

# **ANNUAL FINANCIAL REPORT**

## **DEKALB COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2020**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

***COMPTROLLER OF THE TREASURY***  
***JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

***STEVE REEDER, CPA, CGFM, CFE***  
***Audit Manager***

***MELODIE C. HODGES, CFE***  
***Senior Auditor***

***AMY HEWITT, CPA, CFE***  
***TIM BRASHEARS, CGFM***  
***RODNEY MALIN, CGFM***  
***BARBARA SHULTS***  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

---



---

## DEKALB COUNTY, TENNESSEE

### TABLE OF CONTENTS

---



---

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
DeKalb County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Position	A	14-15
Statement of Activities	B	16-17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	24-25
Local Purpose Tax Fund	C-6	26
Highway/Public Works Fund	C-7	27
Proprietary Funds:		
Statement of Net Position	D-1	28-29
Statement of Revenues, Expenses, and Changes in Net Position	D-2	30
Statement of Cash Flows	D-3	31
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	32
Index and Notes to the Financial Statements		33-92
REQUIRED SUPPLEMENTARY INFORMATION:		93
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	94
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	95
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented DeKalb County School Department	F-3	96

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented DeKalb County School Department	F-4	97
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented DeKalb County School Department	F-5	98
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented DeKalb County School Department	F-6	99
Schedule of Changes in Total Other Postemployment Benefits Plan Liability and Related Ratios Local Government Plan – Primary Government	F-7	100
Schedule of Changes in Total Other Postemployment Benefits Plan Liability and Related Ratios - Local Education Plan – Discretely Presented DeKalb County School Department	F-8	101
Notes to the Required Supplementary Information		102
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		103
Nonmajor Governmental Funds:		104
Combining Balance Sheet	G-1	105-106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	107
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	G-3	108
Drug Control Fund	G-4	109
General Capital Projects Fund	G-5	110
Major Governmental Fund:		111
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Debt Service Fund	H	112
Fiduciary Funds:		113
Combining Statement of Fiduciary Assets and Liabilities	I-1	114
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	115
Component Unit:		
Discretely Presented DeKalb County School Department:		116
Statement of Activities	J-1	117
Balance Sheet – Governmental Funds	J-2	118
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	119
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	120
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	121
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	123
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	124-125
School Federal Projects Fund	J-9	126-127
Central Cafeteria Fund	J-10	128

	Exhibit	Page(s)
Miscellaneous Schedules:		129
Schedule of Changes in Long-term Bonds and Notes	K-1	130
Schedule of Long-term Debt Requirements by Year	K-2	131
Schedule of Notes Receivable	K-3	132
Schedule of Transfers – Primary Government and Discretely Presented DeKalb County School Department	K-4	133
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented DeKalb County School Department	K-5	134
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	135-146
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented DeKalb County School Department	K-7	147-149
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	150-165
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented DeKalb County School Department	K-9	166-175
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (enterprise fund)	K-10	176-177
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-11	178
<u>SINGLE AUDIT SECTION</u>		179
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		180-181
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		182-184
Schedule of Expenditures of Federal Awards and State Grants		185-187
Summary Schedule of Prior-year Findings		188
Schedule of Findings and Questioned Costs		189-191
Management's Corrective Action Plan		192-193
Best Practice		194

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

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

### ***Scope***

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

### ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with DeKalb County's 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 ROAD SUPERVISOR**

- ◆ The office had purchasing deficiencies.

---

---

## INTRODUCTORY SECTION

---

---

## DeKalb County Officials

### June 30, 2020

---

#### **Officials**

Tim Stribling, County Mayor  
Danny Hale, Road Supervisor  
Patrick Cripps, Director of Schools  
Sean Driver, Trustee  
Shannon Cantrell, Assessor of Property  
James Poss, County Clerk  
Susan Martin, Circuit, General Sessions, and Juvenile Courts Clerk  
Debra Malone, Clerk and Master  
Jeffery McMillen, Register of Deeds  
Patrick Ray, Sheriff

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

Tim Stribling, County Mayor, Chairman  
Jerry Adcock  
Matt Adcock  
Jeff Barnes  
Sabrina Farler  
Janice Fish-Stewart  
Bobby Johnson  
Scott Little

Bruce Malone  
Beth Pafford  
Anita Puckett  
Myron Rhody  
Dennis Slager  
Jenny Trapp  
Julie Young

#### **Board of Education**

Danny Parkerson, Chairman  
Jim Beshearse  
W.J. Evins  
Thomas Hayes  
Kate Miller  
Doug Stephens  
Shaun Tubbs

#### **Purchasing Committee**

Tim Stribling, County Mayor  
Danny Hale, Road Supervisor  
Patrick Cripps, Director of Schools  
Jerry Adcock  
Jeff Barnes  
Bruce Malone  
Myron Rhody

#### **Audit Committee**

Tom Janney, Chairman  
Sabrina Farler  
Janice Fish-Stewart  
Scott Little  
Jenny Trapp



---

---

## FINANCIAL SECTION

---

---



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

### Independent Auditor's Report

DeKalb County Mayor and  
Board of County Commissioners  
DeKalb 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Local Purpose Tax, 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 (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DeKalb 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 DeKalb 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.

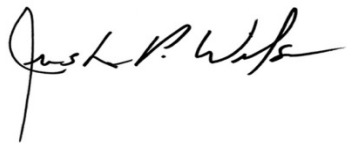
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the DeKalb County School Department (a discretely presented component unit), schedule 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 DeKalb 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 December 21, 2020, on our consideration of DeKalb 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 DeKalb 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 DeKalb County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 21, 2020

JPW/tg

---

---

# BASIC FINANCIAL STATEMENTS

---

---

Exhibit A

DeKalb County, Tennessee  
Statement of Net Position  
June 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	DeKalb
	Activities	Activities		School
				Department
<u>ASSETS</u>				
Cash	\$ 33,279	\$ 0	\$ 33,279	\$ 0
Equity in Pooled Cash and Investments	13,801,011	3,109,191	16,910,202	11,351,858
Accounts Receivable	1,890,384	66,823	1,957,207	179
Allowance for Uncollectibles	(1,503,251)	0	(1,503,251)	0
Due from Other Governments	1,130,832	150,604	1,281,436	66,781
Property Taxes Receivable	7,586,457	0	7,586,457	3,346,588
Allowance for Uncollectible Property Taxes	(157,859)	0	(157,859)	(69,636)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	113,905
Net Pension Asset - Agent Plan	646,716	29,164	675,880	433,029
Net Pension Asset - Teacher Retirement Plan	0	0	0	130,268
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	2,854,357
Capital Assets:				
Assets Not Depreciated:				
Land	849,038	1,341,050	2,190,088	767,916
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,605,544	1,279,876	3,885,420	9,845,324
Infrastructure	2,041,377	0	2,041,377	0
Other Capital Assets	1,689,051	344,624	2,033,675	1,391,995
Total Assets	\$ 30,612,579	\$ 6,321,332	\$ 36,933,911	\$ 30,232,564
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 164,035	\$ 7,397	\$ 171,432	\$ 254,207
Pension Changes in Assumptions	153,918	6,941	160,859	492,226
Pension Changes in Proportion	0	0	0	22,003
Pension Changes in Contributions after Measurement Date	275,282	9,813	285,095	1,204,972
OPEB Changes in Experience	0	0	0	154,520
OPEB Changes in Assumptions	13,519	0	13,519	49,761
OPEB Changes in Proportion	0	0	0	43,445
OPEB Changes in Contributions after Measurement Date	1,622	0	1,622	90,667
Total Deferred Outflows of Resources	\$ 608,376	\$ 24,151	\$ 632,527	\$ 2,311,801
<u>LIABILITIES</u>				
Accounts Payable	\$ 6,281	\$ 0	\$ 6,281	\$ 0
Accrued Payroll	0	0	0	473
Accrued Interest Payable	66,250	0	66,250	0
Payroll Deductions Payable	60,983	1,247	62,230	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,055,000	0	1,055,000	0
Due Within One Year - Other	76,510	161,376	237,886	0
Due in More Than One Year - Debt	5,385,000	0	5,385,000	0
Due in More Than One Year - Other	187,347	2,609,513	2,796,860	2,013,136
Total Liabilities	\$ 6,837,371	\$ 2,772,136	\$ 9,609,507	\$ 2,013,609

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	DeKalb
	Activities	Activities		County
				School
				Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 7,274,200	\$ 0	\$ 7,274,200	\$ 3,208,843
Pension Changes in Experience	156,677	7,065	163,742	1,871,147
Pension Changes in Proportion	0	0	0	38,575
Pension Changes in Investment Earnings	116,689	5,262	121,951	899,186
OPEB Changes in Experience	42,318	0	42,318	293,665
OPEB Changes in Assumptions	5,218	0	5,218	211,701
OPEB Changes in Proportion	0	0	0	141,184
Total Deferred Inflows of Resources	<u>\$ 7,595,102</u>	<u>\$ 12,327</u>	<u>\$ 7,607,429</u>	<u>\$ 6,664,301</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 745,010	\$ 2,965,550	\$ 3,710,560	\$ 12,005,235
Restricted for:				
General Government	130,644	0	130,644	0
Administration of Justice	69,739	0	69,739	0
Public Safety	71,679	0	71,679	0
Public Health and Welfare	73,798	0	73,798	0
Highway/Public Works	3,332,966	0	3,332,966	0
Debt Service	1,981,002	0	1,981,002	0
Education	3,675,962	0	3,675,962	682,300
Capital Projects	1,726,594	0	1,726,594	0
Pensions	646,716	29,164	675,880	3,531,559
Unrestricted	<u>4,334,372</u>	<u>566,306</u>	<u>4,900,678</u>	<u>7,647,361</u>
Total Net Position	<u>\$ 16,788,482</u>	<u>\$ 3,561,020</u>	<u>\$ 20,349,502</u>	<u>\$ 23,866,455</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Total Governmental Activities	Business- type Activities	Total	DeKalb County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 1,761,414	\$ 254,091	\$ 46,547	\$ 1,837	\$ (1,458,939)	\$ 0	\$ (1,458,939)	\$ 0
Finance	1,033,319	679,739	0	0	(353,580)	0	(353,580)	0
Administration of Justice	898,545	333,490	9,225	0	(555,830)	0	(555,830)	0
Public Safety	4,140,163	165,410	298,265	79,268	(3,597,220)	0	(3,597,220)	0
Public Health and Welfare	1,794,867	131,894	100,644	169,396	(1,392,933)	0	(1,392,933)	0
Social, Cultural, and Recreational Services	281,094	64,227	24,442	0	(192,425)	0	(192,425)	0
Agriculture and Natural Resources	94,548	0	0	0	(94,548)	0	(94,548)	0
Highways/Public Works	2,003,693	0	2,059,194	276,421	331,922	0	331,922	0
Education	1,542,950	0	140,000	0	(1,402,950)	0	(1,402,950)	0
Interest on Long-term Debt	157,322	0	0	0	(157,322)	0	(157,322)	0
Total Governmental Activities	\$ 13,707,915	\$ 1,628,851	\$ 2,678,317	\$ 526,922	\$ (8,873,825)	\$ 0	\$ (8,873,825)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,894,820	\$ 446,133	\$ 0	\$ 0	\$ 0	\$ (1,448,687)	\$ (1,448,687)	\$ 0
Total Primary Government	\$ 15,602,735	\$ 2,074,984	\$ 2,678,317	\$ 526,922	\$ (8,873,825)	\$ (1,448,687)	\$ (10,322,512)	\$ 0
Component Unit:								
DeKalb County School Department	\$ 25,663,100	\$ 90,723	\$ 3,471,908	\$ 0	\$ 0	\$ 0	\$ 0	\$ (22,100,469)
Total Component Unit	\$ 25,663,100	\$ 90,723	\$ 3,471,908	\$ 0	\$ 0	\$ 0	\$ 0	\$ (22,100,469)

(Continued)



Exhibit B

DeKalb County, Tennessee  
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position			
								Component Unit
					Primary Government			DeKalb
					Total	Business-		County
					Governmental	type		School
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	Activities	Total	Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 6,780,781	\$ 0	\$ 6,780,781	\$ 3,285,630
Property Taxes Levied for Debt Service					654,560	0	654,560	0
Local Option Sales Taxes					3,247,770	592,505	3,840,275	0
Litigation Tax					110,711	0	110,711	0
Wholesale Beer Tax						80,427	80,427	0
Business Tax					160,311	0	160,311	0
Hotel/Motel Tax					0	114,277	114,277	0
Mixed Drink Tax					25,835	0	25,835	25,835
Other Local Taxes					40,513	0	40,513	0
Grants and Contributions Not Restricted to Specific Programs					350,115	753,813	1,103,928	20,129,996
Unrestricted Investment Earnings					491,802	0	491,802	6,263
Miscellaneous					87,117	23,876	110,993	27,766
Total General Revenues					\$ 11,949,515	\$ 1,564,898	\$ 13,514,413	\$ 23,475,490
Insurance Recovery					\$ 0	\$ 0	\$ 0	\$ 2,244
Change in Net Position					\$ 3,075,690	\$ 116,211	\$ 3,191,901	\$ 1,377,265
Net Position, July 1, 2019					15,302,792	(1,121,038)	14,181,754	20,899,190
Prior-period Adjustment - See Note I.D.9.					(1,590,000)	4,565,847	2,975,847	1,590,000
Net Position, June 30, 2020					\$ 16,788,482	\$ 3,561,020	\$ 20,349,502	\$ 23,866,455

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 650	\$ 0	\$ 0	\$ 0	\$ 32,629	\$ 33,279
Equity in Pooled Cash and Investments	3,630,115	3,359,115	3,006,758	1,971,371	1,833,652	13,801,011
Accounts Receivable	1,883,766	0	5,668	0	950	1,890,384
Allowance for Uncollectibles	(1,503,251)	0	0	0	0	(1,503,251)
Due from Other Governments	147,132	635,984	347,716	0	0	1,130,832
Due from Other Funds	2,340	0	0	0	0	2,340
Property Taxes Receivable	6,247,821	0	205,944	669,318	463,374	7,586,457
Allowance for Uncollectible Property Taxes	(130,004)	0	(4,286)	(13,927)	(9,642)	(157,859)
Total Assets	<u>\$ 10,278,569</u>	<u>\$ 3,995,099</u>	<u>\$ 3,561,800</u>	<u>\$ 2,626,762</u>	<u>\$ 2,320,963</u>	<u>\$ 22,783,193</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 6,281	\$ 0	\$ 0	\$ 6,281
Payroll Deductions Payable	35,896	0	25,087	0	0	60,983
Due to Other Funds	0	0	0	0	2,340	2,340
Total Liabilities	<u>\$ 35,896</u>	<u>\$ 0</u>	<u>\$ 31,368</u>	<u>\$ 0</u>	<u>\$ 2,340</u>	<u>\$ 69,604</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 5,990,663	\$ 0	\$ 197,467	\$ 641,769	\$ 444,301	\$ 7,274,200
Deferred Delinquent Property Taxes	121,028	0	3,989	12,966	8,976	146,959
Other Deferred/Unavailable Revenue	343,521	319,137	182,082	0	0	844,740
Total Deferred Inflows of Resources	<u>\$ 6,455,212</u>	<u>\$ 319,137</u>	<u>\$ 383,538</u>	<u>\$ 654,735</u>	<u>\$ 453,277</u>	<u>\$ 8,265,899</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 58,428	\$ 0	\$ 0	\$ 0	\$ 65,338	\$ 123,766
Restricted for General Government - COVID-19	6,878	0	0	0	0	6,878
Restricted for Administration of Justice	69,739	0	0	0	0	69,739
Restricted for Public Safety	16,538	0	0	0	55,141	71,679
Restricted for Public Health and Welfare	73,798	0	0	0	0	73,798
Restricted for Highways/Public Works	0	0	3,146,894	0	0	3,146,894
Restricted for Education	0	3,675,962	0	0	0	3,675,962
Restricted for Capital Outlay	0	0	0	0	1,713,628	1,713,628
Restricted for Debt Service	0	0	0	1,972,027	0	1,972,027
Committed:						
Committed for Finance	0	0	0	0	31,239	31,239
Committed for Social, Cultural, and Recreational Services	184,250	0	0	0	0	184,250
Unassigned	3,377,830	0	0	0	0	3,377,830
Total Fund Balances	\$ 3,787,461	\$ 3,675,962	\$ 3,146,894	\$ 1,972,027	\$ 1,865,346	\$ 14,447,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,278,569	\$ 3,995,099	\$ 3,561,800	\$ 2,626,762	\$ 2,320,963	\$ 22,783,193

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

Exhibit C-2

DeKalb 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)		\$ 14,447,690
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 849,038	
Add: buildings and improvements net of accumulated depreciation	2,605,544	
Add: infrastructure net of accumulated depreciation	2,041,377	
Add: other capital assets net of accumulated depreciation	<u>1,689,051</u>	7,185,010
(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	\$ (4,930,000)	
Less: notes payable	(1,510,000)	
Less: compensated absences payable	(102,013)	
Less: accrued interest on bonds and notes	(66,250)	
Less: net OPEB liability	<u>(161,844)</u>	(6,770,107)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 593,235	
Less: deferred inflows of resources related to pensions	(273,366)	
Add: deferred outflows of resources related to OPEB	15,141	
Less: deferred inflows of resources related to OPEB	<u>(47,536)</u>	287,474
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		646,716
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>991,699</u>
Net position of governmental activities (Exhibit A)		<u>\$ 16,788,482</u>

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

Exhibit C-3

DeKalb 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	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 6,322,419	\$ 3,198,862	\$ 240,599	\$ 657,403	\$ 525,828	\$ 10,945,111
Licenses and Permits	68,541	0	0	0	0	68,541
Fines, Forfeitures, and Penalties	85,394	0	0	0	14,471	99,865
Charges for Current Services	723,102	0	0	0	142,865	865,967
Other Local Revenues	602,854	0	26,763	0	24,788	654,405
Fees Received From County Officials	899,237	0	0	0	0	899,237
State of Tennessee	914,069	0	2,335,615	0	24,005	3,273,689
Federal Government	143,689	0	0	0	0	143,689
Other Governments and Citizens Groups	118,509	0	0	140,000	0	258,509
Total Revenues	\$ 9,877,814	\$ 3,198,862	\$ 2,602,977	\$ 797,403	\$ 731,957	\$ 17,209,013
<u>Expenditures</u>						
Current:						
General Government	\$ 1,410,404	\$ 0	\$ 0	\$ 0	\$ 59,815	\$ 1,470,219
Finance	702,715	0	0	0	134,682	837,397
Administration of Justice	898,237	0	0	0	308	898,545
Public Safety	3,913,454	0	0	0	23,338	3,936,792
Public Health and Welfare	1,714,598	0	0	0	0	1,714,598
Social, Cultural, and Recreational Services	242,970	0	0	0	0	242,970
Agriculture and Natural Resources	94,548	0	0	0	0	94,548
Other Operations	247,534	0	0	0	159	247,693
Highways	0	0	1,813,597	0	0	1,813,597
Support Services	0	0	0	0	2,050	2,050
Debt Service:						
Principal on Debt	0	0	0	1,030,000	0	1,030,000
Interest on Debt	0	0	0	166,647	0	166,647

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 15,929	\$ 0	\$ 15,929
Capital Projects	0	1,571,437	0	0	189,717	1,761,154
Total Expenditures	\$ 9,224,460	\$ 1,571,437	\$ 1,813,597	\$ 1,212,576	\$ 410,069	\$ 14,232,139
Excess (Deficiency) of Revenues Over Expenditures	\$ 653,354	\$ 1,627,425	\$ 789,380	\$ (415,173)	\$ 321,888	\$ 2,976,874
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 442,691	\$ 0	\$ 442,691
Transfers Out	0	(442,691)	0	0	0	(442,691)
Total Other Financing Sources (Uses)	\$ 0	\$ (442,691)	\$ 0	\$ 442,691	\$ 0	\$ 0
Net Change in Fund Balances	\$ 653,354	\$ 1,184,734	\$ 789,380	\$ 27,518	\$ 321,888	\$ 2,976,874
Fund Balance, July 1, 2019	3,134,107	2,491,228	2,357,514	1,944,509	1,543,458	11,470,816
Fund Balance, June 30, 2020	\$ 3,787,461	\$ 3,675,962	\$ 3,146,894	\$ 1,972,027	\$ 1,865,346	\$ 14,447,690

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

Exhibit C-4

DeKalb 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)		\$	2,976,874
(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	\$	285,948	
Less: current-year depreciation expense		<u>(881,102)</u>	(595,154)
(2) 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	\$	991,699	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(1,417,107)</u>	(425,408)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	745,000	
Add: principal payments on notes		<u>285,000</u>	1,030,000
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in OPEB liability	\$	(13,147)	
Change in deferred outflows related to OPEB		5,568	
Change in deferred inflows related to OPEB		(10,119)	
Change in accrued interest payable on notes and bonds		9,325	
Change in compensated absences payable		(12,589)	
Change in net pension asset		19,491	
Change in deferred outflows of resources related to pensions		110,599	
Change in deferred inflows of resources related to pensions		<u>(19,750)</u>	<u>89,378</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 3,075,690</u>

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

## Exhibit C-5

DeKalb 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	\$ 6,322,419	\$ 6,251,539	\$ 6,251,539	\$ 70,880
Licenses and Permits	68,541	54,100	54,100	14,441
Fines, Forfeitures, and Penalties	85,394	97,819	97,819	(12,425)
Charges for Current Services	723,102	833,215	833,215	(110,113)
Other Local Revenues	602,854	215,550	250,793	352,061
Fees Received From County Officials	899,237	823,650	823,725	75,512
State of Tennessee	914,069	941,113	901,649	12,420
Federal Government	143,689	30,000	157,730	(14,041)
Other Governments and Citizens Groups	118,509	110,113	110,113	8,396
Total Revenues	\$ 9,877,814	\$ 9,357,099	\$ 9,480,683	\$ 397,131
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 89,991	\$ 110,085	\$ 105,135	\$ 15,144
Board of Equalization	630	2,500	2,500	1,870
Beer Board	1,579	4,348	4,348	2,769
County Mayor/Executive	204,045	212,620	212,620	8,575
County Attorney	24,000	27,400	27,400	3,400
Election Commission	173,567	206,159	206,159	32,592
Register of Deeds	167,351	175,672	175,672	8,321
Planning	17,261	18,760	18,760	1,499
County Buildings	232,824	291,196	291,705	58,881
Other Facilities	102,423	135,775	135,775	33,352
Other General Administration	396,733	431,608	424,808	28,075
<u>Finance</u>				
Property Assessor's Office	262,563	278,233	278,233	15,670
County Trustee's Office	175,858	190,110	190,110	14,252
County Clerk's Office	264,294	260,726	268,951	4,657
<u>Administration of Justice</u>				
Circuit Court	266,051	270,497	301,165	35,114
General Sessions Court	211,070	230,635	230,635	19,565
Drug Court	183,248	163,162	183,282	34
Chancery Court	150,069	154,981	157,977	7,908
Juvenile Court	47,714	54,682	54,682	6,968
Judicial Commissioners	40,085	45,078	45,078	4,993
<u>Public Safety</u>				
Sheriff's Department	1,861,708	1,905,447	1,958,994	97,286
Special Patrols	108,643	118,331	118,331	9,688
Traffic Control	15,957	18,640	18,640	2,683
Correctional Incentive Program Improvements	1,473,794	1,531,067	1,531,067	57,273
Fire Prevention and Control	228,205	268,473	268,473	40,268
Civil Defense	12,102	13,400	13,400	1,298
Other Emergency Management	124,620	126,121	126,121	1,501
County Coroner/Medical Examiner	62,425	52,000	63,100	675
Other Public Safety	26,000	35,896	35,896	9,896
<u>Public Health and Welfare</u>				
Local Health Center	270,451	320,916	320,916	50,465
Rabies and Animal Control	2,245	3,000	3,000	755

(Continued)



Exhibit C-5

DeKalb 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 Health and Welfare (Cont.)</u>				
Ambulance/Emergency Medical Services	\$ 1,369,135	\$ 1,493,930	\$ 1,514,817	\$ 145,682
Alcohol and Drug Programs	64,141	60,000	64,143	2
Regional Mental Health Center	5,385	7,180	7,180	1,795
Other Public Health and Welfare	3,241	0	3,241	0
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	54,588	60,833	60,833	6,245
Libraries	169,870	184,863	184,863	14,993
Parks and Fair Boards	9,000	9,000	9,000	0
Other Social, Cultural, and Recreational	9,512	0	169,617	160,105
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	55,680	57,103	57,103	1,423
Soil Conservation	38,868	42,768	42,768	3,900
<u>Other Operations</u>				
Industrial Development	20	4,500	4,500	4,480
Other Economic and Community Development	22,545	27,000	27,000	4,455
Veterans' Services	12,962	17,153	17,153	4,191
Other Charges	149,490	140,071	151,821	2,331
Contributions to Other Agencies	17,745	18,670	18,670	925
Employee Benefits	6,594	8,100	8,100	1,506
COVID-19 Grant #1	9,949	0	16,827	6,878
COVID-19 Grant #2	9,725	0	9,725	0
Miscellaneous	18,504	41,700	30,600	12,096
Total Expenditures	<u>\$ 9,224,460</u>	<u>\$ 9,830,389</u>	<u>\$ 10,170,894</u>	<u>\$ 946,434</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 653,354</u>	<u>\$ (473,290)</u>	<u>\$ (690,211)</u>	<u>\$ 1,343,565</u>
Net Change in Fund Balance	\$ 653,354	\$ (473,290)	\$ (690,211)	\$ 1,343,565
Fund Balance, July 1, 2019	<u>3,134,107</u>	<u>2,675,748</u>	<u>2,675,748</u>	<u>458,359</u>
Fund Balance, June 30, 2020	<u><u>\$ 3,787,461</u></u>	<u><u>\$ 2,202,458</u></u>	<u><u>\$ 1,985,537</u></u>	<u><u>\$ 1,801,924</u></u>

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

Exhibit C-6

DeKalb County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,198,862	\$ 2,780,000	\$ 2,780,000	\$ 418,862
Total Revenues	\$ 3,198,862	\$ 2,780,000	\$ 2,780,000	\$ 418,862
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 1,571,437	\$ 2,013,271	\$ 1,571,580	\$ 143
Total Expenditures	\$ 1,571,437	\$ 2,013,271	\$ 1,571,580	\$ 143
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,627,425	\$ 766,729	\$ 1,208,420	\$ 419,005
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (442,691)	\$ 0	\$ (442,691)	\$ 0
Total Other Financing Sources	\$ (442,691)	\$ 0	\$ (442,691)	\$ 0
Net Change in Fund Balance	\$ 1,184,734	\$ 766,729	\$ 765,729	\$ 419,005
Fund Balance, July 1, 2019	2,491,228	2,164,370	2,164,370	326,858
Fund Balance, June 30, 2020	\$ 3,675,962	\$ 2,931,099	\$ 2,930,099	\$ 745,863

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

Exhibit C-7

DeKalb 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	\$ 240,599	\$ 202,518	\$ 202,518	\$ 38,081
Other Local Revenues	26,763	382	382	26,381
State of Tennessee	2,335,615	3,447,128	3,447,128	(1,111,513)
Total Revenues	<u>\$ 2,602,977</u>	<u>\$ 3,650,028</u>	<u>\$ 3,650,028</u>	<u>\$ (1,047,051)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 178,406	\$ 233,368	\$ 233,368	\$ 54,962
Highway and Bridge Maintenance	472,152	1,052,700	1,052,700	580,548
Operation and Maintenance of Equipment	239,657	344,600	344,600	104,943
Quarry Operations	129,717	207,800	207,800	78,083
Other Charges	119,012	143,000	143,000	23,988
Employee Benefits	256,363	281,000	281,000	24,637
Capital Outlay	418,290	1,575,503	1,575,503	1,157,213
Total Expenditures	<u>\$ 1,813,597</u>	<u>\$ 3,837,971</u>	<u>\$ 3,837,971</u>	<u>\$ 2,024,374</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 789,380</u>	<u>\$ (187,943)</u>	<u>\$ (187,943)</u>	<u>\$ 977,323</u>
Net Change in Fund Balance	\$ 789,380	\$ (187,943)	\$ (187,943)	\$ 977,323
Fund Balance, July 1, 2019	<u>2,357,514</u>	<u>2,211,726</u>	<u>2,211,726</u>	<u>145,788</u>
Fund Balance, June 30, 2020	<u><u>\$ 3,146,894</u></u>	<u><u>\$ 2,023,783</u></u>	<u><u>\$ 2,023,783</u></u>	<u><u>\$ 1,123,111</u></u>

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

Exhibit D-1

DeKalb County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2020

		Business-type Activities - Major <u>Enterprise Fund</u> Solid Waste Disposal <u>Fund</u>
	<u>ASSETS</u>	
Current Assets:		
Equity in Pooled Cash and Investments	\$	3,109,191
Accounts Receivable		66,823
Due from Other Governments		150,604
Total Current Assets	\$	<u>3,326,618</u>
Noncurrent Assets:		
Net Pension Asset	\$	29,164
Capital Assets:		
Assets Not Depreciated:		
Land		1,341,050
Assets Net of Accumulated Depreciation:		
Buildings and Improvements		1,279,876
Other Capital Assets		344,624
Total Noncurrent Assets	\$	<u>2,994,714</u>
Total Assets	\$	<u>6,321,332</u>
	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources:		
Pension Changes in Experience	\$	7,397
Pension Changes in Investment Earnings		6,941
Pension Contributions After Measurement Date		9,813
Total Deferred Outflows of Resources	\$	<u>24,151</u>
Total Assets and Deferred Outflows of Resources	\$	<u>6,345,483</u>

(Continued)

Exhibit D-1

DeKalb County, Tennessee  
Statement of Net Position  
Proprietary Fund (Cont.)

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund
<u>LIABILITIES</u>	
Current Liabilities:	
Payroll Deductions Payable	\$ 1,247
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	161,376
Total Current Liabilities	<u>\$ 162,623</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 2,609,513
Total Noncurrent Liabilities	<u>\$ 2,609,513</u>
Total Liabilities	<u>\$ 2,772,136</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources:	
Pension Changes in Experience	\$ 7,065
Pension Changes in Investment Earnings	5,262
Total Deferred Inflows of Resources	<u>\$ 12,327</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 2,965,550
Restricted for Pensions	29,164
Unrestricted	<u>566,306</u>
Total Net Position	<u>\$ 3,561,020</u>

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

Exhibit D-2

DeKalb County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 427,272
Other Local Revenues	42,737
Total Operating Revenues	<u>\$ 470,009</u>
<u>Operating Expenses</u>	
Waste Pickup	\$ 244,558
Convenience Centers	267,893
Transfer Stations	922,965
Landfill Operation and Maintenance	296,716
Depreciation	143,486
Other Waste Disposal	19,202
Total Operating Expenses	<u>\$ 1,894,820</u>
Operating Income (Loss)	<u>\$ (1,424,811)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Local Taxes	\$ 1,016,192
State Taxes	524,830
Total Nonoperating Revenues (Expenses)	<u>\$ 1,541,022</u>
Change in Net Position	\$ 116,211
Net Position, June 30, 2019	(1,121,038)
Prior Period Adjustment - See Note I.D.9.	4,565,847
Net Position, June 30, 2020	<u><u>\$ 3,561,020</u></u>

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

Exhibit D-3

DeKalb County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 463,760
Payments to Vendors	(1,177,898)
Payments to Employees	(520,561)
Other Payments	(19,202)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,253,901)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Local Taxes	\$ 980,351
State Revenues	523,381
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 1,503,732</u>
Net Increase (Decrease) in Cash	\$ 249,831
Cash, June 30, 2019	<u>2,859,360</u>
Cash, June 30, 2020	<u><u>\$ 3,109,191</u></u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (1,424,811)
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Pension Contributions	2,794
Depreciation	143,486
Prior Period Adjustment	4,565,847
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(6,250)
Increase (Decrease) in Liabilities	1,248
Increase (Decrease) in Landfill Closure/Postclosure Care Cost	<u>(4,536,215)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (1,253,901)</u></u>

Exhibit E

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

	<u>Agency Funds</u>
 <u>ASSETS</u>	
Cash	\$ 1,228,095
Accounts Receivable	11,821
Due from Other Governments	249,701
Notes Receivable - Long-term	<u>113,823</u>
 Total Assets	 <u><u>\$ 1,603,440</u></u>
 <u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 249,701
Due to Litigants, Heirs, and Others	<u>1,353,739</u>
 Total Liabilities	 <u><u>\$ 1,603,440</u></u>

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



---



---

## DEKALB COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

---



---

Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	34
B. Government-wide and Fund Financial Statements	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	36
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	39
2. Receivables and Payables	40
3. Restricted Assets	41
4. Capital Assets	41
5. Deferred Outflows/Inflows of Resources	42
6. Compensated Absences	43
7. Long-term Debt and Long-term Obligations	43
8. Net Position and Fund Balance	44
9. Prior-period Adjustments	45
E. Pension Plans	46
F. Other Postemployment Benefit (OPEB) Plans	46
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	47
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	47
<b>III. Stewardship, Compliance, and Accountability</b>	
Budgetary Information	48
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	48
B. Notes Receivable	54
C. Capital Assets	55
D. Interfund Receivables, Payables, and Transfers	58
E. Long-term Debt	59
F. Long-term Obligations	61
G. On-Behalf Payments	63
<b>V. Other Information</b>	
A. Risk Management	64
B. Contingent Liabilities	65
C. Landfill Closure/Postclosure Care Costs	65
D. Joint Venture	65
E. Retirement Commitments	66
F. Other Postemployment Benefits (OPEB)	83
G. Purchasing Laws	92

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DeKalb 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 DeKalb County:

**A. Reporting Entity**

DeKalb County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present DeKalb County (the primary government) and its component units. The financial statements of the DeKalb 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 DeKalb County School Department operates the public school system in the county, and the voters of DeKalb 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 DeKalb County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of DeKalb County, and the DeKalb 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 DeKalb County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The DeKalb County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. The Industrial Development Board did not have any financial activity during the year; therefore, there were no financial statements to report. Complete financial statements of the DeKalb County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

DeKalb County Emergency  
Communications District  
P.O. Box 346  
Smithville, TN 37166

**Related Organization** – The Industrial Development Board of DeKalb County provides assistance in industrial recruitment in DeKalb County, and the DeKalb County Commission appoints its eight-member board. The authority acted as a decision-making board and did not have any financial activity during the year.

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of DeKalb County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. DeKalb County reports only one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. DeKalb County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DeKalb 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.

**Local Purpose Tax Fund** – This special revenue fund accounts for local sales tax collections, which are disbursed to other county funds and component units. Local option sales tax is the foundational revenue 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.

DeKalb County reports the following major enterprise fund:

**Solid Waste Disposal Fund** – This fund accounts for the county’s solid waste landfill operations.

Additionally, DeKalb County reports the following fund types:

**Capital Projects Fund** – The General Capital Projects Fund is used to account for resources that are restricted, committed, or assigned to expenditure for general capital outlays of the county.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in DeKalb County. 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 DeKalb County School Department reports the following major governmental fund:

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

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

**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.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services. Operating expenses for the enterprise fund include waste collection, landfill operation, administrative expenses, and employee benefits.

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

**1. Deposits and Investments**

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented DeKalb County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and Solid Waste Disposal funds. DeKalb County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

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

All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

All ambulance service and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 1.07 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. 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 DeKalb 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 DeKalb County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the DeKalb 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.

**4. 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year (five years for the school department). 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 DeKalb County and the discretely presented DeKalb 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	20 - 40
Infrastructure:	
Roads	8 - 20
Bridges	30
Other Capital Assets	5 - 15

## **5. 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 pension changes in experience, assumptions, and proportionate share of contributions; employer contributions made to the pension and other postemployment benefits plans (OPEB) after the measurement date; and OPEB changes in experience, assumptions, and proportionate share of contributions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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, proportionate share of contributions, and investment earnings; 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.

**6. Compensated Absences**

**Primary Government**

It is the county's policy, except for the highway department, not to allow for the accumulation of unused vacation and sick days beyond year end. The highway department's policy permits employees to accumulate earned but unused vacation/sick leave benefits up to 20 days. All vacation/sick leave pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation/sick leave pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. However, DeKalb County's proprietary fund did not have accrued leave because the county's policy does not allow for the accumulation of unused vacation and sick days beyond year end.

**Discretely Presented DeKalb County School Department**

It is the policy of the discretely presented DeKalb County School Department to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick leave is unlimited and vacation leave has a twelve day maximum by year end. There is no liability for accumulated vacation or sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government.

**7. Long-term Debt and Long-term Obligations**

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other

financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

## **8. Net Position and Fund Balance**

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

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

As of June 30, 2020, DeKalb County had \$3,440,000 in outstanding debt for capital purposes for the discretely presented DeKalb County School Department. This debt is a liability of DeKalb County; however, the capital assets acquired are reported in the financial statements of the school department. Therefore, DeKalb 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

## **9. Prior-period Adjustments**

The liability for landfill closure/postclosure care costs was restated \$4,565,847 from the prior year because the estimate was determined

to be reduced based on reports from the Tennessee Department of Environment and Conservation.

Beginning net position has been restated \$1,590,000 on the Statement of Activities for the primary government and the discretely presented DeKalb County School Department. In prior years, it has been reported that the school department had agreed to contribute funds to the primary government to retire debt; however, there is no formal documentation of such an agreement, so the amounts shown as Due to Primary Government and Due from Component Unit in the prior year's financial report were removed. (See Note IV.E.)

**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 DeKalb County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from DeKalb 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 DeKalb 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 Post Employment 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 DeKalb County. For this purpose, DeKalb County recognizes benefit

payments when due and payable in accordance with benefit terms. DeKalb County's OPEB plan is not administered through a trust.

**Discretely Presented DeKalb 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 DeKalb 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 DeKalb County School Department**

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

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

**Primary Government**

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

**Discretely Presented DeKalb County School Department**

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the discretely presented DeKalb County School Department's Education Capital Projects Fund, which adopts a project length budget. 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/Executive, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2020, the DeKalb County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 58,254

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

DeKalb County and the DeKalb County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as



Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

### **Deposits**

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

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

### **Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2020.

### **TCRS Stabilization Trust**

**Legal Provisions.** The DeKalb 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 DeKalb 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 DeKalb 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	\$ 35,311
Developed Market International Equity	N/A	N/A	15,947
Emerging Market International Equity	N/A	N/A	4,556
U.S. Fixed Income	N/A	N/A	22,781
Real Estate	N/A	N/A	11,390
Short-term Securities	N/A	N/A	1,139
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>22,781</u>
Total			<u><u>\$ 113,905</u></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 Developed Market	\$ 35,311	\$ 35,311	\$ 0	\$ 0	0
International Equity Emerging Market	15,947	15,947 4,556	0	0	0
International Equity	4,556	0	0	0	0
U.S. Fixed Income	22,781	0	22,781	0	0
Real Estate	11,390	0	0	11,390	0
Short-term Securities	1,139	0	1,139	0	0
Private Equity and Strategic Lending	22,781	0	0	0	22,781
Total	\$ 113,905	\$ 55,814	\$ 23,920	\$ 11,390	\$ 22,781

**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 DeKalb 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 DeKalb 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. DeKalb 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 DeKalb 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/ag19091.pdf>.

**B. Notes Receivable**

In a prior year, the county sold its hospital to a private corporation. On May 10, 1971, the chancellor ordered that a portion of the proceeds of this sale be used to provide loans to "...deserving young men and women, who are preparing themselves for the practice of medicine or the practice of nursing...." These proceeds were deposited in the Office of Clerk and Master and were earmarked for loans to students in medical-related fields. Notes receivable of \$113,823 in the Constitutional Officers - Agency Fund represent the total of these student loans outstanding at June 30, 2020. These loans are repayable to the county on or before five years after the borrower begins his or her practice in the field they have chosen. These loans carry an interest rate two percent below the prime interest rate as published in the *Wall Street Journal*.

**C. 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	\$ 849,038	\$ 0	\$ 0	\$ 849,038
Construction in Progress	138,296	0	(138,296)	0
Total Capital Assets				
Not Depreciated	\$ 987,334	\$ 0	\$ (138,296)	\$ 849,038
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 7,315,173	\$ 183,751	\$ 0	\$ 7,498,924
Infrastructure	17,627,003	0	0	17,627,003
Other Capital Assets	5,251,106	240,493	(52,840)	5,438,759
Total Capital Assets				
Depreciated	\$ 30,193,282	\$ 424,244	\$ (52,840)	\$ 30,564,686
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 4,599,968	\$ 293,412	\$ 0	\$ 4,893,380
Infrastructure	15,359,743	225,883	0	15,585,626
Other Capital Assets	3,440,741	361,807	(52,840)	3,749,708
Total Accumulated				
Depreciation	\$ 23,400,452	\$ 881,102	\$ (52,840)	\$ 24,228,714
Total Capital Assets				
Depreciated, Net	\$ 6,792,830	\$ (456,858)	\$ 0	\$ 6,335,972
Governmental Activities				
Capital Assets, Net	\$ 7,780,164	\$ (456,858)	\$ (138,296)	\$ 7,185,010

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

**Governmental Activities:**

General Government	\$ 208,002
Public Safety	266,238
Public Health and Welfare	70,320
Social, Cultural, and Recreational Services	15,179
Highways/Public Works	<u>321,363</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 881,102</u>

**Business-type Activities:**

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets			
Not Depreciated:			
Land	\$ 1,341,050	\$ 0	\$ 1,341,050
Total Capital Assets Not Depreciated	<u>\$ 1,341,050</u>	<u>\$ 0</u>	<u>\$ 1,341,050</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,249,491	\$ 0	\$ 4,249,491
Other Capital Assets	1,161,490	0	1,161,490
Total Capital Assets Depreciated	<u>\$ 5,410,981</u>	<u>\$ 0</u>	<u>\$ 5,410,981</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,892,822	\$ 76,793	\$ 2,969,615
Other Capital Assets	750,173	66,693	816,866
Total Accumulated Depreciation	<u>\$ 3,642,995</u>	<u>\$ 143,486</u>	<u>\$ 3,786,481</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,767,986</u>	<u>\$ (143,486)</u>	<u>\$ 1,624,500</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,109,036</u>	<u>\$ (143,486)</u>	<u>\$ 2,965,550</u>

There were no decreases in capital assets to report during the year ended June 30, 2020.



Depreciation expense was charged to functions of the Solid Waste Disposal Fund as follows:

**Business-type Activities:**

Public Health and Welfare	\$ 143,486
Total Depreciation Expense - Business-type Activities	<u>\$ 143,486</u>

**Discretely Presented DeKalb County School Department**

**Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets				
Not Depreciated:				
Land	\$ 767,916	\$ 0	\$ 0	\$ 767,916
Total Capital Assets Not Depreciated	<u>\$ 767,916</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 767,916</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,622,540	\$ 0	\$ 0	\$ 19,622,540
Other Capital Assets	3,390,089	211,026	(340,477)	3,260,638
Total Capital Assets Depreciated	<u>\$ 23,012,629</u>	<u>\$ 211,026</u>	<u>\$ (340,477)</u>	<u>\$ 22,883,178</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,375,561	\$ 401,655	\$ 0	\$ 9,777,216
Other Capital Assets	1,998,003	183,850	(313,210)	1,868,643
Total Accumulated Depreciation	<u>\$ 11,373,564</u>	<u>\$ 585,505</u>	<u>\$ (313,210)</u>	<u>\$ 11,645,859</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,639,065</u>	<u>\$ (374,479)</u>	<u>\$ (27,267)</u>	<u>\$ 11,237,319</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,406,981</u>	<u>\$ (374,479)</u>	<u>\$ (27,267)</u>	<u>\$ 12,005,235</u>

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

**Governmental Activities:**

Instruction	\$	437,080
Support Services		145,445
Operation of Non-Instructional Services		<u>2,980</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>585,505</u></u>

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

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	\$ 2,340

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.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

**Primary Government**

<u>Transfer Out</u>	<u>Transfer In</u> General Debt Service Fund	<u>Purpose</u>
Local Purpose Tax Fund	\$ 442,691	Debt Retirement

## Discretely Presented DeKalb County School Department

Transfer Out	<u>Transfer In</u>	
	General Purpose School Fund	Purpose
Nonmajor governmental funds	\$ 3,500	Indirect Cost

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

### E. Long-term Debt

#### Primary Government

##### General Obligation Bonds and Notes

General Obligation Bonds - DeKalb 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 bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 15 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 - DeKalb County issues capital outlay notes to provide funds for capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to 13 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes, and 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 capital outlay notes 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 %	10-1-28	\$ 4,500,000	\$ 3,025,000
General Obligation Bonds - Refunding	2 to 2.5	2-1-25	2,615,000	1,905,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1 to 2	3-1-25	3,400,000	1,510,000

The annual requirements to amortize all general obligation bonds and notes as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 765,000	\$ 118,877	\$ 883,877
2022	780,000	103,333	883,333
2023	800,000	85,624	885,624
2024	815,000	66,413	881,413
2025	845,000	45,697	890,697
2026-2029	925,000	60,222	985,222
Total	\$ 4,930,000	\$ 480,166	\$ 5,410,166

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 290,000	\$ 27,300	\$ 317,300
2022	295,000	21,450	316,450
2023	300,000	15,500	315,500
2024	310,000	9,400	319,400
2025	315,000	3,150	318,150
Total	\$ 1,510,000	\$ 76,800	\$ 1,586,800

There is \$1,972,027 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$263, based on the 2010 federal census. Total debt per capita, including bonds and notes, totaled \$344, based on the 2010 federal census.

The school department annually contributes funds to service some of the debt issued on its behalf by the primary government. The amount of the contribution is subject to annual budgetary restrictions. During the year ending June 30, 2020, the school department contributed \$140,000 to the General Debt Service Fund for debt retirement.

### 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
Balance, July 1, 2019	\$ 5,675,000	\$ 1,795,000
Reductions	(745,000)	(285,000)
Balance, June 30, 2020	<u>\$ 4,930,000</u>	<u>\$ 1,510,000</u>
Balance Due Within One Year	<u>\$ 765,000</u>	<u>\$ 290,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 6,440,000
Less: Balance Due Within One Year - Debt	<u>(1,055,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 5,385,000</u>

## **F. Long-term Obligations**

### Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 89,424	\$ 148,697
Additions	121,206	32,273
Reductions	<u>(108,617)</u>	<u>(19,126)</u>
Balance, June 30, 2020	<u>\$ 102,013</u>	<u>\$ 161,844</u>
Balance Due Within One Year	<u>\$ 76,510</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 263,857
Less: Balance Due Within One Year - Other	<u>(76,510)</u>
Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 187,347</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

**DeKalb County Solid Waste Disposal (Enterprise) Fund**

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2020, was as follows:

Business-type Activities:

	Closure/ Postclosure Care Costs
Balance, July 1, 2019	\$ 7,307,103
Additions	48,994
Reductions	<u>(4,585,208)</u>
Balance, June 30, 2020	<u>\$ 2,770,889</u>
Balance Due Within One Year	<u>\$ 161,376</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 2,770,889
Less: Balance Due Within One Year - Other	<u>(161,376)</u>
Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 2,609,513</u>

Landfill closure/postclosure care costs will be paid from the Solid Waste Disposal Fund (enterprise fund).

**Discretely Presented DeKalb County School Department**

**Changes in Long-term Obligations**

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

Governmental Activities:

	Other Postemployment Benefits
	<hr/>
Balance, July 1, 2019	\$ 2,066,926
Additions	345,566
Reductions	<hr/> (399,356)
	<hr/>
Balance, June 30, 2020	<u>\$ 2,013,136</u>
	<hr/>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 2,013,136
Less: Balance Due Within One Year - Other	<u>0</u>
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,013,136</u>

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

**G. On-Behalf Payments**

**Discretely Presented DeKalb County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the DeKalb 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 \$58,246 and \$32,553, 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. The county participates in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF) as opposed to purchasing commercial insurance for these risks. The LGPCF and LGWCF 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 insurance coverage. These pools are to be self-sustaining through member premiums. The LGPCF reinsures 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. State statutes provide for the LGGIF to be self-sustaining through member premiums.

#### Discretely Presented DeKalb County School Department

The discretely presented DeKalb County 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 annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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**

Counties are often involved in threatened or pending lawsuits due to the nature of the services that they provide; however, at June 30, 2020, attorneys representing the county and the school department did not identify any significant threatened or pending lawsuits against DeKalb County.

**C. Landfill Closure and Postclosure Care Costs**

DeKalb County has four active permits on file with the state Department of Environment and Conservation for sanitary landfills. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the 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. DeKalb County closed the Midway landfill in 1994 and the Felts Tract in 2002. The \$2,770,889 reported as postclosure care liability at June 30, 2020, represents \$257,477 for the Midway landfill, \$340,311 for the Felts Tract, \$273,041 for the Felts Tract Expansion, and \$1,900,060 for the Felts Tract Lateral Expansion 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 Venture**

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. DeKalb County did not make appropriations to the DTF for the year ended June 30, 2020.

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

Administrative Office:

Office of District Attorney General  
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 DeKalb County and non-certified employees of the discretely presented DeKalb 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 60.95 percent, the non-certified employees of the discretely presented school department comprise 39.05 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](http://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.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	166
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	386
Active Employees	296
Total	<u>848</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. DeKalb 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 DeKalb County was \$449,651 based on a rate of 5.41 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept DeKalb 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)**

DeKalb 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

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 DeKalb 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	\$ 15,244,153	\$ 16,337,833	\$ (1,093,680)
Changes for the Year:			
Service Cost	\$ 587,084	\$ 0	\$ 587,084
Interest	1,118,336	0	1,118,336
Differences Between Expected and Actual Experience	326,831	0	326,831
Contributions-Employer	0	445,436	(445,436)
Contributions-Employees	0	411,681	(411,681)
Net Investment Income	0	1,217,197	(1,217,197)
Benefit Payments, Including Refunds of Employee Contributions	(811,833)	(811,833)	0
Administrative Expense	0	(26,834)	26,834
Net Changes	\$ 1,220,418	\$ 1,235,647	\$ (15,229)
Balance, June 30, 2019	\$ 16,464,571	\$ 17,573,480	\$ (1,108,909)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.95%	\$ 10,035,156	\$ 10,711,036	\$ (675,880)
School Department	39.05%	6,429,415	6,862,444	(433,029)
Total		\$ 16,464,571	\$ 17,573,480	\$ (1,108,909)

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 868,579	\$ (1,108,909)	\$ (2,761,149)

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

*Pension Expense.* For the year ended June 30, 2020, DeKalb County recognized pension expense of \$306,093.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, DeKalb 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	\$ 281,267	\$ 268,650
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	200,084
Changes in Assumptions	263,920	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	449,651	N/A
Total	<u>\$ 994,838</u>	<u>\$ 468,734</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	\$ 593,235	\$ 273,366
Business-type Activities	24,151	12,327
School Department	377,452	183,041
Total	<u>\$ 994,838</u>	<u>\$ 468,734</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	\$ 56,168
2022	(90,281)
2023	51,606
2024	58,959
2025	0
Thereafter	0

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

**Discretely Presented DeKalb County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of DeKalb County and non-certified employees of the discretely presented DeKalb 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 60.95 percent and the non-certified employees of the



discretely presented school department comprise 39.05 percent of the plan based on contribution data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the DeKalb 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](http://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 \$59,655, which is 2.03 percent of covered payroll. In addition, employer contributions of \$59,637, 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 (\$130,268) 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 .230772 percent. The proportion as of June 30, 2018, was .208072 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$40,472.

*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	\$ 5,401	\$ 22,741
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,508
Changes in Assumptions	4,526	0
Changes in Proportion of Net Pension Liability (Asset)	6,218	11,821
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	59,655	N/A
Total	\$ 75,800	\$ 40,070

The school department's employer contributions of \$59,655 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	\$ (3,172)
2022	(4,014)
2023	(2,469)
2024	(1,682)
2025	(1,457)
Thereafter	(11,129)

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%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
---	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset)      \$   41,274   \$ (130,268)   \$ (257,069)

*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 DeKalb 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](http://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 DeKalb County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$980,761, which is 10.62 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 (\$2,854,357) 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 .277613 percent. The proportion measured at June 30, 2018, was .280596 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$371,480.

*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	\$ 138,971	\$ 1,743,498
Changes in Assumptions	384,639	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	815,545
Changes in Proportion of Net Pension Liability (Asset)	15,785	26,754
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	980,761	N/A
Total	<u>\$ 1,520,156</u>	<u>\$ 2,585,797</u>

The school department's employer contributions of \$980,761 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	\$ (591,848)
2022	(818,198)
2023	(366,082)
2024	(270,273)
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 actual experience including an adjustment for some anticipated improvement.

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
---	-------------------------	--------------------------------------	-------------------------

Net Pension Liability (Asset)	\$ 5,836,336	\$ (2,854,357)	\$ (9,767,563)
-------------------------------	--------------	----------------	----------------

*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 school department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute 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 \$346,208 and teachers contributed \$79,101 to this deferred compensation pension plan.

## F. **Other Postemployment Benefits (OPEB)**

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

## **OPEB Provided through State Administered Public Entity Risk Pools**

The county'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, 2018, 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, 2019, 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 DeKalb County are provided with pre-65 retiree health insurance benefits through the 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.

*Benefits provided.* DeKalb 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, receives 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. DeKalb 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, 2018, the following employees were covered by the benefit terms:

	<u>DeKalb County</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet	
Receiving Benefits	0
Active Employees	<u>102</u>
Total	<u><u>102</u></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 \$1,622 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	<u>\$ 148,697</u>
Changes for the Year:	
Service Cost	\$ 18,087
Interest	5,996
Difference between	
Expected and Actuarial	
Experience	(16,834)
Changes in Assumption	
and Other Inputs	8,190
Benefit Payments	<u>(2,292)</u>
Net Changes	<u>\$ 13,147</u>
Balance June 30, 2019	<u><u>\$ 161,844</u></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 \$19,320. 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	\$ 42,318
Changes of Assumptions/Inputs	13,519	5,218
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	1,622	0
Total	<u>\$ 15,141</u>	<u>\$ 47,536</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	\$ (4,763)
2022	(4,763)
2023	(4,763)
2024	(4,763)
2025	(4,763)
Thereafter	(10,202)

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	\$ 176,574	\$ 161,844	\$ 148,431

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county

calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rates	Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%
Total OPEB Liability	\$ 141,577	\$ 161,844	\$ 186,490

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

*Plan Description.* Employees of the DeKalb 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 DeKalb 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. DeKalb County 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 retirees' 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:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	<u>267</u>
Total	<u><u>281</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$90,667 to the LEP for OPEB benefits as they came due.

### Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>DeKalb County School Department 61.26%</u>	<u>State of TN 38.74%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 2,066,926	\$ 1,083,222	\$ 3,150,148
Changes for the Year:			
Service Cost	\$ 101,266	\$ 64,029	\$ 165,295
Interest	71,558	45,246	116,804
Changes in Proportions	(137,028)	137,028	0
Difference between Expected and Actuarial Experience	172,742	109,223	281,965
Changes in Assumption and Other Inputs	(152,527)	(96,441)	(248,968)
Benefit Payments	<u>(109,801)</u>	<u>(69,426)</u>	<u>(179,227)</u>
Net Changes	\$ (53,790)	\$ 189,659	\$ 135,869
Balance June 30, 2019	<u>\$ 2,013,136</u>	<u>\$ 1,272,881</u>	<u>\$ 3,286,017</u>

The DeKalb 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 DeKalb 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 is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$97,769 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the DeKalb County School Department's proportionate share of the collective OPEB liability was 61.26 percent and the State of Tennessee's share was 38.74 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 \$222,458, 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	\$ 154,520	\$ 293,665
Changes of Assumptions/Inputs	49,761	211,701
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	43,445	141,182
Benefits Paid After the Measurement Date of June 30, 2019	<u>90,667</u>	<u>0</u>
Total	<u>\$ 338,393</u>	<u>\$ 646,548</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	\$ (48,135)
2022	(48,135)
2023	(48,135)
2024	(48,135)
2025	(48,135)
Thereafter	(158,147)

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

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

<u>Discount Rate</u>	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the Collective Total OPEB Liability	\$ 2,209,285	\$ 2,013,136	\$ 1,838,228
--	--------------	--------------	--------------

*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.

### Healthcare Cost Trend Rate

	1% Decrease 5.03 to 3.5%	Curent Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
--	--------------------------------	--------------------------------	--------------------------------

Proportionate Share of the  
Collective Total OPEB  
Liability

\$ 1,766,512 \$ 2,013,136 \$ 2,311,407

## **G. Purchasing Laws**

### Offices of County Mayor and Road Supervisor

Purchasing procedures for the funds administered by the county mayor and road supervisor are governed by provisions of Chapter 63, Private Acts of 1979, as amended. Purchasing procedures for the highway department are also governed by Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Uniform Road Law). Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

### Office of Director of Schools

Purchasing procedures for the discretely presented DeKalb County School Department are governed by provisions of Chapter 63, Private Acts of 1979, as amended, and by Section 49-2-203, *TCA*. Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

---

---

## REQUIRED SUPPLEMENTARY INFORMATION

---

---

Exhibit F-1

DeKalb 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
<b>Total Pension Liability</b>						
Service Cost	\$ 450,903	\$ 499,326	\$ 516,910	\$ 543,588	\$ 565,648	\$ 587,084
Interest	832,772	896,508	963,480	1,007,698	1,064,688	1,118,336
Differences Between Actual and Expected Experience	18,397	118,817	(232,528)	(177,218)	(170,886)	326,831
Changes in Assumptions	0	0	0	527,839	0	
Benefit Payments, Including Refunds of Employee Contributions	(413,560)	(587,776)	(690,781)	(679,155)	(670,013)	(811,833)
Net Change in Total Pension Liability	\$ 888,512	\$ 926,875	\$ 557,081	\$ 1,222,752	\$ 789,437	\$ 1,220,418
Total Pension Liability, Beginning	10,859,496	11,748,008	12,674,883	13,231,964	14,454,716	15,244,153
Total Pension Liability, Ending (a)	\$ 11,748,008	\$ 12,674,883	\$ 13,231,964	\$ 14,454,716	\$ 15,244,153	\$ 16,464,571
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 420,976	\$ 371,908	\$ 380,998	\$ 395,240	\$ 408,344	\$ 445,436
Contributions - Employee	357,846	349,028	352,126	365,288	377,399	411,681
Net Investment Income	1,764,331	388,277	346,598	1,524,352	1,248,854	1,217,197
Benefit Payments, Including Refunds of Employee Contributions	(413,560)	(587,776)	(690,781)	(679,155)	(670,013)	(811,833)
Administrative Expense	(10,531)	(14,909)	(22,090)	(25,036)	(28,526)	(26,834)
Other Charges	0	0	0	12	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,119,062	\$ 506,528	\$ 366,851	\$ 1,580,701	\$ 1,336,058	\$ 1,235,647
Plan Fiduciary Net Position, Beginning	10,428,633	12,547,695	13,054,223	13,421,074	15,001,775	16,337,833
Plan Fiduciary Net Position, Ending (b)	\$ 12,547,695	\$ 13,054,223	\$ 13,421,074	\$ 15,001,775	\$ 16,337,833	\$ 17,573,480
Net Pension Liability (Asset), Ending (a - b)	\$ (799,687)	\$ (379,340)	\$ (189,110)	\$ (547,059)	\$ (1,093,680)	\$ (1,108,909)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.81%	102.99%	101.43%	103.78%	107.17%	106.74%
Covered Payroll	\$ 6,724,834	\$ 6,879,540	\$ 7,042,582	\$ 7,305,724	\$ 7,547,948	\$ 8,233,555
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(11.89)%	(5.51)%	(2.69)%	(7.49)%	(14.49)%	(13.47)%

Note: Ten years of 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 F-2

DeKalb 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	\$ 420,976	\$ 371,908	\$ 380,998	\$ 395,240	\$ 408,344	\$ 244,537	\$ 449,651
Less Contributions in Relation to the Actuarially Determined Contribution	(420,976)	(371,908)	(380,998)	(395,240)	(408,344)	(445,436)	(449,651)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (200,899)	\$ 0
Covered Payroll	\$ 6,724,834	\$ 6,879,540	\$ 7,042,582	\$ 7,305,724	\$ 7,547,948	\$ 8,233,555	\$ 8,311,426
Contributions as a Percentage of Covered Payroll	6.26%	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 27,669	\$ 43,375	\$ 51,968	\$ 72,732	\$ 47,376	\$ 59,655
Less Contributions in Relation to the Contractually Required Contribution	(27,669)	(43,375)	(51,968)	(72,732)	(47,376)	(59,655)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 691,718	\$ 1,084,370	\$ 1,299,202	\$ 1,818,295	\$ 2,442,006	\$ 2,938,719
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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



Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 995,164	\$ 968,749	\$ 926,674	\$ 922,414	\$ 892,162	\$ 973,695	\$ 980,761
Less Contributions in Relation to the Contractually Required Contribution	(995,164)	(968,749)	(926,674)	(922,414)	(892,162)	(973,695)	(980,761)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,206,799	\$ 10,716,254	\$ 10,250,832	\$ 10,203,712	\$ 9,825,557	\$ 9,308,744	\$ 9,236,596
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.62%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.326051%	0.246447%	0.197947%	0.208072%	0.230772%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,393) \$	(25,656) \$	(52,226) \$	(94,366) \$	(130,268)
Covered Payroll	\$ 691,718 \$	1,084,370 \$	1,299,202 \$	1,818,295 \$	2,442,006
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%
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 F-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.285524%	0.286263%	0.283972%	0.288652%	0.280596%	0.277613%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (46,396)	\$ 117,263	\$ 1,774,668	\$ (94,440)	\$ (987,395)	\$ (2,854,357)
Covered Payroll	\$ 11,206,799	\$ 10,716,254	\$ 10,250,832	\$ 10,203,712	\$ 9,825,557	\$ 9,308,744
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	99.81%	100.14%	101.49%	104.28%

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

DeKalb County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Government PlanFor the Fiscal Year Ended June 30

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 17,206	\$ 16,531	\$ 18,087
Interest	4,612	6,071	5,996
Differences Between Actual and Expected Experience	0	(35,060)	(16,834)
Changes in Assumptions or Other Inputs	(7,591)	8,128	8,190
Benefit Payments	0	(1,927)	(2,292)
Net Change in Total OPEB Liability	\$ 14,227	\$ (6,257)	\$ 13,147
Total OPEB Liability, Beginning	140,727	154,954	148,697
Total OPEB Liability, Ending	<u>\$ 154,954</u>	<u>\$ 148,697</u>	<u>\$ 161,844</u>
Covered Employee Payroll	\$ 4,562,878	\$ 4,953,602	\$ 5,269,723
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.40%	3.00%	3.07%

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.

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

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 197,436	\$ 182,348	\$ 165,295
Interest	108,676	128,979	116,804
Differences Between Actual and Expected Experience	0	(590,821)	281,965
Changes in Assumptions or Other Inputs	(173,338)	100,114	(248,968)
Benefit Payments	(210,690)	(222,249)	(179,227)
Net Change in Total OPEB Liability	\$ (77,916)	\$ (401,629)	\$ 135,869
Total OPEB Liability, Beginning	3,629,693	3,551,777	3,150,148
 Total OPEB Liability, Ending	 \$ 3,551,777	 \$ 3,150,148	 \$ 3,286,017
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 1,277,095	 \$ 1,083,222	 \$ 1,272,881
Employer Proportionate Share of the Total OPEB Liability	2,274,682	2,066,926	2,013,136
 Covered Employee Payroll	 \$ 14,630,934	 \$ 15,009,641	 \$ 15,217,018
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.28%	20.99%	21.59%

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.

**DEKALB 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: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

---

---

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

---

---

# Nonmajor Governmental Funds

## Special Revenue Funds

---

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

---

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

---

The General Capital Projects Fund is 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.

---



Exhibit G-1

DeKalb 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	\$ 32,629	\$ 32,629	\$ 0	\$ 32,629
Equity in Pooled Cash and Investments	65,338	55,141	0	120,479	1,713,173	1,833,652
Accounts Receivable	0	0	950	950	0	950
Property Taxes Receivable	0	0	0	0	463,374	463,374
Allowance for Uncollectible Property Taxes	0	0	0	0	(9,642)	(9,642)
Total Assets	<u>\$ 65,338</u>	<u>\$ 55,141</u>	<u>\$ 33,579</u>	<u>\$ 154,058</u>	<u>\$ 2,166,905</u>	<u>\$ 2,320,963</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 2,340	\$ 2,340	\$ 0	\$ 2,340
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,340</u>	<u>\$ 2,340</u>	<u>\$ 0</u>	<u>\$ 2,340</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 444,301	\$ 444,301
Deferred Delinquent Property Taxes	0	0	0	0	8,976	8,976
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 453,277</u>	<u>\$ 453,277</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 65,338	\$ 0	\$ 0	\$ 65,338	\$ 0	\$ 65,338
Restricted for Public Safety	0	55,141	0	55,141	0	55,141

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital	Total
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund  General Capital Projects	
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,713,628	\$ 1,713,628
Committed:						
Committed for Finance	0	0	31,239	31,239	0	31,239
Total Fund Balances	<u>\$ 65,338</u>	<u>\$ 55,141</u>	<u>\$ 31,239</u>	<u>\$ 151,718</u>	<u>\$ 1,713,628</u>	<u>\$ 1,865,346</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 65,338</u>	<u>\$ 55,141</u>	<u>\$ 33,579</u>	<u>\$ 154,058</u>	<u>\$ 2,166,905</u>	<u>\$ 2,320,963</u>

Exhibit G-2

DeKalb 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	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 68,868	\$ 0	\$ 0	\$ 68,868	\$ 456,960	\$ 525,828
Fines, Forfeitures, and Penalties	0	14,471	0	14,471	0	14,471
Charges for Current Services	0	0	142,865	142,865	0	142,865
Other Local Revenues	0	24,788	0	24,788	0	24,788
State of Tennessee	0	0	0	0	24,005	24,005
Total Revenues	\$ 68,868	\$ 39,259	\$ 142,865	\$ 250,992	\$ 480,965	\$ 731,957
<u>Expenditures</u>						
Current:						
General Government	\$ 59,765	\$ 0	\$ 50	\$ 59,815	\$ 0	\$ 59,815
Finance	0	0	134,682	134,682	0	134,682
Administration of Justice	0	0	308	308	0	308
Public Safety	0	23,338	0	23,338	0	23,338
Other Operations	0	159	0	159	0	159
Support Services	0	2,050	0	2,050	0	2,050
Capital Projects	0	0	0	0	189,717	189,717
Total Expenditures	\$ 59,765	\$ 25,547	\$ 135,040	\$ 220,352	\$ 189,717	\$ 410,069
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,103	\$ 13,712	\$ 7,825	\$ 30,640	\$ 291,248	\$ 321,888
Net Change in Fund Balances	\$ 9,103	\$ 13,712	\$ 7,825	\$ 30,640	\$ 291,248	\$ 321,888
Fund Balance, July 1, 2019	56,235	41,429	23,414	121,078	1,422,380	1,543,458
Fund Balance, June 30, 2020	\$ 65,338	\$ 55,141	\$ 31,239	\$ 151,718	\$ 1,713,628	\$ 1,865,346

## Exhibit G-3

DeKalb 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	\$ 68,868	\$ 55,046	\$ 55,046	\$ 13,822
Total Revenues	\$ 68,868	\$ 55,046	\$ 55,046	\$ 13,822
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 59,765	\$ 54,700	\$ 60,700	\$ 935
Total Expenditures	\$ 59,765	\$ 54,700	\$ 60,700	\$ 935
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,103	\$ 346	\$ (5,654)	\$ 14,757
Net Change in Fund Balance	\$ 9,103	\$ 346	\$ (5,654)	\$ 14,757
Fund Balance, July 1, 2019	56,235	56,604	56,604	(369)
Fund Balance, June 30, 2020	\$ 65,338	\$ 56,950	\$ 50,950	\$ 14,388

Exhibit G-4

DeKalb 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	\$ 14,471	\$ 16,185	\$ 16,185	\$ (1,714)
Other Local Revenues	24,788	250	250	24,538
Total Revenues	<u>\$ 39,259</u>	<u>\$ 16,435</u>	<u>\$ 16,435</u>	<u>\$ 22,824</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 16,338	\$ 7,000	\$ 22,000	\$ 5,662
Drug Enforcement	7,000	10,000	10,000	3,000
<u>Other Operations</u>				
Other Charges	159	189	189	30
<u>Support Services</u>				
Other Student Support	2,050	6,800	6,800	4,750
Total Expenditures	<u>\$ 25,547</u>	<u>\$ 23,989</u>	<u>\$ 38,989</u>	<u>\$ 13,442</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 13,712</u>	<u>\$ (7,554)</u>	<u>\$ (22,554)</u>	<u>\$ 36,266</u>
Net Change in Fund Balance	\$ 13,712	\$ (7,554)	\$ (22,554)	\$ 36,266
Fund Balance, July 1, 2019	<u>41,429</u>	<u>25,436</u>	<u>25,436</u>	<u>15,993</u>
Fund Balance, June 30, 2020	<u><u>\$ 55,141</u></u>	<u><u>\$ 17,882</u></u>	<u><u>\$ 2,882</u></u>	<u><u>\$ 52,259</u></u>

## Exhibit G-5

DeKalb County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 456,960	\$ 441,351	\$ 441,351	\$ 15,609
State of Tennessee	24,005	0	24,005	0
Total Revenues	<u>\$ 480,965</u>	<u>\$ 441,351</u>	<u>\$ 465,356</u>	<u>\$ 15,609</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 9,718	\$ 13,827	\$ 13,827	\$ 4,109
Public Safety Projects	179,999	292,500	316,505	136,506
Public Health and Welfare Projects	0	15,000	15,000	15,000
Total Expenditures	<u>\$ 189,717</u>	<u>\$ 321,327</u>	<u>\$ 345,332</u>	<u>\$ 155,615</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 291,248</u>	<u>\$ 120,024</u>	<u>\$ 120,024</u>	<u>\$ 171,224</u>
Net Change in Fund Balance	\$ 291,248	\$ 120,024	\$ 120,024	\$ 171,224
Fund Balance, July 1, 2019	<u>1,422,380</u>	<u>1,376,233</u>	<u>1,376,233</u>	<u>46,147</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,713,628</u></u>	<u><u>\$ 1,496,257</u></u>	<u><u>\$ 1,496,257</u></u>	<u><u>\$ 217,371</u></u>

# **Major Governmental Fund**

## **General Debt Service Fund**

---

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

---

## Exhibit H

DeKalb 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	\$ 657,403	\$ 638,614	\$ 638,614	\$ 18,789
Other Governments and Citizens Groups	140,000	140,000	140,000	0
Total Revenues	<u>\$ 797,403</u>	<u>\$ 778,614</u>	<u>\$ 778,614</u>	<u>\$ 18,789</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 560,000	\$ 560,000	\$ 560,000	\$ 0
Education	470,000	470,000	470,000	0
<u>Interest on Debt</u>				
General Government	79,538	79,538	79,538	0
Education	87,109	87,109	87,109	0
<u>Other Debt Service</u>				
General Government	15,029	15,214	15,314	285
Education	900	1,000	900	0
Total Expenditures	<u>\$ 1,212,576</u>	<u>\$ 1,212,861</u>	<u>\$ 1,212,861</u>	<u>\$ 285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (415,173)</u>	<u>\$ (434,247)</u>	<u>\$ (434,247)</u>	<u>\$ 19,074</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 442,691	\$ 442,691	\$ 442,691	\$ 0
Total Other Financing Sources	<u>\$ 442,691</u>	<u>\$ 442,691</u>	<u>\$ 442,691</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 27,518	\$ 8,444	\$ 8,444	\$ 19,074
Fund Balance, July 1, 2019	<u>1,944,509</u>	<u>1,931,139</u>	<u>1,931,139</u>	<u>13,370</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,972,027</u></u>	<u><u>\$ 1,939,583</u></u>	<u><u>\$ 1,939,583</u></u>	<u><u>\$ 32,444</u></u>



# 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.

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

## Exhibit I-1

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

	Agency Funds		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,228,095	\$ 1,228,095
Accounts Receivable	0	11,821	11,821
Due from Other Governments	249,701	0	249,701
Notes Receivable - Long-term	0	113,823	113,823
Total Assets	<u>\$ 249,701</u>	<u>\$ 1,353,739</u>	<u>\$ 1,603,440</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 249,701	\$ 0	\$ 249,701
Due to Litigants, Heirs, and Others	0	1,353,739	1,353,739
Total Liabilities	<u>\$ 249,701</u>	<u>\$ 1,353,739</u>	<u>\$ 1,603,440</u>

## Exhibit I-2

DeKalb 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	\$ 1,293,550	\$ 1,293,550	\$ 0
Due from Other Governments	215,618	249,701	215,618	249,701
Total Assets	<u>\$ 215,618</u>	<u>\$ 1,543,251</u>	<u>\$ 1,509,168</u>	<u>\$ 249,701</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 215,618	\$ 1,543,251	\$ 1,509,168	\$ 249,701
Total Liabilities	<u>\$ 215,618</u>	<u>\$ 1,543,251</u>	<u>\$ 1,509,168</u>	<u>\$ 249,701</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,458,443	\$ 4,093,380	\$ 4,323,728	\$ 1,228,095
Accounts Receivable	215	11,821	215	11,821
Notes Receivable - Long-term	110,223	113,823	110,223	113,823
Total Assets	<u>\$ 1,568,881</u>	<u>\$ 4,219,024</u>	<u>\$ 4,434,166</u>	<u>\$ 1,353,739</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,568,881	\$ 4,219,024	\$ 4,434,166	\$ 1,353,739
Total Liabilities	<u>\$ 1,568,881</u>	<u>\$ 4,219,024</u>	<u>\$ 4,434,166</u>	<u>\$ 1,353,739</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,458,443	\$ 4,093,380	\$ 4,323,728	\$ 1,228,095
Equity in Pooled Cash and Investments	0	1,293,550	1,293,550	0
Accounts Receivable	215	11,821	215	11,821
Due from Other Governments	215,618	249,701	215,618	249,701
Notes Receivable - Long-term	110,223	113,823	110,223	113,823
Total Assets	<u>\$ 1,784,499</u>	<u>\$ 5,762,275</u>	<u>\$ 5,943,334</u>	<u>\$ 1,603,440</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 215,618	\$ 1,543,251	\$ 1,509,168	\$ 249,701
Due to Litigants, Heirs, and Others	1,568,881	4,219,024	4,434,166	1,353,739
Total Liabilities	<u>\$ 1,784,499</u>	<u>\$ 5,762,275</u>	<u>\$ 5,943,334</u>	<u>\$ 1,603,440</u>

# DeKalb County School Department

---

This section presents combining and individual fund financial statements for the DeKalb County School Department, a discretely presented component unit. The school department uses a General Fund, two Special Revenue Funds, and one 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 J-1

DeKalb County, Tennessee  
Statement of Activities  
Discretely Presented DeKalb 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	\$ 15,106,963	\$ 21,252	\$ 957,215	\$ (14,128,496)
Support Services	7,997,175	0	401,741	(7,595,434)
Operation of Non-instructional Services	2,558,962	69,471	2,112,952	(376,539)
Total Governmental Activities	<u>\$ 25,663,100</u>	<u>\$ 90,723</u>	<u>\$ 3,471,908</u>	<u>\$ (22,100,469)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,285,630
Mixed Drink Tax				25,835
Grants and Contributions Not Restricted to Specific Programs				20,129,996
Unrestricted Investment Earnings				6,263
Miscellaneous				<u>27,766</u>
Total General Revenues				<u>\$ 23,475,490</u>
Insurance Recovery				<u>\$ 2,244</u>
Change in Net Position				\$ 1,377,265
Net Position, July 1, 2019				20,899,190
Prior-Period Adjustment - Note I.D.9				<u>1,590,000</u>
Net Position, June 30, 2020				<u><u>\$ 23,866,455</u></u>

## Exhibit J-2

DeKalb County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented DeKalb County School Department  
 June 30, 2020

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 10,654,247	\$ 697,611	\$ 11,351,858
Accounts Receivable	179	0	179
Due from Other Governments	4,488	62,293	66,781
Property Taxes Receivable	3,346,588	0	3,346,588
Allowance for Uncollectible Property Taxes	(69,636)	0	(69,636)
Restricted Assets	113,905	0	113,905
Total Assets	<u>\$ 14,049,771</u>	<u>\$ 759,904</u>	<u>\$ 14,809,675</u>
<u>LIABILITIES</u>			
Accrued Payroll	\$ 473	\$ 0	\$ 473
Total Liabilities	<u>\$ 473</u>	<u>\$ 0</u>	<u>\$ 473</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,208,843	\$ 0	\$ 3,208,843
Deferred Delinquent Property Taxes	64,828	0	64,828
Total Deferred Inflows of Resources	<u>\$ 3,273,671</u>	<u>\$ 0</u>	<u>\$ 3,273,671</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 2,396	\$ 468,095	\$ 470,491
Restricted for Capital Outlay	0	211,809	211,809
Restricted for Hybrid Retirement Stabilization Funds	113,905	0	113,905
Committed:			
Committed for Education	0	80,000	80,000
Assigned:			
Assigned for Education	77,038	0	77,038
Unassigned	10,582,288	0	10,582,288
Total Fund Balances	<u>\$ 10,775,627</u>	<u>\$ 759,904</u>	<u>\$ 11,535,531</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,049,771</u>	<u>\$ 759,904</u>	<u>\$ 14,809,675</u>

Exhibit J-3

DeKalb County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented DeKalb 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 J-2)		\$	11,535,531
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	767,916	
Add: buildings and improvements net of accumulated depreciation		9,845,324	
Add: other capital assets net of accumulated depreciation		<u>1,391,995</u>	12,005,235
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: OPEB liability			(2,013,136)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,973,408	
Less: deferred inflows of resources related to pensions		(2,808,908)	
Add: deferred outflows of resources related to OPEB		338,393	
Less: deferred inflows of resources related to OPEB		<u>(646,550)</u>	(1,143,657)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	433,029	
Add: net pension asset - teacher retirement plan		130,268	
Add: net pension asset - teacher legacy pension plan		<u>2,854,357</u>	3,417,654
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>64,828</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>23,866,455</u></u>

## Exhibit J-4

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

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 3,306,713	\$ 0	\$ 3,306,713
Licenses and Permits	1,667	0	1,667
Charges for Current Services	21,642	69,471	91,113
Other Local Revenues	57,282	6,644	63,926
State of Tennessee	18,168,732	25,397	18,194,129
Federal Government	232,937	3,770,377	4,003,314
Other Governments and Citizens Groups	1,566,525	0	1,566,525
Total Revenues	<u>\$ 23,355,498</u>	<u>\$ 3,871,889</u>	<u>\$ 27,227,387</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,491,642	\$ 1,630,752	\$ 15,122,394
Support Services	7,620,728	372,295	7,993,023
Operation of Non-Instructional Services	583,494	1,972,488	2,555,982
Capital Outlay	278,354	0	278,354
Debt Service:			
Principal on Debt	140,000	0	140,000
Total Expenditures	<u>\$ 22,114,218</u>	<u>\$ 3,975,535</u>	<u>\$ 26,089,753</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,241,280</u>	<u>\$ (103,646)</u>	<u>\$ 1,137,634</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 2,244	\$ 0	\$ 2,244
Transfers In	3,500	0	3,500
Transfers Out	0	(3,500)	(3,500)
Total Other Financing Sources (Uses)	<u>\$ 5,744</u>	<u>\$ (3,500)</u>	<u>\$ 2,244</u>
Net Change in Fund Balances	\$ 1,247,024	\$ (107,146)	\$ 1,139,878
Fund Balance, July 1, 2019	<u>9,528,603</u>	<u>867,050</u>	<u>10,395,653</u>
Fund Balance, June 30, 2020	<u>\$ 10,775,627</u>	<u>\$ 759,904</u>	<u>\$ 11,535,531</u>



Exhibit J-5

DeKalb County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Discretely Presented DeKalb 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 J-4)		\$	1,139,878
(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	\$	211,026	
Less: current-year depreciation expense		<u>(585,505)</u>	(374,479)
(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			(27,267)
(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	\$	64,828	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(60,076)</u>	4,752
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in OPEB liability	\$	53,790	
Change in deferred outflows related to OPEB		116,002	
Change in deferred inflows related to OPEB		(203,814)	
Change in net pension asset - agent plan		260	
Change in net pension asset - teacher retirement plan		35,902	
Change in net pension asset - teacher legacy pension plan		1,866,962	
Change in deferred outflows related to pensions		(198,361)	
Change in deferred inflows related to pensions		<u>(1,036,360)</u>	634,381
Change in net position of governmental activities (Exhibit B)		\$	<u>1,377,265</u>

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 64,089	\$ 421,713	\$ 485,802	\$ 211,809	\$ 697,611
Due from Other Governments	16,176	46,117	62,293	0	62,293
Total Assets	<u>\$ 80,265</u>	<u>\$ 467,830</u>	<u>\$ 548,095</u>	<u>\$ 211,809</u>	<u>\$ 759,904</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 265	\$ 467,830	\$ 468,095	\$ 0	\$ 468,095
Restricted for Capital Outlay	0	0	0	211,809	211,809
Committed:					
Committed for Education	80,000	0	80,000	0	80,000
Total Fund Balances	<u>\$ 80,265</u>	<u>\$ 467,830</u>	<u>\$ 548,095</u>	<u>\$ 211,809</u>	<u>\$ 759,904</u>

## Exhibit J-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 69,471	\$ 69,471	\$ 0	\$ 69,471
Other Local Revenues	0	6,644	6,644	0	6,644
State of Tennessee	0	25,397	25,397	0	25,397
Federal Government	2,160,474	1,609,903	3,770,377	0	3,770,377
Total Revenues	\$ 2,160,474	\$ 1,711,415	\$ 3,871,889	\$ 0	\$ 3,871,889
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,630,752	\$ 0	\$ 1,630,752	\$ 0	\$ 1,630,752
Support Services	372,295	0	372,295	0	372,295
Operation of Non-Instructional Services	154,283	1,818,205	1,972,488	0	1,972,488
Total Expenditures	\$ 2,157,330	\$ 1,818,205	\$ 3,975,535	\$ 0	\$ 3,975,535
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,144	\$ (106,790)	\$ (103,646)	\$ 0	\$ (103,646)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (3,500)	\$ 0	\$ (3,500)	\$ 0	\$ (3,500)
Total Other Financing Sources (Uses)	\$ (3,500)	\$ 0	\$ (3,500)	\$ 0	\$ (3,500)
Net Change in Fund Balances	\$ (356)	\$ (106,790)	\$ (107,146)	\$ 0	\$ (107,146)
Fund Balance, July 1, 2019	80,621	574,620	655,241	211,809	867,050
Fund Balance, June 30, 2020	\$ 80,265	\$ 467,830	\$ 548,095	\$ 211,809	\$ 759,904

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,306,713	\$ 0	\$ 0	\$ 3,306,713	\$ 3,210,767	\$ 3,210,767	\$ 95,946
Licenses and Permits	1,667	0	0	1,667	1,000	1,000	667
Charges for Current Services	21,642	0	0	21,642	42,000	42,300	(20,658)
Other Local Revenues	57,282	0	0	57,282	59,500	83,947	(26,665)
State of Tennessee	18,168,732	0	0	18,168,732	17,800,903	18,242,109	(73,377)
Federal Government	232,937	0	0	232,937	280,000	319,733	(86,796)
Other Governments and Citizens Groups	1,566,525	0	0	1,566,525	1,540,000	1,564,877	1,648
Total Revenues	\$ 23,355,498	\$ 0	\$ 0	\$ 23,355,498	\$ 22,934,170	\$ 23,464,733	\$ (109,235)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,659,900	\$ (75,000)	\$ 0	\$ 10,584,900	\$ 11,883,398	\$ 11,883,708	\$ 1,298,808
Alternative Instruction Program	104,537	0	0	104,537	121,376	124,626	20,089
Special Education Program	2,035,752	0	0	2,035,752	2,319,311	2,353,044	317,292
Career and Technical Education Program	691,453	0	0	691,453	746,635	746,635	55,182
<u>Support Services</u>							
Attendance	140,826	0	0	140,826	164,235	164,235	23,409
Health Services	418,198	0	0	418,198	445,117	445,119	26,921
Other Student Support	564,250	0	0	564,250	582,418	617,108	52,858
Regular Instruction Program	579,419	0	0	579,419	672,091	692,058	112,639
Special Education Program	357,868	0	0	357,868	458,391	464,391	106,523
Technology	428,697	(179,000)	0	249,697	351,060	351,060	101,363
Other Programs	90,799	0	0	90,799	0	90,799	0
Board of Education	369,642	0	0	369,642	410,295	425,695	56,053
Director of Schools	150,185	0	0	150,185	166,478	166,778	16,593
Office of the Principal	1,359,496	0	0	1,359,496	1,442,306	1,442,306	82,810
Fiscal Services	187,943	0	0	187,943	201,335	201,335	13,392
Operation of Plant	1,313,612	0	0	1,313,612	1,393,060	1,389,060	75,448
Maintenance of Plant	316,096	0	0	316,096	347,895	395,122	79,026

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,343,697	\$ 0	\$ 0	\$ 1,343,697	\$ 1,531,978	\$ 1,531,978	\$ 188,281
<u>Operation of Non-Instructional Services</u>							
Community Services	134,371	0	0	134,371	0	283,750	149,379
Early Childhood Education	449,123	0	0	449,123	488,551	487,688	38,565
<u>Capital Outlay</u>							
Regular Capital Outlay	278,354	0	58,254	336,608	370,000	370,000	33,392
<u>Principal on Debt</u>							
Education	140,000	0	0	140,000	140,000	140,000	0
Total Expenditures	\$ 22,114,218	\$ (254,000)	\$ 58,254	\$ 21,918,472	\$ 24,235,930	\$ 24,766,495	\$ 2,848,023
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,241,280	\$ 254,000	\$ (58,254)	\$ 1,437,026	\$ (1,301,760)	\$ (1,301,762)	\$ 2,738,788
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,244	\$ 0	\$ 0	\$ 2,244	\$ 10,000	\$ 10,000	\$ (7,756)
Transfers In	3,500	0	0	3,500	6,000	6,000	(2,500)
Total Other Financing Sources	\$ 5,744	\$ 0	\$ 0	\$ 5,744	\$ 16,000	\$ 16,000	\$ (10,256)
Net Change in Fund Balance	\$ 1,247,024	\$ 254,000	\$ (58,254)	\$ 1,442,770	\$ (1,285,760)	\$ (1,285,762)	\$ 2,728,532
Fund Balance, July 1, 2019	9,528,603	(254,000)	0	9,274,603	6,765,818	6,765,818	2,508,785
Fund Balance, June 30, 2020	\$ 10,775,627	\$ 0	\$ (58,254)	\$ 10,717,373	\$ 5,480,058	\$ 5,480,056	\$ 5,237,317

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,160,474	\$ 0	\$ 2,160,474	\$ 2,232,185	\$ 2,758,148	\$ (597,674)
Total Revenues	\$ 2,160,474	\$ 0	\$ 2,160,474	\$ 2,232,185	\$ 2,758,148	\$ (597,674)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 994,734	\$ (798)	\$ 993,936	\$ 920,323	\$ 1,291,158	\$ 297,222
Special Education Program	576,032	0	576,032	571,862	620,415	44,383
Career and Technical Education Program	59,986	0	59,986	53,097	59,986	0
<u>Support Services</u>						
Other Student Support	74,365	0	74,365	103,251	109,365	35,000
Regular Instruction Program	176,208	0	176,208	214,801	279,289	103,081
Special Education Program	120,901	0	120,901	135,911	166,208	45,307
Career and Technical Education Program	786	0	786	1,000	786	0
Technology	0	0	0	1,000	0	0
Transportation	35	0	35	2,600	2,600	2,565
<u>Operation of Non-Instructional Services</u>						
Community Services	154,283	0	154,283	224,840	224,840	70,557
Total Expenditures	\$ 2,157,330	\$ (798)	\$ 2,156,532	\$ 2,228,685	\$ 2,754,647	\$ 598,115
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,144	\$ 798	\$ 3,942	\$ 3,500	\$ 3,501	\$ 441
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (3,500)	\$ 0	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ 0
Total Other Financing Sources	\$ (3,500)	\$ 0	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ 0

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (356)	\$ 798	\$ 442	\$ 0	\$ 1	\$ 441
Fund Balance, July 1, 2019	80,621	(798)	79,823	80,621	80,621	(798)
Fund Balance, June 30, 2020	\$ 80,265	\$ 0	\$ 80,265	\$ 80,621	\$ 80,622	\$ (357)

## Exhibit J-10

DeKalb County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented DeKalb 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	\$ 69,471	\$ 125,000	\$ 125,000	\$ (55,529)
Other Local Revenues	6,644	35,000	35,000	(28,356)
State of Tennessee	25,397	0	0	25,397
Federal Government	1,609,903	1,972,450	1,972,450	(362,547)
Total Revenues	<u>\$ 1,711,415</u>	<u>\$ 2,132,450</u>	<u>\$ 2,132,450</u>	<u>\$ (421,035)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,818,205	\$ 2,282,450	\$ 2,282,450	\$ 464,245
Total Expenditures	<u>\$ 1,818,205</u>	<u>\$ 2,282,450</u>	<u>\$ 2,282,450</u>	<u>\$ 464,245</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (106,790)</u>	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	<u>\$ 43,210</u>
Net Change in Fund Balance	\$ (106,790)	\$ (150,000)	\$ (150,000)	\$ 43,210
Fund Balance, July 1, 2019	<u>574,620</u>	<u>405,211</u>	<u>405,211</u>	<u>169,409</u>
Fund Balance, June 30, 2020	<u><u>\$ 467,830</u></u>	<u><u>\$ 255,211</u></u>	<u><u>\$ 255,211</u></u>	<u><u>\$ 212,619</u></u>



---

---

## MISCELLANEOUS SCHEDULES

---

---

Exhibit K-1

DeKalb County, Tennessee  
Schedule of Changes in Long-term Bonds and Notes  
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	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding, Series 2018	\$ 2,615,000	2 to 2.5 %	2-8-18	2-1-25	\$ 2,260,000	\$ 355,000	\$ 1,905,000
General Obligation Improvement Bonds, Series 2018	1,500,000	2 to 2.5	2-8-18	2-1-25	1,300,000	205,000	1,095,000
General Obligation School Bonds, Series 2013	(1) 3,000,000	2 to 3.25	10-28-13	10-1-28	2,115,000	185,000	1,930,000
Total Bonds Payable					<u>\$ 5,675,000</u>	<u>\$ 745,000</u>	<u>\$ 4,930,000</u>
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Capital Outlay Notes, Series 2012	3,400,000	1 to 2	9-21-12	3-1-25	\$ 1,795,000	\$ 285,000	\$ 1,510,000
Total Notes Payable					<u>\$ 1,795,000</u>	<u>\$ 285,000</u>	<u>\$ 1,510,000</u>

(1) In prior years, this bond has been reflected as two separate bonds (\$750,000 and \$2,250,000); however, it should have been reflected as a single bond totaling \$3,000,000.

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 765,000	\$ 118,877	\$ 883,877
2022	780,000	103,333	883,333
2023	800,000	85,624	885,624
2024	815,000	66,413	881,413
2025	845,000	45,697	890,697
2026	220,000	25,484	245,484
2027	225,000	18,975	243,975
2028	235,000	11,780	246,780
2029	245,000	3,983	248,983
Total	\$ 4,930,000	\$ 480,166	\$ 5,410,166

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 290,000	\$ 27,300	\$ 317,300
2022	295,000	21,450	316,450
2023	300,000	15,500	315,500
2024	310,000	9,400	319,400
2025	315,000	3,150	318,150
Total	\$ 1,510,000	\$ 76,800	\$ 1,586,800

Exhibit K-3

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

Description	Original Amount of Loan	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-19	Issued During Period	Retired During Period	Balance 6-30-20
<u>Constitutional Officers - Agency Fund</u>								
Snow	\$ 18,000	7-13-04	(1)	(2)	\$ 16,400	\$ 0	\$ 0	\$ 16,400
Johnson	12,500	12-19-07	(1)	(2)	11,923	0	0	11,923
Snipes	10,000	1-3-08	(1)	(2)	1,900	0	1,900	0
Scott	80,000	5-4-12	(1)	(2)	80,000	0	0	80,000
Taylor	22,000	5-11-20	(1)	(2)	0	5,500	0	5,500
Total					<u>\$ 110,223</u>	<u>\$ 5,500</u>	<u>\$ 1,900</u>	<u>\$ 113,823</u>

(1) Five years after borrower begins his/her practice according to the individual court order authorizing each loan.

(2) Two percent below prime interest rate as published in the *Wall Street Journal*.

Exhibit K-4

DeKalb County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented DeKalb County School Department

For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Local Purpose Tax	General Debt Service	Debt Retirement	<u>\$ 442,691</u>
<u>DISCRETELY PRESENTED DEKALB COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 3,500</u>

Exhibit K-5

DeKalb County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented DeKalb 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> and Chairman of Roads, Chapter 156, Private Acts of 1943, as amended	\$ 85,435 (1)	\$ (5)	Local Government Insurance Pool
Road Supervisor	Section 8-24-102, <i>TCA</i> and DeKalb County Commission	81,368	(5)	Local Government Insurance Pool
Director of Schools	State Board of Education and DeKalb County Board of Education	90,000 (2)	100,000	Cincinnati Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	73,971	899,041	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	(5)	Local Government Insurance Pool
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	(5)	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	73,971 (3)	150,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	(5)	Local Government Insurance Pool
Sheriff	Section 8-24-102, <i>TCA</i>	82,168 (4)	(5)	"
Employee Blanket Bond Coverage:				
Public Employee Dishonesty - County Departments			400,000	Local Government Insurance Pool
Public Employee Dishonesty - Highway Department			400,000	"
Public Employee Dishonesty - School Department			400,000	Tennessee Risk Management Trust

- (1) Does not include a \$600 payment for serving as chairman of roads paid from the Highway/Public Works Fund.  
(2) Does not include a career ladder supplement of \$1,000.  
(3) Does not include special commissioner fees of \$13,568.  
(4) Includes a law enforcement training supplement of \$800.  
(5) Official is covered under the \$400,000 blanket coverage maintained by the county.

Exhibit K-6

DeKalb 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	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,906,005	\$ 0	\$ 0	\$ 0	\$ 0	\$ 194,908
Trustee's Collections - Prior Year	112,741	0	0	0	0	3,318
Trustee's Collections - Bankruptcy	112	0	0	0	0	4
Circuit Clerk/Clerk and Master Collections - Prior Years	49,381	0	0	0	0	1,290
Interest and Penalty	25,930	0	0	0	0	827
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	3,198,862	0	0	0
Litigation Tax - General	431	52,566	0	0	0	0
Litigation Tax - Special Purpose	11,718	4,110	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	12,192	0	0	0	0
Litigation Tax - Courthouse Security	29,694	0	0	0	0	0
Business Tax	160,311	0	0	0	0	0
Mixed Drink Tax	25,835	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	40,252
Other County Local Option Taxes	261	0	0	0	0	0
Total Local Taxes	\$ 6,322,419	\$ 68,868	\$ 3,198,862	\$ 0	\$ 0	\$ 240,599
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 64,802	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	3,739	0	0	0	0	0
Total Licenses and Permits	\$ 68,541	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 9,513	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,646	0	0	0	0	0
Drug Control Fines	0	0	0	4,925	0	0
Drug Court Fees	849	0	0	0	0	0
Veterans Treatment Court Fees	475	0	0	0	0	0
Jail Fees	807	0	0	0	0	0
DUI Treatment Fines	1,045	0	0	0	0	0
Data Entry Fee - Circuit Court	758	0	0	0	0	0
Courtroom Security Fee	51	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	11,931	0	0	0	0	0
Officers Costs	16,515	0	0	0	0	0
Game and Fish Fines	421	0	0	0	0	0
Drug Control Fines	0	0	0	2,071	0	0
Drug Court Fees	3,276	0	0	0	0	0
Veterans Treatment Court Fees	2,194	0	0	0	0	0
Jail Fees	4,340	0	0	0	0	0
DUI Treatment Fines	4,607	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,624	0	0	0	0	0
Courtroom Security Fee	291	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,956	0	0	0	0	0
Officers Costs	2,260	0	0	0	0	0
Data Entry Fee - Juvenile Court	422	0	0	0	0	0
Courtroom Security Fee	15	0	0	0	0	0

(Continued)



Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	\$ 2,630	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	17	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	6,192	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	3,105	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	4,370	0	0
Other Fines, Forfeitures, and Penalties	1,559	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 85,394	\$ 0	\$ 0	\$ 14,471	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - General	\$ 1,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	624,741	0	0	0	0	0
Other General Service Charges	3,762	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	4,900	0	0	0	0	0
Recreation Fees	53,314	0	0	0	0	0
Copy Fees	850	0	0	0	0	0
Library Fees	8,069	0	0	0	0	0
Telephone Commissions	2,703	0	0	0	0	0
Vending Machine Collections	141	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	142,865	0
Data Processing Fee - Register	9,030	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fee - Sheriff	3,750	0	0	0	0	0
Data Processing Fee - County Clerk	7,212	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,685	0	0	0	0	0
<u>Education Charges</u>						
TBI Criminal Background Fee	1,725	0	0	0	0	0
Total Charges for Current Services	<u>\$ 723,102</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 142,865</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 491,802	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	48,079	0	0	0	0	0
Commissary Sales	4,129	0	0	0	0	0
Sale of Recycled Materials	61	0	0	0	0	0
Cobra Insurance Payments	0	0	0	0	0	547
Miscellaneous Refunds	15,735	0	0	0	0	8,802
<u>Nonrecurring Items</u>						
Sale of Equipment	30,993	0	0	24,788	0	17,414
Contributions and Gifts	12,055	0	0	0	0	0
Total Other Local Revenues	<u>\$ 602,854</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,788</u>	<u>\$ 0</u>	<u>\$ 26,763</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 340,681	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 183,915	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	41,490	0	0	0	0	0
General Sessions Court Clerk	119,396	0	0	0	0	0
Clerk and Master	65,007	0	0	0	0	0
Juvenile Court Clerk	7,424	0	0	0	0	0
Register	127,169	0	0	0	0	0
Sheriff	14,155	0	0	0	0	0
Total Fees Received From County Officials	\$ 899,237	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	6,740	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	18,400	0	0	0	0	0
Drug Control Grants	94,836	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	146,000	0	0	0	0	0
Other Health and Welfare Grants	81,544	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	276,421
Litter Program	69,640	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	246,927	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Income Tax	\$ 31,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	2,271	0	0	0	0	0
State Revenue Sharing - Telecommunications	56,869	0	0	0	0	0
Contracted Prisoner Boarding	108,498	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,045,685
Petroleum Special Tax	0	0	0	0	0	13,509
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	3,241	0	0	0	0	0
Other State Revenues	23,037	0	0	0	0	0
Total State of Tennessee	\$ 914,069	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,335,615
<u>Federal Government</u>						
<u>Federal Through State</u>						
Medicaid	\$ 20,072	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #1	16,828	0	0	0	0	0
COVID-19 Grant #2	9,725	0	0	0	0	0
Other Federal through State	92,064	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	5,000	0	0	0	0	0
Total Federal Government	\$ 143,689	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 118,509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 118,509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 9,877,814	\$ 68,868	\$ 3,198,862	\$ 39,259	\$ 142,865	\$ 2,602,977

(Continued)

## Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 632,475	\$ 437,500	\$ 7,170,888
Trustee's Collections - Prior Year	15,235	11,744	143,038
Trustee's Collections - Bankruptcy	16	14	146
Circuit Clerk/Clerk and Master Collections - Prior Years	6,468	5,320	62,459
Interest and Penalty	3,209	2,382	32,348
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	3,198,862
Litigation Tax - General	0	0	52,997
Litigation Tax - Special Purpose	0	0	15,828
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	12,192
Litigation Tax - Courthouse Security	0	0	29,694
Business Tax	0	0	160,311
Mixed Drink Tax	0	0	25,835
Mineral Severance Tax	0	0	40,252
Other County Local Option Taxes	0	0	261
Total Local Taxes	\$ 657,403	\$ 456,960	\$ 10,945,111
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$ 0	\$ 0	\$ 64,802
<u>Permits</u>			
Beer Permits	0	0	3,739
Total Licenses and Permits	\$ 0	\$ 0	\$ 68,541

(Continued)

## Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 9,513
Officers Costs	0	0	3,646
Drug Control Fines	0	0	4,925
Drug Court Fees	0	0	849
Veterans Treatment Court Fees	0	0	475
Jail Fees	0	0	807
DUI Treatment Fines	0	0	1,045
Data Entry Fee - Circuit Court	0	0	758
Courtroom Security Fee	0	0	51
<u>General Sessions Court</u>			
Fines	0	0	11,931
Officers Costs	0	0	16,515
Game and Fish Fines	0	0	421
Drug Control Fines	0	0	2,071
Drug Court Fees	0	0	3,276
Veterans Treatment Court Fees	0	0	2,194
Jail Fees	0	0	4,340
DUI Treatment Fines	0	0	4,607
Data Entry Fee - General Sessions Court	0	0	8,624
Courtroom Security Fee	0	0	291
<u>Juvenile Court</u>			
Fines	0	0	2,956
Officers Costs	0	0	2,260
Data Entry Fee - Juvenile Court	0	0	422
Courtroom Security Fee	0	0	15

(Continued)

## Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Chancery Court</u>			
Data Entry Fee - Chancery Court	\$ 0	\$ 0	\$ 2,630
Courtroom Security Fee	0	0	17
<u>Other Courts - In-county</u>			
Fines	0	0	6,192
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	3,105
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	4,370
Other Fines, Forfeitures, and Penalties	0	0	1,559
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,865</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Surcharge - General	\$ 0	\$ 0	\$ 1,192
Patient Charges	0	0	624,741
Other General Service Charges	0	0	3,762
<u>Fees</u>			
Subdivision Lot Fees	0	0	4,900
Recreation Fees	0	0	53,314
Copy Fees	0	0	850
Library Fees	0	0	8,069
Telephone Commissions	0	0	2,703
Vending Machine Collections	0	0	141
Constitutional Officers' Fees and Commissions	0	0	142,865
Data Processing Fee - Register	0	0	9,030

(Continued)

## Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Data Processing Fee - Sheriff	\$ 0	\$ 0	\$ 28
Sexual Offender Registration Fee - Sheriff	0	0	3,750
Data Processing Fee - County Clerk	0	0	7,212
Vehicle Insurance Coverage and Reinstatement Fees	0	0	1,685
<u>Education Charges</u>			
TBI Criminal Background Fee	0	0	1,725
Total Charges for Current Services	\$ 0	\$ 0	\$ 865,967
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 491,802
Lease/Rentals	0	0	48,079
Commissary Sales	0	0	4,129
Sale of Recycled Materials	0	0	61
Cobra Insurance Payments	0	0	547
Miscellaneous Refunds	0	0	24,537
<u>Nonrecurring Items</u>			
Sale of Equipment	0	0	73,195
Contributions and Gifts	0	0	12,055
Total Other Local Revenues	\$ 0	\$ 0	\$ 654,405
<u>Fees Received From County Officials</u>			
<u>Excess Fees</u>			
Trustee	\$ 0	\$ 0	\$ 340,681

(Continued)



## Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fees Received From County Officials (Cont.)</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 183,915
Circuit Court Clerk	0	0	41,490
General Sessions Court Clerk	0	0	119,396
Clerk and Master	0	0	65,007
Juvenile Court Clerk	0	0	7,424
Register	0	0	127,169
Sheriff	0	0	14,155
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 899,237</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	6,740
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	18,400
Drug Control Grants	0	0	94,836
Other Public Safety Grants	0	24,005	24,005
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	146,000
Other Health and Welfare Grants	0	0	81,544
<u>Public Works Grants</u>			
State Aid Program	0	0	276,421
Litter Program	0	0	69,640
<u>Other State Revenues</u>			
Flood Control	0	0	246,927

(Continued)

Exhibit K-6

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Income Tax	\$ 0	\$ 0	\$ 31,902
Vehicle Certificate of Title Fees	0	0	2,271
State Revenue Sharing - Telecommunications	0	0	56,869
Contracted Prisoner Boarding	0	0	108,498
Gasoline and Motor Fuel Tax	0	0	2,045,685
Petroleum Special Tax	0	0	13,509
Registrar's Salary Supplement	0	0	15,164
Other State Grants	0	0	3,241
Other State Revenues	0	0	23,037
Total State of Tennessee	\$ 0	\$ 24,005	\$ 3,273,689
<u>Federal Government</u>			
<u>Federal Through State</u>			
Medicaid	\$ 0	\$ 0	\$ 20,072
COVID-19 Grant #1	0	0	16,828
COVID-19 Grant #2	0	0	9,725
Other Federal through State	0	0	92,064
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue	0	0	5,000
Total Federal Government	\$ 0	\$ 0	\$ 143,689
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 140,000	\$ 0	\$ 258,509
Total Other Governments and Citizens Groups	\$ 140,000	\$ 0	\$ 258,509
Total	\$ 797,403	\$ 480,965	\$ 17,209,013

Exhibit K-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,170,529	\$ 0	\$ 0	\$ 3,170,529
Trustee's Collections - Prior Year	63,142	0	0	63,142
Trustee's Collections - Bankruptcy	75	0	0	75
Circuit Clerk/Clerk and Master Collections - Prior Years	31,733	0	0	31,733
Interest and Penalty	15,399	0	0	15,399
<u>County Local Option Taxes</u>				
Mixed Drink Tax	25,835	0	0	25,835
Total Local Taxes	<u>\$ 3,306,713</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,306,713</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,667	\$ 0	\$ 0	\$ 1,667
Total Licenses and Permits	<u>\$ 1,667</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,667</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 750	\$ 0	\$ 0	\$ 750
Lunch Payments - Adults	0	0	33,528	33,528
A la Carte Sales	0	0	35,943	35,943
Receipts from Individual Schools	20,502	0	0	20,502
Other Charges for Services	390	0	0	390
Total Charges for Current Services	<u>\$ 21,642</u>	<u>\$ 0</u>	<u>\$ 69,471</u>	<u>\$ 91,113</u>

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 3,495	\$ 0	\$ 2,768	\$ 6,263
Miscellaneous Refunds	23,890	0	3,876	27,766
<u>Nonrecurring Items</u>				
Sale of Equipment	5,450	0	0	5,450
Contributions and Gifts	24,447	0	0	24,447
Total Other Local Revenues	<u>\$ 57,282</u>	<u>\$ 0</u>	<u>\$ 6,644</u>	<u>\$ 63,926</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 90,799	\$ 0	\$ 0	\$ 90,799
<u>State Education Funds</u>				
Basic Education Program	17,172,000	0	0	17,172,000
Early Childhood Education	451,127	0	0	451,127
School Food Service	0	0	17,397	17,397
Other State Education Funds	114,086	0	0	114,086
Career Ladder Program	32,553	0	0	32,553
<u>Other State Revenues</u>				
Other State Grants	308,167	0	8,000	316,167
Total State of Tennessee	<u>\$ 18,168,732</u>	<u>\$ 0</u>	<u>\$ 25,397</u>	<u>\$ 18,194,129</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 921,157	\$ 921,157
USDA - Commodities	0	0	133,065	133,065

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Breakfast	\$ 0	\$ 0	\$ 440,913	\$ 440,913
USDA - Other	0	0	114,022	114,022
Vocational Education - Basic Grants to States	0	69,597	0	69,597
Title I Grants to Local Education Agencies	0	1,084,592	0	1,084,592
Special Education - Grants to States	39,733	672,968	0	712,701
Special Education Preschool Grants	0	23,966	0	23,966
English Language Acquisition Grants	0	23,435	0	23,435
Rural Education	0	36,452	0	36,452
21st Century Community Learning Centers	0	157,783	0	157,783
Eisenhower Professional Development State Grants	0	65,091	0	65,091
Other Federal through State	0	26,590	746	27,336
<u>Direct Federal Revenue</u>				
Public Law 874 - Maintenance and Operation	193,204	0	0	193,204
Total Federal Government	<u>\$ 232,937</u>	<u>\$ 2,160,474</u>	<u>\$ 1,609,903</u>	<u>\$ 4,003,314</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 1,540,000	\$ 0	\$ 0	\$ 1,540,000
<u>Citizens Groups</u>				
Donations	26,525	0	0	26,525
Total Other Governments and Citizens Groups	<u>\$ 1,566,525</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,566,525</u>
Total	<u>\$ 23,355,498</u>	<u>\$ 2,160,474</u>	<u>\$ 1,711,415</u>	<u>\$ 27,227,387</u>

## Exhibit K-8

DeKalb 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	\$	43,847	
Social Security		2,673	
Pensions		1,027	
Unemployment Compensation		1	
Employer Medicare		625	
Audit Services		7,115	
Fiscal Agent Charges		15,000	
Legal Notices, Recording, and Court Costs		2,219	
Judgments		520	
Tax Relief Program		16,953	
Other Charges		11	
Total County Commission			\$ 89,991

Board of Equalization

Board and Committee Members Fees	\$	630	
Total Board of Equalization			630

Beer Board

Board and Committee Members Fees	\$	1,550	
Social Security		21	
Pensions		3	
Employer Medicare		5	
Total Beer Board			1,579

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Assistant(s)		65,979	
Part-time Personnel		895	
Other Salaries and Wages		1,458	
Social Security		8,956	
Pensions		8,224	
Employee and Dependent Insurance		11,340	
Unemployment Compensation		74	
Employer Medicare		2,095	
Data Processing Services		12,014	
Travel		505	
Office Supplies		6,070	
Other Charges		1,000	
Total County Mayor/Executive			204,045

County Attorney

County Official/Administrative Officer	\$	24,000	
Total County Attorney			24,000

Election Commission

County Official/Administrative Officer	\$	66,574	
Part-time Personnel		235	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Other Salaries and Wages	\$	29,533	
Election Commission		4,050	
Election Workers		13,235	
In-service Training		159	
Social Security		5,299	
Pensions		5,199	
Employee and Dependent Insurance		7,560	
Unemployment Compensation		84	
Employer Medicare		1,239	
Advertising		1,283	
Communication		266	
Printing, Stationery, and Forms		3,005	
Other Contracted Services		16,072	
Office Supplies		1,989	
Other Supplies and Materials		3,285	
Other Charges		14,500	
Total Election Commission			\$ 173,567

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Assistant(s)		61,127	
Social Security		8,193	
Pensions		7,309	
Employee and Dependent Insurance		3,780	
Unemployment Compensation		84	
Employer Medicare		1,916	
Other Contracted Services		208	
Office Supplies		890	
Data Processing Equipment		7,950	
Other Equipment		1,923	
Total Register of Deeds			167,351

Planning

Board and Committee Members Fees	\$	6,225	
Social Security		163	
Pensions		85	
Employer Medicare		38	
Other Contracted Services		10,750	
Total Planning			17,261

County Buildings

Custodial Personnel	\$	47,093	
Social Security		2,609	
Pensions		2,548	
Employee and Dependent Insurance		7,560	
Unemployment Compensation		84	
Employer Medicare		610	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Maintenance and Repair Services - Buildings	\$	70,092	
Utilities		102,228	
Total County Buildings			\$ 232,824

Other Facilities

Supervisor/Director	\$	20,224	
Part-time Personnel		46,534	
Other Salaries and Wages		7,045	
Social Security		4,048	
Pensions		989	
Employee and Dependent Insurance		2,520	
Unemployment Compensation		245	
Employer Medicare		947	
Maintenance and Repair Services - Equipment		3,003	
Office Supplies		916	
Other Supplies and Materials		2,665	
Other Charges		2,655	
Other Equipment		10,632	
Total Other Facilities			102,423

Other General Administration

Other Salaries and Wages	\$	4,499	
Social Security		249	
Pensions		243	
Unemployment Compensation		5	
Employer Medicare		58	
Communication		47,046	
Dues and Memberships		10,161	
Operating Lease Payments		9,380	
Postal Charges		27,108	
Office Supplies		3,066	
Periodicals		47	
Liability Insurance		155,175	
Workers' Compensation Insurance		139,696	
Total Other General Administration			396,733

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		26,786	
Deputy(ies)		27,301	
Secretary(ies)		33,154	
Other Salaries and Wages		32,967	
Social Security		11,575	
Pensions		10,506	
Employee and Dependent Insurance		11,340	
Unemployment Compensation		203	

(Continued)



## Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Employer Medicare	\$	2,707	
Data Processing Services		6,398	
Dues and Memberships		1,395	
Maintenance and Repair Services - Vehicles		1,284	
Travel		985	
Other Contracted Services		20,435	
Gasoline		365	
Office Supplies		1,191	
Total Property Assessor's Office			\$ 262,563

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		60,440	
Social Security		7,592	
Pensions		7,272	
Employee and Dependent Insurance		7,560	
Unemployment Compensation		84	
Employer Medicare		1,775	
Data Processing Services		15,350	
Legal Notices, Recording, and Court Costs		344	
Office Supplies		1,470	
Total County Trustee's Office			175,858

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		120,194	
Social Security		10,774	
Pensions		10,505	
Employee and Dependent Insurance		15,120	
Unemployment Compensation		167	
Employer Medicare		2,520	
Contracts with Private Agencies		18,132	
Office Supplies		2,864	
Other Charges		1,822	
Data Processing Equipment		8,225	
Total County Clerk's Office			264,294

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		103,792	
Jury and Witness Expense		7,168	
Social Security		10,238	
Pensions		9,463	
Employee and Dependent Insurance		7,560	
Unemployment Compensation		168	
Employer Medicare		2,394	

(Continued)

## Exhibit K-8

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

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

Data Processing Services	\$	1,409	
Other Contracted Services		1,770	
Office Supplies		5,417	
Other Supplies and Materials		11,273	
Other Charges		760	
Data Processing Equipment		30,668	
Total Circuit Court			\$ 266,051

General Sessions Court

County Official/Administrative Officer	\$	96,352	
Secretary(ies)		10,400	
Attendants		72,942	
Social Security		9,581	
Pensions		8,337	
Employee and Dependent Insurance		3,780	
Unemployment Compensation		126	
Employer Medicare		2,241	
Travel		468	
Office Supplies		3,556	
Other Charges		2,399	
Office Equipment		888	
Total General Sessions Court			211,070

Drug Court

Other Salaries and Wages	\$	90,355	
Social Security		5,462	
Pensions		4,497	
Employee and Dependent Insurance		3,780	
Unemployment Compensation		126	
Employer Medicare		1,277	
Communication		3,642	
Travel		15,875	
Other Contracted Services		17,297	
Drugs and Medical Supplies		6,702	
Office Supplies		4,788	
Other Charges		29,447	
Total Drug Court			183,248

Chancery Court

County Official/Administrative Officer	\$	73,971	
Secretary(ies)		29,533	
Part-time Personnel		7,800	
Social Security		5,946	
Pensions		5,600	
Employee and Dependent Insurance		7,560	
Unemployment Compensation		131	
Employer Medicare		1,391	

(Continued)

## Exhibit K-8

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

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

Data Processing Services	\$	10,816	
Office Supplies		1,664	
Other Charges		1,572	
Data Processing Equipment		2,996	
Office Equipment		1,089	
Total Chancery Court			\$ 150,069

Juvenile Court

Youth Service Officer(s)	\$	36,000	
Social Security		2,052	
Pensions		1,948	
Employee and Dependent Insurance		2,992	
Unemployment Compensation		42	
Employer Medicare		480	
Contracts with Other Public Agencies		4,200	
Total Juvenile Court			47,714

Judicial Commissioners

County Official/Administrative Officer	\$	35,999	
Social Security		2,232	
Unemployment Compensation		140	
Employer Medicare		522	
Dues and Memberships		225	
Travel		160	
Office Supplies		807	
Total Judicial Commissioners			40,085

Public SafetySheriff's Department

County Official/Administrative Officer	\$	82,168	
Deputy(ies)		1,118,247	
Overtime Pay		90,390	
In-service Training		16,818	
Social Security		76,378	
Pensions		69,380	
Employee and Dependent Insurance		68,983	
Unemployment Compensation		1,110	
Employer Medicare		17,862	
Communication		27,360	
Contracts with Private Agencies		1,340	
Contributions		1,500	
Operating Lease Payments		2,309	
Maintenance and Repair Services - Vehicles		52,274	
Travel		5,332	
Gasoline		81,274	
Instructional Supplies and Materials		307	
Law Enforcement Supplies		9,404	

(Continued)

## Exhibit K-8

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

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

Office Supplies	\$	11,018	
Tires and Tubes		10,413	
Uniforms		13,563	
Utilities		57,517	
Other Supplies and Materials		45,921	
Other Charges		840	
Total Sheriff's Department			\$ 1,861,708

Special Patrols

Laborers	\$	42,350	
Guards		33,593	
Other Salaries and Wages		4,200	
Social Security		4,696	
Pensions		4,217	
Employee and Dependent Insurance		4,250	
Unemployment Compensation		125	
Employer Medicare		1,098	
Gasoline		2,129	
Instructional Supplies and Materials		8,840	
Other Charges		3,145	
Total Special Patrols			108,643

Traffic Control

Part-time Personnel	\$	1,375	
Other Salaries and Wages		13,471	
Social Security		835	
Unemployment Compensation		81	
Employer Medicare		195	
Total Traffic Control			15,957

Correctional Incentive Program Improvements

Cafeteria Personnel	\$	34,166	
Other Salaries and Wages		750,852	
Social Security		47,772	
Pensions		42,071	
Employee and Dependent Insurance		41,900	
Unemployment Compensation		1,031	
Employer Medicare		11,173	
Contracts with Private Agencies		224,658	
Medical and Dental Services		84,001	
Food Supplies		144,471	
Other Supplies and Materials		26,818	
Other Charges		64,881	
Total Correctional Incentive Program Improvements			1,473,794

Fire Prevention and Control

Part-time Personnel	\$	16,362	
---------------------	----	--------	--

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control (Cont.)

In-service Training	\$	4,396	
Social Security		1,014	
Unemployment Compensation		98	
Employer Medicare		237	
Communication		4,040	
Forest Resource Services		1,500	
Maintenance and Repair Services - Buildings		6,743	
Maintenance and Repair Services - Equipment		6,133	
Equipment and Machinery Parts		35,950	
Gasoline		11,104	
Instructional Supplies and Materials		1,000	
Utilities		19,914	
Other Supplies and Materials		8,829	
Liability Insurance		2,674	
In Service/Staff Development		53,000	
Other Charges		8,449	
Communication Equipment		5,141	
Other Equipment		41,621	
Total Fire Prevention and Control			\$ 228,205

Civil Defense

Other Salaries and Wages	\$	5,200	
Social Security		322	
Unemployment Compensation		33	
Employer Medicare		75	
Communication		2,092	
Maintenance and Repair Services - Vehicles		1,063	
Other Charges		3,317	
Total Civil Defense			12,102

Other Emergency Management

Contributions	\$	119,595	
Liability Insurance		4,959	
Communication Equipment		66	
Total Other Emergency Management			124,620

County Coroner/Medical Examiner

Evaluation and Testing	\$	39,825	
Medical and Dental Services		8,700	
Other Contracted Services		13,900	
Total County Coroner/Medical Examiner			62,425

Other Public Safety

Contributions	\$	26,000	
Total Other Public Safety			26,000

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Social Workers	\$	27,055	
Medical Personnel		31,600	
Custodial Personnel		8,730	
Social Security		4,099	
Pensions		1,710	
Unemployment Compensation		131	
Employer Medicare		959	
Advertising		181	
Communication		3,065	
Contracts with Government Agencies		10,478	
Maintenance and Repair Services - Equipment		919	
Travel		429	
Other Contracted Services		12,817	
Custodial Supplies		1,055	
Drugs and Medical Supplies		250	
Office Supplies		483	
Utilities		10,053	
Other Supplies and Materials		1,495	
Workers' Compensation Insurance		158	
Other Charges		8,784	
Other Construction		146,000	
Total Local Health Center			\$ 270,451

Rabies and Animal Control

Contracts with Other Public Agencies	\$	2,245	
Total Rabies and Animal Control			2,245

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	53,000	
Medical Personnel		490,771	
Secretary(ies)		32,967	
Part-time Personnel		139,179	
Overtime Pay		110,588	
In-service Training		2,155	
Social Security		49,030	
Pensions		34,804	
Employee and Dependent Insurance		32,517	
Unemployment Compensation		1,469	
Employer Medicare		11,467	
Advertising		45	
Communication		8,402	
Operating Lease Payments		2,378	
Licenses		1,750	
Maintenance and Repair Services - Buildings		6,044	
Maintenance and Repair Services - Equipment		7,535	
Maintenance and Repair Services - Vehicles		16,471	
Disposal Fees		602	

(Continued)

## Exhibit K-8

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

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

Other Contracted Services	\$	46,180	
Custodial Supplies		1,632	
Diesel Fuel		35,396	
Drugs and Medical Supplies		44,655	
Instructional Supplies and Materials		3,446	
Office Supplies		4,525	
Uniforms		5,090	
Utilities		8,101	
Other Supplies and Materials		3,392	
Liability Insurance		97,764	
Refunds		2,393	
Workers' Compensation Insurance		110,856	
Other Charges		4,531	
Total Ambulance/Emergency Medical Services			\$ 1,369,135

Alcohol and Drug Programs

Travel	\$	2,249	
Other Contracted Services		38,453	
Office Supplies		6,129	
Other Supplies and Materials		8,916	
Other Charges		8,394	
Total Alcohol and Drug Programs			64,141

Regional Mental Health Center

Contributions	\$	5,385	
Total Regional Mental Health Center			5,385

Other Public Health and Welfare

Other Charges	\$	3,241	
Total Other Public Health and Welfare			3,241

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Clerical Personnel	\$	23,352	
Other Salaries and Wages		21,291	
Social Security		2,576	
Pensions		2,327	
Employee and Dependent Insurance		3,780	
Unemployment Compensation		129	
Employer Medicare		602	
Other Supplies and Materials		531	
Total Senior Citizens Assistance			54,588

Libraries

Librarians	\$	35,028	
Clerical Personnel		45,911	
Part-time Personnel		33,350	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Social Security	\$	6,977	
Pensions		4,290	
Unemployment Compensation		333	
Employer Medicare		1,632	
Communication		4,851	
Library Books/Media		12,227	
Periodicals		1,492	
Utilities		9,051	
Other Supplies and Materials		13,238	
Other Equipment		1,490	
Total Libraries			\$ 169,870

Parks and Fair Boards

Other Charges	\$	9,000	
Total Parks and Fair Boards			9,000

Other Social, Cultural, and Recreational

Other Charges	\$	9,512	
Total Other Social, Cultural, and Recreational			9,512

Agriculture and Natural ResourcesAgricultural Extension Service

Assistant(s)	\$	21,914	
Supervisor/Director		13,061	
Clerical Personnel		6,311	
Other Fringe Benefits		13,516	
Other Supplies and Materials		878	
Total Agricultural Extension Service			55,680

Soil Conservation

Secretary(ies)	\$	34,341	
Social Security		2,129	
Pensions		1,858	
Unemployment Compensation		42	
Employer Medicare		498	
Total Soil Conservation			38,868

Other OperationsIndustrial Development

Other Charges	\$	20	
Total Industrial Development			20

Other Economic and Community Development

Contributions	\$	17,500	
Travel		726	
Other Charges		4,319	
Total Other Economic and Community Development			22,545

(Continued)



## Exhibit K-8

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

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

Supervisor/Director	\$	12,000	
Social Security		744	
Unemployment Compensation		44	
Employer Medicare		174	
Total Veterans' Services			\$ 12,962

Other Charges

Contributions	\$	7,200	
Trustee's Commission		142,290	
Total Other Charges			149,490

Contributions to Other Agencies

Contributions	\$	17,745	
Total Contributions to Other Agencies			17,745

Employee Benefits

Employee and Dependent Insurance	\$	6,594	
Total Employee Benefits			6,594

COVID-19 Grant #1

Other Supplies and Materials	\$	1,730	
Other Charges		8,219	
Total COVID-19 Grant #1			9,949

COVID-19 Grant #2

Other Charges	\$	9,725	
Total COVID-19 Grant #2			9,725

Miscellaneous

Laborers	\$	9,389	
Social Security		582	
Unemployment Compensation		59	
Employer Medicare		136	
Pauper Burials		2,125	
Road Signs		5,464	
Other Charges		749	
Total Miscellaneous			<u>18,504</u>

Total General Fund \$ 9,224,460

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Maintenance and Repair Services - Buildings	\$	28,242	
Custodial Supplies		30,837	
Trustee's Commission		686	
Total County Buildings			<u>\$ 59,765</u>

Total Courthouse and Jail Maintenance Fund 59,765

(Continued)

## Exhibit K-8

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

Local Purpose Tax FundCapital ProjectsOther General Government Projects

Contributions

\$ 1,540,000

Trustee's Commission

31,437

Total Other General Government Projects

\$ 1,571,437

Total Local Purpose Tax Fund

\$ 1,571,437

Drug Control FundPublic SafetySheriff's Department

Other Charges

\$ 16,338

Total Sheriff's Department

\$ 16,338

Drug Enforcement

Confidential Drug Enforcement Payments

\$ 7,000

Total Drug Enforcement

7,000

Other OperationsOther Charges

Trustee's Commission

\$ 159

Total Other Charges

159

Support ServicesOther Student Support

Other Supplies and Materials

\$ 2,050

Total Other Student Support

2,050

Total Drug Control Fund

25,547

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses

\$ 50

Total Register of Deeds

\$ 50

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses

\$ 134,682

Total County Trustee's Office

134,682

Administration of JusticeCircuit Court

Constitutional Officers' Operating Expenses

\$ 105

Total Circuit Court

105

General Sessions Court

Constitutional Officers' Operating Expenses

\$ 52

Total General Sessions Court

52

(Continued)

## Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Constitutional Officers' Operating Expenses

\$ 151

Total Chancery Court

\$ 151

Total Constitutional Officers - Fees Fund

\$ 135,040

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer

\$ 81,368

Accountants/Bookkeepers

29,046

Secretary(ies)

29,120

Board and Committee Members Fees

600

Communication

5,420

Data Processing Services

5,125

Dues and Memberships

5,016

Legal Services

4,262

Maintenance and Repair Services - Buildings

9,202

Postal Charges

117

Printing, Stationery, and Forms

59

Rentals

647

Travel

75

Electricity

4,050

Natural Gas

1,578

Office Supplies

2,498

Water and Sewer

223

Total Administration

\$ 178,406

Highway and Bridge Maintenance

Foremen

\$ 14,500

Equipment Operators

52,735

Truck Drivers

87,257

Laborers

173,903

Rentals

1,105

Other Contracted Services

23,290

Asphalt - Liquid

42,809

Concrete

3,377

Crushed Stone

28,965

Pipe - Metal

39,460

Road Signs

84

Structural Steel

2,300

Uniforms

348

Wood Products

594

Other Supplies and Materials

1,233

Other Charges

192

Total Highway and Bridge Maintenance

472,152

(Continued)

## Exhibit K-8

DeKalb 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)	\$	54,174	
Maintenance and Repair Services - Equipment		17,504	
Diesel Fuel		52,203	
Equipment and Machinery Parts		55,737	
Garage Supplies		11,620	
Gasoline		19,072	
Lubricants		3,729	
Small Tools		1,152	
Tires and Tubes		24,466	
Total Operation and Maintenance of Equipment			\$ 239,657

Quarry Operations

Foremen	\$	30,276	
Equipment Operators		42,644	
Maintenance and Repair Services - Equipment		17,962	
Electricity		19,339	
Equipment and Machinery Parts		18,041	
In Service/Staff Development		1,455	
Total Quarry Operations			129,717

Other Charges

Liability Insurance	\$	44,370	
Trustee's Commission		25,266	
Workers' Compensation Insurance		48,876	
Other Charges		500	
Total Other Charges			119,012

Employee Benefits

Social Security	\$	37,735	
Pensions		33,399	
Employee and Dependent Insurance		176,551	
Unemployment Compensation		8,678	
Total Employee Benefits			256,363

Capital Outlay

Highway Equipment	\$	130,223	
Motor Vehicles		7,500	
State Aid Projects		280,567	
Total Capital Outlay			418,290

Total Highway/Public Works Fund \$ 1,813,597

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	560,000	
Total General Government			\$ 560,000

(Continued)

## Exhibit K-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$	185,000	
Principal on Notes		<u>285,000</u>	
Total Education			\$ 470,000

Interest on Debt

General Government

Interest on Bonds	\$	<u>79,538</u>	
Total General Government			79,538

Education

Interest on Bonds	\$	54,059	
Interest on Notes		<u>33,050</u>	
Total Education			87,109

Other Debt Service

General Government

Trustee's Commission	\$	13,094	
Other Debt Service		<u>1,935</u>	
Total General Government			15,029

Education

Other Debt Service	\$	<u>900</u>	
Total Education			<u>900</u>

Total General Debt Service Fund \$ 1,212,576

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$	9,101	
Building Construction		<u>617</u>	
Total General Administration Projects			\$ 9,718

Public Safety Projects

Building Construction	\$	26,072	
Building Improvements		29,922	
Motor Vehicles		100,000	
Other Equipment		<u>24,005</u>	
Total Public Safety Projects			<u>179,999</u>

Total General Capital Projects Fund 189,717

Total Governmental Funds - Primary Government \$ 14,232,139

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,168,828	
Career Ladder Program		15,300	
Homebound Teachers		21,608	
Educational Assistants		159,640	
Other Salaries and Wages		161,507	
Certified Substitute Teachers		27,158	
Non-certified Substitute Teachers		77,624	
Social Security		426,509	
Pensions		720,901	
Medical Insurance		1,042,064	
Dental Insurance		75,886	
Unemployment Compensation		5,098	
Employer Medicare		99,991	
Other Contracted Services		2,335	
Instructional Supplies and Materials		90,610	
Textbooks - Bound		220,911	
Software		35,242	
Fee Waivers		7,660	
Other Charges		10,960	
Regular Instruction Equipment		290,068	
Total Regular Instruction Program			\$ 10,659,900

Alternative Instruction Program

Teachers	\$	61,980	
Educational Assistants		18,438	
Social Security		4,504	
Pensions		7,586	
Medical Insurance		10,393	
Dental Insurance		548	
Unemployment Compensation		35	
Employer Medicare		1,053	
Total Alternative Instruction Program			104,537

Special Education Program

Teachers	\$	1,253,431	
Career Ladder Program		1,600	
Homebound Teachers		30,251	
Educational Assistants		187,676	
Other Salaries and Wages		79,294	
Certified Substitute Teachers		910	
Non-certified Substitute Teachers		7,660	
Social Security		88,126	
Pensions		133,684	
Medical Insurance		183,819	
Dental Insurance		11,361	
Unemployment Compensation		852	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	20,622	
Operating Lease Payments		11,629	
Instructional Supplies and Materials		14,860	
Other Supplies and Materials		8,505	
Special Education Equipment		1,472	
Total Special Education Program			\$ 2,035,752

Career and Technical Education Program

Teachers	\$	476,698	
Career Ladder Program		1,000	
Other Salaries and Wages		43,902	
Certified Substitute Teachers		162	
Non-certified Substitute Teachers		4,590	
Social Security		30,150	
Pensions		48,274	
Medical Insurance		61,967	
Dental Insurance		5,484	
Unemployment Compensation		174	
Employer Medicare		7,052	
Instructional Supplies and Materials		12,000	
Total Career and Technical Education Program			691,453

Support Services

Attendance

Supervisor/Director	\$	60,615	
Career Ladder Program		1,000	
Clerical Personnel		33,601	
Social Security		5,499	
Pensions		8,359	
Medical Insurance		12,334	
Dental Insurance		548	
Unemployment Compensation		35	
Employer Medicare		1,286	
Other Contracted Services		15,291	
Other Supplies and Materials		1,081	
In Service/Staff Development		155	
Attendance Equipment		1,022	
Total Attendance			140,826

Health Services

Supervisor/Director	\$	45,482	
Medical Personnel		229,033	
Clerical Personnel		9,497	
Social Security		15,388	
Pensions		25,314	
Medical Insurance		45,630	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Dental Insurance	\$	2,742	
Unemployment Compensation		122	
Employer Medicare		3,599	
Travel		178	
Other Contracted Services		1,116	
Drugs and Medical Supplies		2,089	
Other Supplies and Materials		36,995	
In Service/Staff Development		1,013	
Total Health Services			\$ 418,198

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		327,656	
Social Security		18,566	
Pensions		34,936	
Medical Insurance		37,386	
Dental Insurance		3,290	
Unemployment Compensation		104	
Employer Medicare		4,342	
Contracts with Government Agencies		113,797	
Evaluation and Testing		23,173	
Total Other Student Support			564,250

Regular Instruction Program

Supervisor/Director	\$	148,133	
Career Ladder Program		3,000	
Librarians		257,024	
Educational Assistants		25,267	
Social Security		25,463	
Pensions		43,219	
Medical Insurance		32,347	
Dental Insurance		3,839	
Unemployment Compensation		156	
Employer Medicare		5,955	
Travel		287	
Food Supplies		12,396	
Library Books/Media		15,065	
Software		3,724	
Other Supplies and Materials		798	
In Service/Staff Development		2,746	
Total Regular Instruction Program			579,419

Special Education Program

Supervisor/Director	\$	59,563	
Psychological Personnel		27,317	
Medical Personnel		42,805	

(Continued)



Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Social Security	\$	7,601	
Pensions		11,280	
Medical Insurance		9,629	
Dental Insurance		777	
Unemployment Compensation		52	
Employer Medicare		1,778	
Travel		1,328	
Other Contracted Services		190,500	
In Service/Staff Development		5,238	
Total Special Education Program			\$ 357,868

Technology

Supervisor/Director	\$	40,839	
Instructional Computer Personnel		88,854	
Social Security		7,218	
Pensions		6,013	
Medical Insurance		24,933	
Unemployment Compensation		70	
Employer Medicare		1,688	
Communication		4,399	
Maintenance and Repair Services - Equipment		11,258	
Internet Connectivity		62,603	
In Service/Staff Development		1,134	
Other Charges		688	
Regular Instruction Equipment		179,000	
Total Technology			428,697

Other Programs

On-behalf Payments to OPEB	\$	90,799	
Total Other Programs			90,799

Board of Education

Board and Committee Members Fees	\$	11,375	
Social Security		705	
Employer Medicare		165	
Audit Services		6,000	
Dues and Memberships		10,919	
Legal Services		3,516	
Other Contracted Services		1,190	
Liability Insurance		39,259	
Trustee's Commission		95,080	
Workers' Compensation Insurance		185,552	
In Service/Staff Development		668	
Refund to Applicant for Criminal Investigation		3,620	
Other Charges		11,593	
Total Board of Education			369,642

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	90,000	
Career Ladder Program		1,000	
Social Security		5,111	
Pensions		9,661	
Medical Insurance		11,005	
Dental Insurance		548	
Unemployment Compensation		17	
Employer Medicare		1,195	
Communication		23,547	
Dues and Memberships		2,482	
Postal Charges		3,560	
Travel		49	
Refunds		300	
In Service/Staff Development		835	
Other Charges		875	
Total Director of Schools			\$ 150,185

Office of the Principal

Principals	\$	352,062	
Career Ladder Program		1,000	
Assistant Principals		364,269	
Secretary(ies)		321,961	
Social Security		58,859	
Pensions		93,546	
Medical Insurance		113,957	
Dental Insurance		5,438	
Unemployment Compensation		469	
Employer Medicare		13,776	
Communication		18,500	
Dues and Memberships		6,000	
Travel		1,200	
Other Contracted Services		8,459	
Total Office of the Principal			1,359,496

Fiscal Services

Accountants/Bookkeepers	\$	67,903	
Secretary(ies)		36,980	
Social Security		5,407	
Pensions		5,615	
Medical Insurance		24,286	
Unemployment Compensation		52	
Employer Medicare		1,265	
Operating Lease Payments		3,940	
Travel		88	
Other Contracted Services		26,541	
Data Processing Supplies		4,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Office Supplies	\$	3,599	
In Service/Staff Development		1,810	
Other Charges		457	
Administration Equipment		6,000	
Total Fiscal Services			\$ 187,943

Operation of Plant

Other Contracted Services	\$	500,070	
Electricity		480,173	
Natural Gas		79,196	
Water and Sewer		94,520	
Other Supplies and Materials		33,080	
Boiler Insurance		6,128	
Building and Contents Insurance		111,646	
Other Charges		1,985	
Plant Operation Equipment		6,814	
Total Operation of Plant			1,313,612

Maintenance of Plant

Supervisor/Director	\$	51,338	
Maintenance Personnel		78,064	
Other Salaries and Wages		13,842	
Social Security		8,359	
Pensions		7,623	
Medical Insurance		15,181	
Unemployment Compensation		70	
Employer Medicare		1,955	
Travel		107	
Other Contracted Services		11,099	
Equipment and Machinery Parts		158	
Other Supplies and Materials		89,903	
Administration Equipment		23,262	
Maintenance Equipment		15,135	
Total Maintenance of Plant			316,096

Transportation

Supervisor/Director	\$	36,463	
Mechanic(s)		59,018	
Bus Drivers		491,792	
Other Salaries and Wages		93,862	
Social Security		37,503	
Pensions		33,719	
Medical Insurance		41,646	
Unemployment Compensation		852	
Employer Medicare		9,470	
Contracts with Other School Systems		3,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Operating Lease Payments	\$	454	
Other Contracted Services		30,053	
Diesel Fuel		73,392	
Garage Supplies		69	
Gasoline		22,454	
Lubricants		8,009	
Tires and Tubes		15,877	
Vehicle Parts		123,668	
Other Supplies and Materials		10,820	
Vehicle and Equipment Insurance		34,471	
In Service/Staff Development		850	
Other Charges		3,380	
Transportation Equipment		212,875	
Total Transportation			\$ 1,343,697

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	8,250	
Teachers		105,662	
Social Security		7,063	
Pensions		10,796	
Employer Medicare		1,652	
Instructional Supplies and Materials		948	
Total Community Services			134,371

Early Childhood Education

Teachers	\$	211,891	
Clerical Personnel		3,055	
Educational Assistants		110,505	
Certified Substitute Teachers		69	
Non-certified Substitute Teachers		3,099	
Social Security		18,696	
Pensions		24,258	
Medical Insurance		41,396	
Dental Insurance		2,696	
Unemployment Compensation		243	
Employer Medicare		4,373	
Communication		1,815	
Operating Lease Payments		4,903	
Travel		298	
Food Supplies		1,601	
Instructional Supplies and Materials		12,371	
Other Supplies and Materials		6,216	
In Service/Staff Development		1,081	
Other Charges		154	
Other Equipment		403	
Total Early Childhood Education			449,123

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	10,000	
Building Improvements		131,401	
Other Capital Outlay		136,953	
Total Regular Capital Outlay			\$ 278,354

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	140,000	
Total Education			140,000

Total General Purpose School Fund \$ 22,114,218

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	502,814	
Educational Assistants		93,652	
Other Salaries and Wages		24,856	
Certified Substitute Teachers		2,405	
Non-certified Substitute Teachers		7,440	
Social Security		34,997	
Pensions		61,051	
Medical Insurance		85,869	
Dental Insurance		5,484	
Unemployment Compensation		765	
Employer Medicare		8,189	
Instructional Supplies and Materials		116,475	
Other Supplies and Materials		116	
Other Charges		840	
Regular Instruction Equipment		49,781	
Total Regular Instruction Program			\$ 994,734

Special Education Program

Teachers	\$	84,532	
Educational Assistants		327,078	
Other Salaries and Wages		11,311	
Certified Substitute Teachers		942	
Non-certified Substitute Teachers		7,539	
Social Security		22,297	
Pensions		23,762	
Medical Insurance		76,334	
Dental Insurance		1,097	
Unemployment Compensation		643	
Employer Medicare		5,408	
Instructional Supplies and Materials		5,751	
Other Supplies and Materials		8,250	
Special Education Equipment		1,088	
Total Special Education Program			576,032

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	136	
Instructional Supplies and Materials		9,334	
Other Supplies and Materials		10,300	
Vocational Instruction Equipment		40,216	
Total Career and Technical Education Program			\$ 59,986

Support Services

Other Student Support

Other Salaries and Wages	\$	39,725	
Social Security		2,155	
Pensions		2,172	
Medical Insurance		6,262	
Unemployment Compensation		174	
Employer Medicare		504	
Travel		4,286	
In Service/Staff Development		5,133	
Other Charges		13,954	
Total Other Student Support			74,365

Regular Instruction Program

Supervisor/Director	\$	75,740	
Clerical Personnel		7,825	
Social Security		4,823	
Pensions		8,464	
Medical Insurance		6,952	
Dental Insurance		548	
Unemployment Compensation		35	
Employer Medicare		1,128	
Travel		586	
Other Supplies and Materials		2,992	
In Service/Staff Development		67,115	
Total Regular Instruction Program			176,208

Special Education Program

Psychological Personnel	\$	50,919	
Secretary(ies)		36,980	
Social Security		5,078	
Pensions		4,068	
Medical Insurance		11,694	
Dental Insurance		548	
Unemployment Compensation		35	
Employer Medicare		1,188	
Travel		174	
Other Supplies and Materials		2,988	
In Service/Staff Development		7,229	
Total Special Education Program			120,901

(Continued)

## Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

In Service/Staff Development	\$	786	
Total Career and Technical Education Program			\$ 786

Transportation

Unemployment Compensation	\$	35	
Total Transportation			35

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	15,000	
Teachers		95,706	
Other Salaries and Wages		14,000	
Social Security		7,732	
Pensions		11,952	
Employer Medicare		1,808	
Travel		17	
Food Supplies		394	
Instructional Supplies and Materials		5,484	
In Service/Staff Development		1,009	
Other Charges		245	
Other Equipment		936	
Total Community Services			154,283

Total School Federal Projects Fund			\$ 2,157,330
------------------------------------	--	--	--------------

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	51,888	
Accountants/Bookkeepers		36,980	
Cafeteria Personnel		473,877	
Social Security		31,913	
Pensions		27,712	
Medical Insurance		74,056	
Unemployment Compensation		782	
Employer Medicare		7,464	
Communication		2,562	
Maintenance and Repair Services - Equipment		14,570	
Travel		1,149	
Other Contracted Services		9,430	
Food Supplies		829,754	
USDA - Commodities		133,065	
Other Supplies and Materials		75,051	
In Service/Staff Development		1,486	
Other Charges		2,717	
Food Service Equipment		43,749	
Total Food Service			\$ 1,818,205

Total Central Cafeteria Fund			1,818,205
------------------------------	--	--	-----------

Total Governmental Funds - DeKalb County School Department			\$ 26,089,753
--	--	--	---------------

DeKalb County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2020

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Residential Waste Collection Charge	\$ 12,000
Tipping Fees	403,146
Waste Tire Disposal	12,126
Total Charges for Current Services	<u>\$ 427,272</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 18,861
<u>Nonrecurring Items</u>	
Sale of Equipment	23,876
Total Other Local Revenues	<u>\$ 42,737</u>
Total Operating Revenue	<u>\$ 470,009</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
Payments in-Lieu-of Taxes - T.V.A.	\$ 107
Payments in-Lieu-of Taxes - Other	102,737
Local Option Sales Tax	592,505
Hotel/Motel Tax	114,277
Bank Excise Tax	126,139
Wholesale Beer Tax	80,427
Total Local Taxes	<u>\$ 1,016,192</u>
<u>State of Tennessee</u>	
<u>Other State of Tennessee Revenues</u>	
Beer Tax	\$ 18,175
Alcoholic Beverage Tax	52,251
State Revenue Sharing - T.V.A.	454,404
Total State of Tennessee	<u>\$ 524,830</u>
Total Nonoperating Revenues	<u>\$ 1,541,022</u>
Total Revenues	<u><u>\$ 2,011,031</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Laborers	\$ 122,731
Overtime Pay	9,358
Social Security	8,031
Pensions	5,455
Employee and Dependent Insurance	3,780
Unemployment Compensation	249
Employer Medicare	1,878
Maintenance and Repair Services - Vehicles	40,000
Diesel Fuel	53,076
Total Waste Pickup	<u>\$ 244,558</u>

(Continued)



DeKalb County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund (Cont.)

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund
<u>Convenience Centers</u>	
Laborers	\$ 238,289
Social Security	14,774
Unemployment Compensation	1,165
Employer Medicare	3,455
Communication	3,955
Other Supplies and Materials	6,255
Total Convenience Centers	<u>\$ 267,893</u>
<u>Transfer Station</u>	
Communication	\$ 457
Other Contracted Services	921,294
Utilities	1,214
Total Transfer Station	<u>\$ 922,965</u>
<u>Landfill Operation and Maintenance</u>	
Supervisor/Director	\$ 9,882
Laborers	78,356
Overtime Pay	3,025
Social Security	5,264
Pensions	7,153
Employee and Dependent Insurance	10,395
Unemployment Compensation	131
Employer Medicare	1,231
Communication	1,384
Engineering Services	1,356
Operating Lease Payments	18,742
Maintenance and Repair Services - Vehicles	33,668
Rentals	9,955
Other Contracted Services	22,150
Crushed Stone	3,994
Diesel Fuel	4,493
Utilities	15,406
Other Supplies and Materials	12,211
Depreciation	143,486
Landfill Closure/Postclosure Care Costs	48,994
Other Charges	8,926
Total Landfill Operation and Maintenance	<u>\$ 440,202</u>
<u>Other Waste Disposal</u>	
Trustee's Commission	\$ 19,202
Total Other Waste Disposal	<u>\$ 19,202</u>
Total Operating Expenses	<u><u>\$ 1,894,820</u></u>

## Exhibit K-11

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

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	<u>\$ 1,293,550</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,280,614
Trustee's Commission	12,936
Total Cash Disbursements	<u>\$ 1,293,550</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

---

---

## SINGLE AUDIT SECTION

---

---



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

DeKalb County Mayor and  
Board of County Commissioners  
DeKalb 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 21, 2020.

**Internal Control Over Financial Reporting**

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

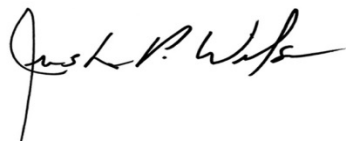
### **DeKalb County's Response to the Finding**

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

December 21, 2020

JPW/tg



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

**Independent Auditor's Report**

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited DeKalb 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 DeKalb County's major federal programs for the year ended June 30, 2020. DeKalb 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 DeKalb 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 DeKalb 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 DeKalb County's compliance.

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

In our opinion, DeKalb 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 DeKalb 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 DeKalb 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 DeKalb 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.

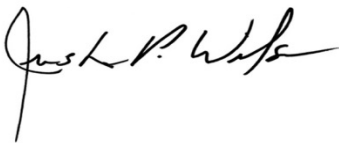
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements. We issued our report thereon dated December 21, 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

December 21, 2020

JPW/tg



DeKalb County, Tennessee, and the Dekalb County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9)  
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)	\$ 360,821 (6)
COVID 19 - School Breakfast Program	10.553	(4)	31,982 (6)
National School Lunch Program	10.555	(4)	778,075 (6)
COVID 19 - National School Lunch Program	10.555	(4)	50,880 (6)
State Administrative Expenses for Child Nutrition	10.560	(4)	746
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	141,324 (7)
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (5)			
Child and Adult Care Food Program	10.559	(4)	113,848 (6)
COVID 19 - Child and Adult Care Food Program	10.559	(4)	132,227 (6)
Total U.S. Department of Agriculture			<u>\$ 1,609,903</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	<u>\$ 99,800</u>
U.S. Department of Treasury:			
Direct Program:			
Coronavirus Relief Fund	21.019	N/A	<u>\$ 16,828</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	<u>\$ 919</u>
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 193,204
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	1,073,608
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	712,686
Special Education - Preschool Grants	84.173	(4)	23,966
Career and Technical Education - Basic Grants to States	84.048	(4)	69,597
Twenty-first Century Community Learning Centers	84.287	(4)	157,783
Rural Education	84.358	(4)	38,160
English Language Acquisition State Grants	84.365	(4)	23,808
Supporting Effective Instruction State Grants	84.367	(4)	72,797
Student Support and Academic Enrichment Program	84.424	(4)	27,538
Total U.S. Department of Education			<u>\$ 2,393,147</u>
Election Assistance Commission:			
Passed-through Tennessee Secretary of the State:			
2020 HAVA Election Security Grants	90.404	(4)	\$ 1,837 (6)
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(4)	1,070 (6)
Total Election Assistance Commission:			<u>\$ 2,907</u>

(Continued)

DeKalb County, Tennessee, and the Dekalb County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive	93.044	(4)	\$ 6,644
Passed-through State Department of Education:			
CCDF Cluster: (5)			
Child Care and Development Block Grant	93.575	(4)	621
Passed-through State Department of Mental Health and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(4)	79,268
Total U.S. Department of Health and Human Services			<u>\$ 86,533</u>
U.S. Department of Homeland Security:			
Passed through State Department of the Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 3,396
Total U.S. Department of Homeland Security			<u>\$ 3,396</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,213,433</u></u>

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Special Needs - State Department of Health	N/A	GG-20-63590-00	\$ 61,544
Special Local Health Needs Grant - State Department of Health	N/A	GG-19-61707-00	146,000
Healthy Active Built Environments Grants - State Department of Health	N/A	Z-19-195160-00	20,000
Litter Program - State Department of Transportation	N/A	(4)	36,515
Adult Drug Court - State Department of Mental Health and Substance			
Abuse Services	N/A	(4)	55,360
Juvenile Drug Court - State Department of Mental Health and Substance			
Abuse Services	N/A	(4)	39,476
State Supplement Juvenile Court Improvement Funds - State Commission on			
Children and Youth	N/A	(4)	9,000
Early Childhood Education (Pre-K) - State Department of Education	N/A	(4)	451,127
Lottery Education After School Programs - State Department of Education	N/A	(4)	135,083
Coordinated School Health - State Department of Education	N/A	(4)	99,896
Work Based Learning Grant Program - State Department of Economic			
and Community Development	N/A	(4)	5,668
Safe Schools Act - State Department of Education	N/A	(4)	67,520
Court Security Grant Program - State Administrative Office of the Courts	N/A	(4)	24,005
COVID-19 - PPE - State Department of Military	N/A	(4)	3,241
Aging Program - Upper Cumberland Development District	N/A	(4)	6,740
Total State Grants			<u><u>\$ 1,161,175</u></u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) DeKalb 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 \$1,609,157; Special Education Cluster total \$736,652; CCDF Cluster total \$621.
- (6) Total for CFDA No. 10.553 is \$392,803; Total for CFDA No. 10.555 is \$970,279; Total for CFDA No. 10.559 is \$246,075; Total for CFDA No. 90.404 is \$2,907.
- (7) Commodities \$133,065; Commodity Rebate \$8,259.
- (8) For the year ended June 30, 2020, Dekalb County received donated PPE valued at \$12,966 (\$9,725 federal and \$3,241 state) from the Tennessee Department of Military. These donations were unaudited.

DeKalb County, Tennessee, and the Dekalb County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

(9) CONSOLIDATED ADMINISTRATION			Amount
The following amounts were consolidated for administration purposes:		Federal	Provided to
		CFDA	Consolidated
Program Title		Number	Administration
Title I Grants to Local Educational Agencies		84.010	\$87,176
Rural Education		84.358	1,708
English Language Acquisition State Grants		84.365	373
Supporting Effective Instruction State Grant		84.367	7,705
Student Support and Academic Enrichment Program		84.424	1,198
Total amounts consolidated for administration purposes			\$98,160

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

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

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

**OFFICE OF COUNTY MAYOR**

2019	197	2019-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	N/A	Corrected
------	-----	----------	---	-----	-----------

**OFFICE OF ROAD SUPERVISOR**

2019	197	2019-002	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
------	-----	----------	--	-----	-----------

***Prior-year Federal Awards Findings***

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

---

---

**DEKALB 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 DeKalb 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 Numbers: 10.553, 10.555, and 10.559      Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Child and Adult Care Food Program
  - \* CFDA Number: 84.010      Title I Grants to Local Education Agencies
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, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action 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 ROAD SUPERVISOR**

#### **FINDING 2020-001**

#### **THE OFFICE HAD PURCHASING DEFICIENCIES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 35 disbursements totaling \$331,525 from a population of 326 vendor checks totaling \$760,512. Our examination revealed the following purchasing deficiencies, which are the result of a lack of management oversight.

- A. In eight of 26 purchases, purchase orders were not issued or were issued after the invoice date. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. Issuing the purchase order after the purchase defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase. The failure to properly issue purchase orders increases the risks of unauthorized purchases.
- B. Invoices were paid without documentation that goods had been received and/or services had been rendered in 15 of 27 applicable purchases. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.

### **RECOMMENDATION**

The office should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments. The office should maintain documentation that goods have been received or services have been rendered before invoices are paid.

### **MANAGEMENT'S RESPONSE – ROAD SUPERVISOR**

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.

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

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

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

**OFFICE OF ROAD SUPERVISOR**

2020-001	The office had purchasing deficiencies.	193
----------	---	-----



# **DeKalb County Highway Department**

720 Smith Rd  
Smithville, Tn 37166  
(615) 597-4144

## **Corrective Action Plan**

**Finding:** The office had purchasing deficiencies

**The response and corrective action plan prepared by:** Danny Hale

**The person responsible for implementing the corrective action:** Danny Hale  
DeKalb County Road Supervisor

**The anticipated completion date of corrective action:** December 9, 2020

**This is not a repeat finding**

**Reason corrective action was not taken in prior years:** This was not a finding or a problem before.

**Planned corrective action:** I will be checking Purchase Order's dates from this date forward.

A handwritten signature in black ink that reads "Danny Hale". The signature is written in a cursive style with a large, looped initial "D".

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of DeKalb County.

### **DEKALB COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

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