of Deeds