

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



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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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	
Tony Brock	Stace Karge
Anita Hale	Tom Netherton
Rebecca Hamby	Shirley French Parris
Jim Inman	Robert Safdie

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.

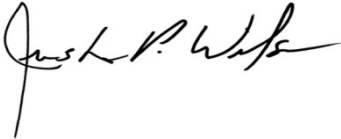
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending from the bottom of the "n" in "Wilson".

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 School Department	Cumberland County Railroad Authority
<u>ASSETS</u>			
Cash	\$ 33,061	\$ 500	\$ 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	<u>\$ 98,904,368</u>	<u>\$ 92,107,232</u>	<u>\$ 47,710</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 5,049,723	\$ 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	<u>\$ 6,890,808</u>	<u>\$ 5,874,245</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 19,540	\$ 512,884	\$ 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	<u>\$ 67,020,320</u>	<u>\$ 14,442,451</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

		Component Units	
	Primary Government Governmental Activities	Cumberland County School Department	Cumberland County Railroad Authority
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Revenue - Current Property Taxes	\$ 16,790,335	\$ 7,903,747	\$ 0
Pension Changes in Experience	5,373	3,950,054	0
Pension Changes in Investments	560,310	2,131,161	0
Pension Changes in Proportion	0	77,900	0
OPEB Changes in Experience	133,863	3,086,457	0
OPEB Changes in Assumptions	149,487	1,362,888	0
OPEB Changes in Proportion	0	986,902	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
Restricted for:			
General Government	1,169,379	0	0
Administration of Justice	313,065	0	0
Public Safety	239,939	0	0
Public Health and Welfare	8,750	0	0
Highways	1,685,522	0	0
Education	0	1,329,473	0
Debt Service	14,978,004	0	0
Capital Outlay	46,241	0	0
Pensions	509,530	7,144,524	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

						Net (Expense) Revenue and Changes in Net Position		
		Program Revenues			Primary	Component Units		
		Charges	Operating	Capital	Government	Cumberland	Cumberland	
		for	Grants	Grants	Total	County	County	
Functions/Programs	Expenses	Services	Contributions	Contributions	Governmental Activities	School Department	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	<u>\$ 37,378,562</u>	<u>\$ 9,530,181</u>	<u>\$ 4,889,925</u>	<u>\$ 1,362,914</u>	<u>\$ (21,595,542)</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Component Units:								
School Department	\$ 66,296,888	\$ 1,176,857	\$ 9,813,046	\$ 0	\$ 0	\$ (55,306,985)	\$ 0	
Railroad Authority	370	0	0	0	0	0	(370)	
Total Component Units	<u>\$ 66,297,258</u>	<u>\$ 1,176,857</u>	<u>\$ 9,813,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (55,306,985)</u>	<u>\$ (370)</u>	

(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	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Cumberland County School Department	Cumberland County Railroad Authority
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					<u>\$ 24,876,003</u>	<u>\$ 55,911,407</u>	<u>\$ 0</u>
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					<u>17,819,445</u>	<u>63,434,595</u>	<u>48,080</u>
Net Position, June 30, 2020					<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 C-1

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

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total 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	<u>\$ 20,553,345</u>	<u>\$ 3,167,475</u>	<u>\$ 1,728,869</u>	<u>\$ 18,841,728</u>	<u>\$ 1,054,853</u>	<u>\$ 45,346,270</u>
<u>LIABILITIES</u>						
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	<u>\$ 50,173</u>	<u>\$ 358</u>	<u>\$ 767</u>	<u>\$ 38,058</u>	<u>\$ 66,049</u>	<u>\$ 155,405</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
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	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental 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	<u>\$ 12,029,422</u>	<u>\$ 2,248,824</u>	<u>\$ 271,137</u>	<u>\$ 4,124,212</u>	<u>\$ 0</u>	<u>\$ 18,673,595</u>
<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	<u>\$ 8,473,750</u>	<u>\$ 918,293</u>	<u>\$ 1,456,965</u>	<u>\$ 14,679,458</u>	<u>\$ 988,804</u>	<u>\$ 26,517,270</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,553,345</u>	<u>\$ 3,167,475</u>	<u>\$ 1,728,869</u>	<u>\$ 18,841,728</u>	<u>\$ 1,054,853</u>	<u>\$ 45,346,270</u>

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><u>21,135,488</u></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	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
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	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	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	2,818,640
State of Tennessee	3,370,967	41,029	3,853,146	0	0	7,265,142
Federal Government	890,669	0	0	0	0	890,669
Other Governments and Citizens Groups	340,477	6,865	0	292,896	0	640,238
Total Revenues	\$ 27,393,578	\$ 2,548,641	\$ 3,910,103	\$ 6,880,377	\$ 110,650	\$ 40,843,349
<u>Expenditures</u>						
Current:						
General Government	\$ 4,288,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,288,613
Finance	2,178,572	0	0	0	0	2,178,572
Administration of Justice	1,896,565	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	8,089,830
Social, Cultural, and Recreational Services	1,052,368	0	0	0	0	1,052,368
Agriculture and Natural Resources	215,374	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	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	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
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
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	420,523	\$ 420,523
Proceeds from Sale of Capital Assets	10,520	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	\$ 1,177,257	\$ 215,995	\$ 49,323	\$ 816,499	\$ 51,428	\$ 2,310,502
Fund Balance, July 1, 2019	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.

Exhibit C-4

Cumberland County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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		(2,439,681)	(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		(1,780,664)	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		(267,552)	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		(369,208)	(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			35,582
Change in net position of governmental activities (Exhibit B)	\$		<u>3,316,043</u>

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

Exhibit C-5

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	
<u>Revenues</u>				
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
<u>Expenditures</u>				
<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)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Safety (Cont.)</u>				
Rescue Squad	\$ 12,000	\$ 12,000	\$ 12,000	\$ 0
County Coroner/Medical Examiner	85,343	115,000	120,275	34,932
Other Public Safety	14,540	28,212	28,212	13,672
<u>Public Health and Welfare</u>				
Local Health Center	1,076,000	1,263,683	1,295,501	219,501
Rabies and Animal Control	57,782	74,924	74,924	17,142
Ambulance/Emergency Medical Services	4,426,266	4,549,804	4,669,315	243,049
Alcohol and Drug Programs	115,757	115,870	115,870	113
Appropriation to State	27,965	55,930	27,965	0
Other Public Health and Welfare	227,775	260,428	268,805	41,030
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	25,775	25,775	25,775	0
Libraries	756,473	805,974	809,871	53,398
Parks and Fair Boards	253,020	276,137	276,137	23,117
Other Social, Cultural, and Recreational	17,100	17,100	17,100	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	108,174	112,784	112,784	4,610
Soil Conservation	107,200	107,292	107,292	92
<u>Other Operations</u>				
Tourism	85,000	85,000	85,000	0
Other Economic and Community Development	52,500	52,500	521,365	468,865
Veterans' Services	89,956	105,793	105,793	15,837
Other Charges	664,633	651,000	662,840	(1,793)
Contributions to Other Agencies	40,200	40,200	40,200	0
Employee Benefits	64,228	149,190	149,190	84,962
COVID-19 Grant #1	2,238	0	2,238	0
Miscellaneous	55,060	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
<u>Other Financing Sources (Uses)</u>				
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	\$ 1,177,257	\$ (2,363,209)	\$ (2,948,304)	\$ 4,125,561
Fund Balance, July 1, 2019	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	
<u>Revenues</u>				
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	<u>\$ 2,548,641</u>	<u>\$ 2,631,660</u>	<u>\$ 2,635,760</u>	<u>\$ (87,119)</u>
<u>Expenditures</u>				
<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	<u>\$ 2,332,646</u>	<u>\$ 2,577,947</u>	<u>\$ 2,694,616</u>	<u>\$ 361,970</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 215,995</u>	<u>\$ 53,713</u>	<u>\$ (58,856)</u>	<u>\$ 274,851</u>
Net Change in Fund Balance	\$ 215,995	\$ 53,713	\$ (58,856)	\$ 274,851
Fund Balance, July 1, 2019	<u>702,298</u>	<u>679,508</u>	<u>679,508</u>	<u>22,790</u>
Fund Balance, June 30, 2020	<u>\$ 918,293</u>	<u>\$ 733,221</u>	<u>\$ 620,652</u>	<u>\$ 297,641</u>

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	
<u>Revenues</u>				
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	<u>\$ 3,910,103</u>	<u>\$ 3,971,887</u>	<u>\$ 3,971,887</u>	<u>\$ (61,784)</u>
<u>Expenditures</u>				
<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	<u>\$ 3,860,780</u>	<u>\$ 4,347,503</u>	<u>\$ 4,347,503</u>	<u>\$ 486,723</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 49,323</u>	<u>\$ (375,616)</u>	<u>\$ (375,616)</u>	<u>\$ 424,939</u>
Net Change in Fund Balance	\$ 49,323	\$ (375,616)	\$ (375,616)	\$ 424,939
Fund Balance, July 1, 2019	<u>1,407,642</u>	<u>1,236,178</u>	<u>1,236,178</u>	<u>171,464</u>
Fund Balance, June 30, 2020	<u>\$ 1,456,965</u>	<u>\$ 860,562</u>	<u>\$ 860,562</u>	<u>\$ 596,403</u>

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

	<u>Agency Funds</u>
<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>\$ 3,557,108</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>\$ 3,557,108</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 Fund 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	3,487,391
Total			<u>\$ 21,623,107</u>

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

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-accfm-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	44,826
Total			<u>\$ 224,130</u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 69,480	\$ 69,480	\$ 0	\$ 0	0
Developed Market International Equity	31,378	31,378	0	0	0
Emerging Market International Equity	8,965	8,965	0	0	0
U.S. Fixed Income	44,826	0	44,826	0	0
Real Estate	22,414	0	0	22,414	0
Short-term Securities	2,241	0	2,241	0	0
Private Equity and Strategic Lending	44,826	0	0	0	44,826
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 interest rate swap	Variable to synthetic fixed rate swap	6,950,000	5-7-13	6-1-27	Pay 4.13% receive 63% of LIBOR
\$10M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	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	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2020</u>		6-30-20 Notional
	Classification	Amount	Classification	Amount	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	(87,035)	Debt	(1,084,118)	6,650,000
	Outflow				
\$10M Swap	Deferred	(1,185,294)	Debt	(3,965,605)	10,000,000
	Outflow				
Totals		<u>\$ (1,236,747)</u>		<u>\$ (5,049,723)</u>	<u>\$ 16,650,000</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
		4.48 %
Synthetic interest rate on bonds		

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 Rate Swap		Total
	Principal	Interest	Payment		
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 Rate Swap		Total
	Principal	Interest	Payment		
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	\$ 2,137,396	\$ 23,500	\$ 0	\$ 2,160,896
Total Capital Assets Not Depreciated	\$ 2,137,396	\$ 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><u>2,439,681</u></u>

Discretely Presented Cumberland County School Department**Governmental Activities**

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

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><u>\$ 1,879,603</u></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 Governmental Activities	Component Unit: 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 Principal 6-30-20	Interest Type	Interest Rates as of 6-30-20		Approximate Fee Rates as of 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	\$ 14,320,000	\$ 0	\$ 40,694,652
Balance Due Within One Year	\$ 905,000	\$ 0	\$ 1,962,780

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	\$ 2,870,461	\$ 2,772,846	\$ 1,166,510
Balance Due Within One Year	\$ 13,664	\$ 0	\$ 816,558

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><u>\$ 5,979,595</u></u>
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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><u>\$ 126,045</u></u>	<u><u>\$ 12,252,392</u></u>
Balance Due Within One Year	<u><u>\$ 6,302</u></u>	<u><u>\$ 0</u></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><u>\$ 12,372,135</u></u>
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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 reinsure 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 Developed Market	5.69	31
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100

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

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

be made at the current rate and that contributions from 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)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net 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)

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

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 Investments	0	855,565
Changes in Assumptions	588,862	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	1,090,135	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	933,812	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 Investments	0	11,231
Changes in Assumptions	9,230	0
Changes in Proportion of Net Pension Liability (Asset)	9,692	4,158
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	121,683	N/A
Total	<u>\$ 151,620</u>	<u>\$ 61,763</u>

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset)	\$ 84,167	\$ (265,645)	\$ (524,222)
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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	2,146,362	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 Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

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

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

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

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	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 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	<u>314</u>

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	<u>\$ 2,772,846</u>

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	62,765	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% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
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% Decrease 5.03 to 3.5%	Trend Rates 6.03 to 4.5%	1% Increase 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	<hr/> <hr/> 734

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	State of	Total OPEB
	School Department	TN	
	74.96%	25.04%	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	557,168	0
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>	1%	Current	1%
	Decrease	Discount	Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 13,231,615	\$ 12,252,392	\$ 11,328,452
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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%	Current	1%
	Decrease	Rates	Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 10,882,330	\$ 12,252,392	\$ 13,875,886
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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, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
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)	\$ 50,931,118	\$ 54,357,876	\$ 58,735,471	\$ 64,281,977	\$ 68,058,087	\$ 72,871,822
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	45,275,682	53,858,833	56,200,324	58,320,567	64,492,210	69,191,637
Plan Fiduciary Net Position, Ending (b)	\$ 53,858,833	\$ 56,200,324	\$ 58,320,567	\$ 64,492,210	\$ 69,191,637	\$ 73,649,849
Net Pension Liability (Asset), Ending (a - b)	\$ (2,927,715)	\$ (1,842,448)	\$ 414,904	\$ (210,233)	\$ (1,133,550)	\$ (778,027)
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	(2,189,577)	(2,158,102)	(2,069,222)	(1,951,454)	(1,969,075)	(2,178,516)	(2,146,362)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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.

Exhibit E-7

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	2,514,087	2,563,250	2,548,994
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.

Exhibit E-8

Cumberland County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Cumberland County School Department
For 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	<u>\$ 23,772,353</u>	<u>\$ 16,040,115</u>	<u>\$ 16,345,719</u>
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	
<u>Revenues</u>					
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
<u>Expenditures</u>					
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)
<u>Other Financing Sources (Uses)</u>					
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	
<u>Revenues</u>				
Local Taxes	\$ 45,749	\$ 49,475	\$ 49,475	\$ (3,726)
Other Local Revenues	9,806	9,746	9,746	60
Total Revenues	<u>\$ 55,555</u>	<u>\$ 59,221</u>	<u>\$ 59,221</u>	<u>\$ (3,666)</u>
<u>Expenditures</u>				
<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	<u>\$ 436</u>	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 30,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 55,119</u>	<u>\$ 28,221</u>	<u>\$ 28,221</u>	<u>\$ 26,898</u>
Net Change in Fund Balance	\$ 55,119	\$ 28,221	\$ 28,221	\$ 26,898
Fund Balance, July 1, 2019	656,392	660,301	660,301	(3,909)
Fund Balance, June 30, 2020	<u>\$ 711,511</u>	<u>\$ 688,522</u>	<u>\$ 688,522</u>	<u>\$ 22,989</u>

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

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	
<u>Revenues</u>				
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
<u>Expenditures</u>				
<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	\$ 816,499	\$ (39,225)	\$ (39,225)	\$ 855,724
Fund Balance, July 1, 2019	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.

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

ASSETS

Cash
Equity in Pooled Cash and Investments
Due from Other Governments

Total Assets

LIABILITIES

Accounts Payable
Due to Other Taxing Units
Due to Litigants, Heirs, and Others

Total Liabilities

Agency Funds			
Cities - Sales Tax	Delinquent Tax - Agency	Constitu - tional Officers - Agency	Total
\$ 0	\$ 0	\$ 1,861,669	\$ 1,861,669
0	40,456	0	40,456
1,654,983	0	0	1,654,983
<hr/>			
\$ 1,654,983	\$ 40,456	\$ 1,861,669	\$ 3,557,108
<hr/>			
<hr/>			
\$ 0	\$ 40,456	\$ 0	\$ 40,456
1,654,983	0	0	1,654,983
0	0	1,861,669	1,861,669
<hr/>			
\$ 1,654,983	\$ 40,456	\$ 1,861,669	\$ 3,557,108
<hr/>			
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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	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				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	\$ 66,296,888	\$ 1,176,857	\$ 9,813,046	\$ (55,306,985)
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				\$ 55,911,407
Insurance Recovery				900
Change in Net Position				\$ 605,322
Net Position, July 1, 2019				63,434,595
Net Position, June 30, 2020				\$ 64,039,917

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 Govern- mental 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	<u>\$ 17,567,322</u>	<u>\$ 69,681</u>	<u>\$ 1,475,287</u>	<u>\$ 19,112,290</u>
<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	<u>\$ 1,172,011</u>	<u>\$ 0</u>	<u>\$ 75,811</u>	<u>\$ 1,247,822</u>
<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	<u>\$ 9,036,604</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,036,604</u>

(Continued)

Exhibit I-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental 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><u>64,039,917</u></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 Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
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
<u>Expenditures</u>				
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	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental 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)		\$	<u>605,322</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 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	<u>\$ 238,750</u>	<u>\$ 1,236,537</u>	<u>\$ 1,475,287</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 20,017	\$ 0	\$ 20,017
Accrued Payroll	1,831	43,893	45,724
Payroll Deductions Payable	7,567	2,503	10,070
Total Liabilities	<u>\$ 29,415</u>	<u>\$ 46,396</u>	<u>\$ 75,811</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 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	<u>\$ 209,335</u>	<u>\$ 1,190,141</u>	<u>\$ 1,399,476</u>
Total Liabilities and Fund Balances	<u>\$ 238,750</u>	<u>\$ 1,236,537</u>	<u>\$ 1,475,287</u>

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
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	<u>\$ 4,690,132</u>	<u>\$ 5,507,481</u>	<u>\$ 10,197,613</u>
<u>Expenditures</u>			
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	<u>\$ 4,632,439</u>	<u>\$ 5,376,304</u>	<u>\$ 10,008,743</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 57,693</u>	<u>\$ 131,177</u>	<u>\$ 188,870</u>
Net Change in Fund Balances	\$ 57,693	\$ 131,177	\$ 188,870
Fund Balance, July 1, 2019	<u>151,642</u>	<u>1,058,964</u>	<u>1,210,606</u>
Fund Balance, June 30, 2020	<u>\$ 209,335</u>	<u>\$ 1,190,141</u>	<u>\$ 1,399,476</u>

Exhibit I-8

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	
<u>Revenues</u>				
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
<u>Expenditures</u>				
<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)

Exhibit I-8

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	\$ 7,358,707	\$ 2,184,432	\$ 1,533,111	\$ 5,825,596

Exhibit I-9

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	
<u>Revenues</u>				
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	<u>\$ 4,690,132</u>	<u>\$ 6,158,717</u>	<u>\$ 6,159,717</u>	<u>\$ (1,469,585)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
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
<u>Support Services</u>				
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
<u>Operation of Non-Instructional Services</u>				
Community Services	228,589	338,499	348,499	119,910
Total Expenditures	<u>\$ 4,632,439</u>	<u>\$ 6,146,048</u>	<u>\$ 6,157,048</u>	<u>\$ 1,524,609</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 57,693</u>	<u>\$ 12,669</u>	<u>\$ 2,669</u>	<u>\$ 55,024</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (12,669)	\$ (2,669)	\$ 2,669
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (12,669)</u>	<u>\$ (2,669)</u>	<u>\$ 2,669</u>
Net Change in Fund Balance	\$ 57,693	\$ 0	\$ 0	\$ 57,693
Fund Balance, July 1, 2019	<u>151,642</u>	<u>0</u>	<u>0</u>	<u>151,642</u>
Fund Balance, June 30, 2020	<u><u>\$ 209,335</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 209,335</u></u>

Exhibit I-10

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	
<u>Revenues</u>				
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>
<u>Expenditures</u>				
<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	\$ 131,177	\$ 1,880	\$ (35,442)	\$ 166,619
Fund Balance, July 1, 2019	<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>\$ 47,710</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	
<u>Revenues</u>				
State of Tennessee	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
Total Revenues	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
<u>Expenditures</u>				
<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	\$ (370)	\$ 0	\$ 0	\$ (370)
Fund Balance, July 1, 2019	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
<u>BONDS PAYABLE</u>								
<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					<u>\$ 15,205,000</u>	<u>\$ 0</u>	<u>\$ 885,000</u>	<u>\$ 14,320,000</u>
<u>NOTES PAYABLE</u>								
<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					<u>\$ 0</u>	<u>\$ 420,523</u>	<u>\$ 420,523</u>	<u>\$ 0</u>
<u>OTHER LOANS PAYABLE</u>								
<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					<u>\$ 43,535,708</u>	<u>\$ 0</u>	<u>\$ 2,841,056</u>	<u>\$ 40,694,652</u>

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	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	2,160,000	185,478	74,411	2,419,889
2027	2,245,000	173,047	69,558	2,487,605
2028	2,240,000	160,133	64,525	2,464,658
2029	2,355,000	145,696	59,196	2,559,892
2030	2,470,000	130,513	53,595	2,654,108
2031	2,545,000	114,584	47,722	2,707,306
2032	2,620,000	98,136	41,679	2,759,815
2033	1,755,000	82,651	35,102	1,872,753
2034	1,805,000	72,279	30,697	1,907,976
2035	1,880,000	61,612	26,167	1,967,779
2036	1,980,000	50,501	21,448	2,051,949
2037	2,080,000	38,799	16,478	2,135,277
2038	2,205,000	26,506	11,257	2,242,763
2039	2,280,000	13,475	5,722	2,299,197
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%	<u>\$ 225,849</u>
Total						<u><u>\$ 225,849</u></u>

Cumberland County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Cumberland County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 101,298		(5)	
Road Superintendent	Section 8-24-102, <i>TCA</i>	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, <i>TCA</i>	87,705		2,437,993	Travelers Casualty and Surety Company of America
Assessor of Property	Section 8-24-102, <i>TCA</i>	87,705	(5)	50,000	"
Finance Director	County Commission	87,705	(2)	(5)	
County Clerk	Section 8-24-102, <i>TCA</i>	87,705		(5)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	87,705		(5)	
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	87,705	(3) (5)	150,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, <i>TCA</i>	87,705		(5)	
Sheriff	Section 8-24-102, <i>TCA</i>	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

	Special Revenue Funds				
	General	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.)

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

(Continued)

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

	Special Revenue Funds				
	General	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, 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>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.)

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

(Continued)

Exhibit K-5

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

	Debt Service Fund	
	General	
	Debt Service	Total
<hr/>		
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
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
<u>County Local Option Taxes</u>		
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
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	298,464
Wholesale Beer Tax	0	333,879
Other Statutory Local Taxes	0	5,352
Total Local Taxes	<u>\$ 6,563,554</u>	<u>\$ 22,473,169</u>
<hr/>		
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Vaccination	\$ 0	\$ 22,647
Cable TV Franchise	0	292,277

(Continued)

Exhibit K-5

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

	Debt Service Fund	
	General	
	Debt	
	Service	Total
<hr/>		
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 36,106
Total Licenses and Permits	\$ 0	\$ 351,030
<hr/>		
<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, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		
	General		
	Debt		Total
	Service		
<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
<hr/>			
<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
<hr/>			
<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
<hr/>			
<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, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund		Total
	General	Debt Service	
<hr/>			
<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, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service		
	Fund		
	General		
	Debt		
	Service		Total
<hr/>			
<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	<u>\$</u>	<u>0</u>	<u>\$ 890,669</u>
<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	<u>\$</u>	<u>292,896</u>	<u>\$ 640,238</u>
Total	<u>\$</u>	<u>6,880,377</u>	<u>\$ 40,843,349</u>

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 Education Capital Projects	Total
		School Federal Projects	Central Cafeteria		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,218,163	\$ 0	\$ 0	\$ 0	\$ 8,218,163
Trustee's Collections - Prior Year	206,966	0	0	0	206,966
Circuit Clerk/Clerk and Master Collections - Prior Years	115,064	0	0	0	115,064
Interest and Penalty	97,330	0	0	0	97,330
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,270,969	0	0	0	10,270,969
Business Tax	3,940	0	0	0	3,940
Mixed Drink Tax	53,050	0	0	0	53,050
Total Local Taxes	\$ 18,965,482	\$ 0	\$ 0	\$ 0	\$ 18,965,482
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 126,994	\$ 0	\$ 0	\$ 0	\$ 126,994
Lunch Payments - Children	0	0	227,352	0	227,352
Lunch Payments - Adults	0	0	51,659	0	51,659
Income from Breakfast	0	0	16,526	0	16,526
A la Carte Sales	0	0	223,032	0	223,032
Receipts from Individual Schools	50,756	0	0	0	50,756
Other Charges for Services	28,026	0	13,389	0	41,415
Total Charges for Current Services	\$ 205,776	\$ 0	\$ 531,958	\$ 0	\$ 737,734
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 6,950	\$ 0	\$ 1,669	\$ 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	
		School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 6,211	\$ 0	\$ 0	\$ 0	\$ 6,211
Sale of Recycled Materials	1,971	0	0	0	1,971
Miscellaneous Refunds	182,418	0	12,436	0	194,854
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	703	0	0	0	703
Contributions and Gifts	13,313	0	3,500	0	16,813
<u>Other Local Revenues</u>					
Other Local Revenues	12,389	0	0	0	12,389
Total Other Local Revenues	\$ 223,955	\$ 0	\$ 17,605	\$ 0	\$ 241,560
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 301,247	\$ 0	\$ 0	\$ 0	\$ 301,247
<u>State Education Funds</u>					
Basic Education Program	34,314,465	0	0	0	34,314,465
Early Childhood Education	1,059,450	0	0	0	1,059,450
School Food Service	0	0	43,438	0	43,438
Other State Education Funds	607,989	0	0	0	607,989
Coordinated School Health	100,000	0	0	0	100,000
Family Resource Centers	29,612	0	0	0	29,612
Career Ladder Program	69,294	0	0	0	69,294
Other Vocational	27,000	0	0	0	27,000
<u>Other State Revenues</u>					
Other State Grants	0	116,058	2,500	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	
		School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Safe Schools	\$ 134,940	\$ 0	\$ 0	\$ 0	\$ 134,940
Total State of Tennessee	\$ 36,643,997	\$ 116,058	\$ 45,938	\$ 0	\$ 36,805,993
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,051,986	\$ 0	\$ 2,051,986
USDA - Commodities	0	0	341,451	0	341,451
Breakfast	0	0	892,327	0	892,327
USDA - Other	0	0	116,790	0	116,790
Vocational Education - Basic Grants to States	0	147,353	0	0	147,353
Other Vocational	0	35,000	0	0	35,000
Title I Grants to Local Education Agencies	0	2,183,132	0	0	2,183,132
Special Education - Grants to States	19,951	1,371,011	0	0	1,390,962
Special Education Preschool Grants	0	48,902	0	0	48,902
English Language Acquisition Grants	0	15,298	0	0	15,298
Rural Education	0	113,228	0	0	113,228
Education for Homeless Children and Youth	0	29,557	0	0	29,557
Eisenhower Professional Development State Grants	0	359,078	0	0	359,078
COVID-19 Grant #1	0	0	1,503,385	0	1,503,385
Other Federal through State	0	271,515	0	0	271,515
Total Federal Government	\$ 19,951	\$ 4,574,074	\$ 4,905,939	\$ 0	\$ 9,499,964

(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	
		School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<hr/>					
<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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,041</u>	<u>\$ 420,523</u>	<u>\$ 426,564</u>
Total	<u>\$ 56,059,161</u>	<u>\$ 4,690,132</u>	<u>\$ 5,507,481</u>	<u>\$ 420,523</u>	<u>\$ 66,677,297</u>

Exhibit K-7

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	
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(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 Justice

Circuit 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)

Exhibit K-7

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 Safety

Sheriff'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 Welfare

Local 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 Services

Senior Citizens Assistance

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

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 Fund

Other Operations

Other 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 Fund
Public Health and Welfare

Waste 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 Operations

Other Charges

Trustee's Commission	\$	182	
Total Other Charges			\$ 182

Total Drug Control Fund \$ 58,786

Highway/Public Works Fund

Highways

Administration

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	
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	
Total Highway and Bridge Maintenance			2,540,301

(Continued)

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)

Exhibit K-7

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		2,091,056	
Total Education			\$ 3,156,999

Interest on DebtGeneral Government

Interest on Bonds	\$	46,983	
Interest on Other Loans		213,287	
Total General Government			260,270

Education

Interest on Bonds	\$	361,711	
Interest on Notes		335	
Interest on Other Loans		1,186,788	
Total Education			1,548,834

Other Debt ServiceGeneral Government

Financial Advisory Services	\$	4,000	
Trustee's Commission		104,195	
Total General Government			108,195

Total General Debt Service Fund \$ 6,063,878

General Capital Projects FundCapital Projects - DonatedCapital Projects Donated to School Department

Other Capital Outlay	\$	420,523	
Total Capital Projects Donated to School Department			\$ 420,523

Total General Capital Projects Fund 420,523

Total Governmental Funds - Primary Government \$ 38,963,890

Exhibit K-8

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

General 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)

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)

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.)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)

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.)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, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely 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)

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.)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, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely 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)

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.)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)

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.)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)

Exhibit K-8

Cumberland County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely 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)

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.)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 FundCapital ProjectsEducation 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

<u>General Fund</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Other Contracted Services	\$	370	
Total Other General Government Projects			\$ 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
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 8,869,741
	<hr/>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 8,780,122
Trustee's Commission	89,619
Total Cash Disbursements	<hr/>
	\$ 8,869,741
	<hr/>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<hr/>
	0
Cash Balance, June 30, 2020	<hr/>
	\$ 0
	<hr/>

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*.

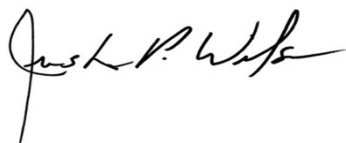
Cumberland County's Response to the Finding

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.

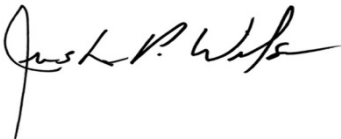
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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)	<u>\$ 45,607</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	<u>\$ 2,997</u>
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)	<u>\$ 1,812</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Provider Relief Fund - COVID	93.498	N/A	<u>\$ 167,828</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(4)	<u>\$ 30,918</u>

(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	571,610
Total U.S. Department of Homeland Security			<u>\$ 635,854</u>
Total Expenditures of Federal Awards			<u><u>\$ 10,342,465</u></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><u>\$ 2,501,432</u></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	42,626
		<u><u>\$264,905</u></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
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OFFICE OF FINANCE DIRECTOR

2019	209	2019-001	Certain funds required material audit adjustments for proper financial statement presentation	N/A	Corrected
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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
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Prior-year Federal Awards Findings

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

CUMBERLAND COUNTY, TENNESSEE
SCHEDULE 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
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OFFICE OF REGISTER OF DEEDS

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