



ANNUAL FINANCIAL REPORT

Grundy County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Grundy County management. The detailed findings, recommendations, and management responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The school department was assessed a penalty of \$18,080 by the Internal Revenue Service for noncompliance with the Affordable Care Act.

OFFICE OF COUNTY CLERK

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Grundy County Officials

June 30, 2020

Officials

Michael Brady, County Mayor
Johnny Ray Fults, Highway Superintendent
Glenda Dykes, Director of Schools
Tyler McCullough, Trustee
Joanne Childers, Assessor of Property
Tammy Sholey, County Clerk
Penny Sons, Circuit and General Sessions Courts Clerk
Patricia Campbell, Clerk and Master
Gayle VanHooser, Register of Deeds
Clint Shrum, Sheriff

Board of County Commissioners

Daniel Crabtree, Chairman
Gary Brewer
Mike Cordell
Kelly Gibbs
David Griswold
Don Hutcheston
David Lockhart
Danny Lusk
Chris Rogers

Board of Education

Phyllis Lusk, Chairman
Eric Birdwell
Lebron Coffelt
Chris Grooms
Phillip Hawk
Gary Melton
Reuben Newsome
Chris Snyder
Mike Yates

Audit Committee

Rusty Payne, Chairman
Brenda Andy
Danny Lusk

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Grundy County Mayor and
Board of County Commissioners
Grundy 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 Grundy 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 Grundy 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, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (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 the total other postemployment benefits (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 Grundy 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 Grundy 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 Grundy 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 Grundy 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 February 10, 2021, on our consideration of Grundy 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 Grundy 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 Grundy County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Grundy County School Department
<u>ASSETS</u>				
Cash	\$ 6,084	\$ 0	\$ 6,084	\$ 0
Equity in Pooled Cash and Investments	9,204,373	16,337	9,220,710	5,581,761
Accounts Receivable	2,300	10,162	12,462	13,609
Due from Other Governments	510,995	0	510,995	352,452
Due from Component Units	413,694	0	413,694	0
Property Taxes Receivable	4,032,653	0	4,032,653	1,577,062
Allowance for Uncollectible Property Taxes	(167,967)	0	(167,967)	(65,757)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	72,011
Net Pension Asset - Agent Plan	517,726	0	517,726	361,266
Net Pension Asset - Teacher Retirement Plan	0	0	0	92,815
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	2,163,969
Capital Assets:				
Assets Not Depreciated:				
Land	414,790	30,000	444,790	257,571
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	8,674,546	626,297	9,300,843	9,625,911
Infrastructure	1,754,823	284,414	2,039,237	0
Other Capital Assets	644,699	0	644,699	1,252,552
Total Assets	<u>\$ 26,008,716</u>	<u>\$ 967,210</u>	<u>\$ 26,975,926</u>	<u>\$ 21,285,222</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 69,715	\$ 0	\$ 69,715	\$ 157,853
Pension Changes in Assumptions	53,950	0	53,950	332,477
Pension Changes in Proportion	0	0	0	24,751
Pension Contributions After Measurement Date	194,039	0	194,039	869,563
OPEB Changes in Experience	0	0	0	23,651
OPEB Changes in Assumptions	7,158	0	7,158	30,617
OPEB Changes in Proportion	0	0	0	9,787
OPEB Changes in Contributions after Measurement Date	93	0	93	76,293
Total Deferred Outflows of Resources	<u>\$ 324,955</u>	<u>\$ 0</u>	<u>\$ 324,955</u>	<u>\$ 1,524,992</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 42,577
Accrued Payroll	0	0	0	7,337
Payroll Deductions Payable	0	0	0	767,027
Due to Primary Government	0	0	0	413,694
Due to State of Tennessee	0	0	0	110
Due to Litigants, Heirs, and Others	6,641	0	6,641	0
Accrued Interest Payable	5,401	0	5,401	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,596,605	0	1,596,605	0
Due Within One Year - Other	37,702	0	37,702	0
Due in More Than One Year - Debt	7,481,282	0	7,481,282	0
Due in More Than One Year - Other	402,619	0	402,619	1,334,300
Total Liabilities	<u>\$ 9,530,250</u>	<u>\$ 0</u>	<u>\$ 9,530,250</u>	<u>\$ 2,565,045</u>

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Grundy County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,680,529	\$ 0	\$ 3,680,529	\$ 1,439,131
Pension Changes in Experience	17,606	0	17,606	1,350,283
Pension Changes in Investment Earnings	138,812	0	138,812	719,075
Pension Changes in Proportion	0	0	0	47,719
OPEB Changes in Experience	14,494	0	14,494	176,586
OPEB Changes in Assumptions	0	0	0	142,982
OPEB Changes in Proportion	1,705	0	1,705	32,430
Total Deferred Inflows of Resources	<u>\$ 3,853,146</u>	<u>\$ 0</u>	<u>\$ 3,853,146</u>	<u>\$ 3,908,206</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 2,791,965	\$ 940,711	\$ 3,732,676	\$ 11,136,034
Restricted for:				
General Government	529,419	0	529,419	0
Finance	10,985	0	10,985	0
Administration of Justice	146,586	0	146,586	0
Public Safety	142,363	0	142,363	0
Public Health and Welfare	673,374	0	673,374	0
Highways	2,218,839	0	2,218,839	0
Debt Service	3,857,991	0	3,857,991	0
Capital Outlay	432,052	0	432,052	0
Education	0	0	0	1,392,601
Pensions	517,726	0	517,726	2,690,061
Unrestricted	<u>1,628,975</u>	<u>26,499</u>	<u>1,655,474</u>	<u>1,118,267</u>
Total Net Position	<u>\$ 12,950,275</u>	<u>\$ 967,210</u>	<u>\$ 13,917,485</u>	<u>\$ 16,336,963</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Grundey County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,873,572	\$ 141,446	\$ 917,333	\$ 285,932	\$ (528,861)	\$ 0	\$ (528,861)	\$ 0
Finance	574,214	327,586	0	0	(246,628)	0	(246,628)	0
Administration of Justice	628,426	212,573	110,757	0	(305,096)	0	(305,096)	0
Public Safety	2,935,174	526,475	105,027	0	(2,303,672)	0	(2,303,672)	0
Public Health and Welfare	1,328,148	14,050	479,486	0	(834,612)	0	(834,612)	0
Social, Cultural, and Recreational Services	59,778	0	0	0	(59,778)	0	(59,778)	0
Agriculture and Natural Resources	141,172	0	0	0	(141,172)	0	(141,172)	0
Highways/Public Works	2,052,452	73,024	2,060,786	263,778	345,136	0	345,136	0
Interest on Long-term Debt	303,606	0	0	0	(303,606)	0	(303,606)	0
Total Governmental Activities	\$ 9,896,542	\$ 1,295,154	\$ 3,673,389	\$ 549,710	\$ (4,378,289)	\$ 0	\$ (4,378,289)	\$ 0
Business-type Activities:								
Waste Water	\$ 139,743	\$ 57,032	\$ 0	\$ 0	\$ 0	\$ (82,711)	\$ (82,711)	\$ 0
Total Business-type Activities	\$ 139,743	\$ 57,032	\$ 0	\$ 0	\$ 0	\$ (82,711)	\$ (82,711)	\$ 0
Total Primary Government	\$ 10,036,285	\$ 1,352,186	\$ 3,673,389	\$ 549,710	\$ (4,378,289)	\$ (82,711)	\$ (4,461,000)	\$ 0
Component Unit:								
Grundey County School Department	\$ 19,728,636	\$ 81,623	\$ 4,325,017	\$ 0	\$ 0	\$ 0	\$ 0	\$ (15,321,996)
Total Component Unit	\$ 19,728,636	\$ 81,623	\$ 4,325,017	\$ 0	\$ 0	\$ 0	\$ 0	\$ (15,321,996)

(Continued)

Exhibit B

Grundy County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Grundy County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,067,319	\$ 0	\$ 4,067,319	\$ 1,639,390
Property Taxes Levied for Debt Service					115,688	0	115,688	0
Local Option Sales Taxes					605,681	0	605,681	495,200
Litigation Tax - General					16,435	0	16,435	0
Litigation Tax - Special Purpose					27,823	0	27,823	0
Litigation Tax - Jail, Workhouse, or Courthouse					11,201	0	11,201	0
Hotel/Motel Tax					92,594	0	92,594	0
Business Tax					21,293	0	21,293	21,293
Grants and Contributions Not Restricted to Specific Programs					287,510	0	287,510	13,740,616
Unrestricted Investment Earnings					164,764	39	164,803	2,314
Sale of Equipment					8,795	0	8,795	0
Miscellaneous					18,496	0	18,496	30,348
Total General Revenues					\$ 5,437,599	\$ 39	\$ 5,437,638	\$ 15,929,161
Insurance Recovery					\$ 0	\$ 0	\$ 0	\$ 8,178
Change in Net Position					\$ 1,059,310	\$ (82,672)	\$ 976,638	\$ 615,343
Net Position, July 1, 2019					11,890,965	1,049,882	12,940,847	15,721,620
Net Position, June 30, 2020					\$ 12,950,275	\$ 967,210	\$ 13,917,485	\$ 16,336,963

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,084	\$ 6,084
Equity in Pooled Cash and Investments	2,233,424	634,854	1,903,907	3,766,343	665,845	9,204,373
Accounts Receivable	986	0	0	0	141	1,127
Due from Other Governments	62,668	15,936	340,391	92,000	0	510,995
Due from Other Funds	33,725	0	1,173	0	0	34,898
Due from Component Units	32,700	0	0	0	0	32,700
Property Taxes Receivable	3,367,364	657,816	0	7,473	0	4,032,653
Allowance for Uncollectible Property Taxes	(138,482)	(27,061)	0	(2,424)	0	(167,967)
Total Assets	\$ 5,592,385	\$ 1,281,545	\$ 2,245,471	\$ 3,863,392	\$ 672,070	\$ 13,654,863
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,725	\$ 33,725
Due to Litigants, Heirs, and Others	0	0	0	0	6,641	6,641
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,366	\$ 40,366
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 3,079,060	\$ 601,469	\$ 0	\$ 0	\$ 0	\$ 3,680,529
Deferred Delinquent Property Taxes	135,823	26,549	0	4,577	0	166,949
Other Deferred/Unavailable Revenue	6,225	0	185,000	46,000	0	237,225
Total Deferred Inflows of Resources	\$ 3,221,108	\$ 628,018	\$ 185,000	\$ 50,577	\$ 0	\$ 4,084,703

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 6,962	\$ 0	\$ 0	\$ 0	\$ 522,457	\$ 529,419
Restricted for Finance	10,985	0	0	0	0	10,985
Restricted for Administration of Justice	146,586	0	0	0	0	146,586
Restricted for Public Safety	33,116	0	0	0	109,247	142,363
Restricted for Public Health and Welfare	19,847	653,527	0	0	0	673,374
Restricted for Highways/Public Works	0	0	2,060,471	0	0	2,060,471
Restricted for Capital Outlay	432,052	0	0	0	0	432,052
Restricted for Debt Service	0	0	0	3,812,815	0	3,812,815
Unassigned	1,721,729	0	0	0	0	1,721,729
Total Fund Balances	<u>\$ 2,371,277</u>	<u>\$ 653,527</u>	<u>\$ 2,060,471</u>	<u>\$ 3,812,815</u>	<u>\$ 631,704</u>	<u>\$ 9,529,794</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,592,385</u>	<u>\$ 1,281,545</u>	<u>\$ 2,245,471</u>	<u>\$ 3,863,392</u>	<u>\$ 672,070</u>	<u>\$ 13,654,863</u>

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

Exhibit C-2

Grundy County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
For the Year Ended 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)		\$	9,529,794
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	414,790	
Add: buildings and improvements net of accumulated depreciation		8,674,546	
Add: infrastructure net of accumulated depreciation		1,754,823	
Add: other capital assets net of accumulated depreciation		<u>644,699</u>	11,488,858
(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	\$	(7,467,884)	
Less: notes payable		(320,797)	
Less: other loans payable		(1,289,206)	
Add: debt to be contributed by the school department		380,994	
Less: compensated absences payable		(26,632)	
Less: net OPEB liability		(60,109)	
Less: landfill closure/postclosure care costs		(353,580)	
Less: accrued interest on outstanding debt		<u>(5,401)</u>	(9,142,615)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	317,704	
Less: deferred inflows of resources related to pensions		(156,418)	
Add: deferred outflows of resources related to OPEB		7,251	
Less: deferred inflows of resources related to OPEB		<u>(16,199)</u>	152,338
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			517,726
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>404,174</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>12,950,275</u></u>

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

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 3,602,425	\$ 660,290	\$ 0	\$ 721,521	\$ 27,823	\$ 5,012,059
Licenses and Permits	39,588	0	0	0	0	39,588
Fines, Forfeitures, and Penalties	44,975	0	0	0	18,775	63,750
Charges for Current Services	39,056	0	94,852	0	352	134,260
Other Local Revenues	104,584	27,894	26,069	164,764	56,923	380,234
Fees Received From County Officials	553,450	0	0	0	0	553,450
State of Tennessee	909,824	212,963	2,344,256	0	285,932	3,752,975
Federal Government	248,260	0	0	0	0	248,260
Other Governments and Citizens Groups	39,500	0	0	966,546	15,250	1,021,296
Total Revenues	\$ 5,581,662	\$ 901,147	\$ 2,465,177	\$ 1,852,831	\$ 405,055	\$ 11,205,872
<u>Expenditures</u>						
Current:						
General Government	\$ 892,403	\$ 0	\$ 0	\$ 0	\$ 30,788	\$ 923,191
Finance	510,435	0	0	0	352	510,787
Administration of Justice	572,280	0	0	0	0	572,280
Public Safety	2,649,152	0	0	0	32,262	2,681,414
Public Health and Welfare	294,594	980,795	0	0	0	1,275,389
Social, Cultural, and Recreational Services	53,382	0	0	0	0	53,382
Agriculture and Natural Resources	125,872	0	0	0	0	125,872
Other Operations	815,787	13,237	0	0	515,297	1,344,321
Highways	0	0	1,805,936	0	0	1,805,936
Debt Service:						
Principal on Debt	0	0	0	1,591,473	0	1,591,473
Interest on Debt	0	0	0	308,759	0	308,759
Other Debt Service	0	0	0	13,579	0	13,579
Total Expenditures	\$ 5,913,905	\$ 994,032	\$ 1,805,936	\$ 1,913,811	\$ 578,699	\$ 11,206,383

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (332,243)	\$ (92,885)	\$ 659,241	\$ (60,980)	\$ (173,644)	\$ (511)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,804	\$ 81,804
Insurance Recovery	29,454	0	0	0	0	29,454
Total Other Financing Sources (Uses)	\$ 29,454	\$ 0	\$ 0	\$ 0	\$ 81,804	\$ 111,258
Net Change in Fund Balances	\$ (302,789)	\$ (92,885)	\$ 659,241	\$ (60,980)	\$ (91,840)	\$ 110,747
Fund Balance, July 1, 2019	2,674,066	746,412	1,401,230	3,873,795	723,544	9,419,047
Fund Balance, June 30, 2020	\$ 2,371,277	\$ 653,527	\$ 2,060,471	\$ 3,812,815	\$ 631,704	\$ 9,529,794

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

Exhibit C-4

Grundy 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)		\$ 110,747
(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	\$ 257,189	
Less: current-year depreciation expense	<u>(663,357)</u>	(406,168)
(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		(32,992)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 404,174	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(440,076)</u>	(35,902)
(4) 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 net effect of these differences in the treatment of long-term debt and related items.		
Less: loan proceeds	\$ (81,804)	
Add: principal payments on bonds	919,972	
Add: principal payments on notes	236,125	
Add: principal payments on other loans	438,172	
Less: contributions from the school department for notes and other loans	<u>(214,118)</u>	1,298,347
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 5,153	
Change in compensated absences payable	(4,130)	
Change in net pension liability/asset	199,846	
Change in deferred outflows related to pensions	5,118	
Change in deferred inflows related to pensions	(85,696)	
Change in OPEB liability	4,766	
Change in deferred outflows related to OPEB	115	
Change in deferred inflows related to OPEB	(10,248)	
Change in landfill closure/postclosure care costs	<u>10,354</u>	<u>125,278</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,059,310</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 3,602,425	\$ 3,556,213	\$ 3,556,113	\$ 46,312
Licenses and Permits	39,588	40,000	40,000	(412)
Fines, Forfeitures, and Penalties	44,975	68,325	68,425	(23,450)
Charges for Current Services	39,056	52,500	52,500	(13,444)
Other Local Revenues	104,584	55,000	78,821	25,763
Fees Received From County Officials	553,450	641,900	641,900	(88,450)
State of Tennessee	909,824	755,800	925,347	(15,523)
Federal Government	248,260	113,524	400,719	(152,459)
Other Governments and Citizens Groups	39,500	4,500	14,500	25,000
Total Revenues	\$ 5,581,662	\$ 5,287,762	\$ 5,778,325	\$ (196,663)
Expenditures				
General Government				
County Commission	\$ 45,579	\$ 47,748	\$ 56,360	\$ 10,781
Board of Equalization	1,750	2,000	2,000	250
Beer Board	198	300	300	102
County Mayor/Executive	184,754	183,786	188,439	3,685
County Attorney	18,955	25,000	25,000	6,045
Election Commission	157,758	183,873	184,950	27,192
Register of Deeds	119,542	118,825	120,440	898
County Buildings	363,867	274,523	395,321	31,454
Finance				
Property Assessor's Office	179,964	186,588	189,280	9,316
County Trustee's Office	143,756	141,235	146,216	2,460
County Clerk's Office	186,715	185,767	192,535	5,820
Administration of Justice				
Circuit Court	217,854	247,289	258,664	40,810
General Sessions Judge	169,565	154,771	169,748	183
Chancery Court	124,407	125,111	126,726	2,319
Juvenile Court	30,454	34,449	35,526	5,072
Other Administration of Justice	30,000	0	30,000	0
Public Safety				
Sheriff's Department	1,199,111	1,196,359	1,251,267	52,156
Administration of the Sexual Offender Registry	4,218	4,300	4,300	82
Jail	1,127,595	1,188,550	1,214,925	87,330
Juvenile Services	65,539	47,574	109,693	44,154
Work Release Program	14,869	20,300	20,300	5,431
Fire Prevention and Control	20,700	20,135	20,700	0
Rescue Squad	3,000	3,000	3,000	0
Disaster Relief	74,269	0	130,000	55,731
Other Emergency Management	49,907	45,454	55,454	5,547
County Coroner/Medical Examiner	8,600	11,600	11,600	3,000
Public Safety Grants Program	65,233	75,000	77,072	11,839
Other Public Safety	16,111	10,924	21,384	5,273
Public Health and Welfare				
Local Health Center	41,234	52,158	48,197	6,963
Ambulance/Emergency Medical Services	150,000	150,000	150,000	0
Other Local Health Services	69,256	72,875	110,812	41,556

(Continued)

Exhibit C-5

Grundy 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>				
Regional Mental Health Center	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0
Other Local Welfare Services	25,149	0	30,000	4,851
Waste Pickup	6,955	0	26,000	19,045
<u>Social, Cultural, and Recreational Services</u>				
Libraries	53,382	53,670	56,900	3,518
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	81,148	94,200	94,200	13,052
Soil Conservation	44,724	49,194	50,809	6,085
<u>Other Operations</u>				
Tourism	9,038	4,000	11,550	2,512
Other Economic and Community Development	89,652	0	200,000	110,348
Veterans' Services	13,787	16,057	16,057	2,270
Other Charges	175,102	188,864	188,864	13,762
Contributions to Other Agencies	40,250	40,100	47,600	7,350
Employee Benefits	318,204	267,700	324,105	5,901
COVID-19 Grant B	47,163	0	47,163	0
Miscellaneous	122,591	0	137,232	14,641
Total Expenditures	\$ 5,913,905	\$ 5,525,279	\$ 6,582,689	\$ 668,784
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (332,243)	\$ (237,517)	\$ (804,364)	\$ 472,121
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 29,454	\$ 0	\$ 29,454	\$ 0
Total Other Financing Sources	\$ 29,454	\$ 0	\$ 29,454	\$ 0
Net Change in Fund Balance				
	\$ (302,789)	\$ (237,517)	\$ (774,910)	\$ 472,121
Fund Balance, July 1, 2019	2,674,066	2,627,337	2,627,337	46,729
Fund Balance, June 30, 2020	\$ 2,371,277	\$ 2,389,820	\$ 1,852,427	\$ 518,850

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 660,290	\$ 641,821	\$ 641,821	\$ 18,469
Other Local Revenues	27,894	21,000	21,000	6,894
State of Tennessee	212,963	44,200	636,608	(423,645)
Total Revenues	<u>\$ 901,147</u>	<u>\$ 707,021</u>	<u>\$ 1,299,429</u>	<u>\$ (398,282)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 44,358	\$ 44,200	\$ 45,263	\$ 905
Convenience Centers	918,831	600,020	1,269,284	350,453
Landfill Operation and Maintenance	17,606	16,000	21,000	3,394
<u>Other Operations</u>				
Other Charges	13,237	13,000	13,450	213
Total Expenditures	<u>\$ 994,032</u>	<u>\$ 673,220</u>	<u>\$ 1,348,997</u>	<u>\$ 354,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (92,885)</u>	<u>\$ 33,801</u>	<u>\$ (49,568)</u>	<u>\$ (43,317)</u>
Net Change in Fund Balance	\$ (92,885)	\$ 33,801	\$ (49,568)	\$ (43,317)
Fund Balance, July 1, 2019	<u>746,412</u>	<u>726,517</u>	<u>726,517</u>	<u>19,895</u>
Fund Balance, June 30, 2020	<u>\$ 653,527</u>	<u>\$ 760,318</u>	<u>\$ 676,949</u>	<u>\$ (23,422)</u>

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

Exhibit C-7

Grundy 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>				
Charges for Current Services	\$ 94,852	\$ 20,000	\$ 20,000	\$ 74,852
Other Local Revenues	26,069	95,000	95,000	(68,931)
State of Tennessee	2,344,256	2,462,484	2,462,484	(118,228)
Total Revenues	<u>\$ 2,465,177</u>	<u>\$ 2,577,484</u>	<u>\$ 2,577,484</u>	<u>\$ (112,307)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 178,438	\$ 187,853	\$ 187,853	\$ 9,415
Highway and Bridge Maintenance	1,087,877	1,335,050	1,326,504	238,627
Operation and Maintenance of Equipment	128,800	238,280	238,280	109,480
Other Charges	123,114	123,814	130,814	7,700
Employee Benefits	18,546	0	18,546	0
Capital Outlay	269,161	772,330	772,330	503,169
Total Expenditures	<u>\$ 1,805,936</u>	<u>\$ 2,657,327</u>	<u>\$ 2,674,327</u>	<u>\$ 868,391</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 659,241</u>	<u>\$ (79,843)</u>	<u>\$ (96,843)</u>	<u>\$ 756,084</u>
Net Change in Fund Balance	\$ 659,241	\$ (79,843)	\$ (96,843)	\$ 756,084
Fund Balance, July 1, 2019	1,401,230	1,323,986	1,323,986	77,244
Fund Balance, June 30, 2020	<u>\$ 2,060,471</u>	<u>\$ 1,244,143</u>	<u>\$ 1,227,143</u>	<u>\$ 833,328</u>

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

Exhibit D-1

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

	Business-type Activities -
	Major Enterprise Fund
	Waste Water Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 16,337
Accounts Receivable	10,162
Total Current Assets	<u>\$ 26,499</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 30,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	626,297
Infrastructure	284,414
Total Noncurrent Assets	<u>\$ 940,711</u>
Total Assets	<u>\$ 967,210</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 940,711
Unrestricted	26,499
Total Net Position	<u>\$ 967,210</u>

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

Exhibit D-2

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

	Business-type Activities -
	Major Enterprise Fund
	Waste Water Fund
<u>Operating Revenues</u>	
Water Treatment Charges	\$ 57,032
Total Operating Revenues	<u>\$ 57,032</u>
<u>Operating Expenses</u>	
Communication	\$ 1,346
Postal Charges	220
Other Contracted Services	38,777
Electricity	11,882
Water and Sewer	297
Testing	10,715
Other Supplies and Materials	6,406
Depreciation	68,845
Other Charges	1,255
Total Operating Expenses	<u>\$ 139,743</u>
Operating Loss	<u>\$ (82,711)</u>
 Nonoperating Revenue/(Expenses)	
Interest Income	\$ 39
Total Nonoperating Revenue/(Expenses)	<u>\$ 39</u>
 Change in Net Position	\$ (82,672)
Net Position, July 1, 2019	<u>1,049,882</u>
 Net Position, June 30, 2020	<u><u>\$ 967,210</u></u>

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

Exhibit D-3

Grundy County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Business-type Activities -
	Major Enterprise Fund
	Waste Water Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 56,431
Payments to Vendors	(70,333)
Other Payments	(565)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (14,467)</u>
<u>Cash Flows from Investing Activities</u>	
Interest Earned	\$ 39
Net Cash Provided by (Used In) Investing Activities	<u>\$ 39</u>
Net Increase (Decrease) in Cash	\$ (14,428)
Cash, July 1, 2019	<u>30,765</u>
Cash, June 30, 2020	<u><u>\$ 16,337</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (82,711)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	68,845
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	<u>(601)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (14,467)</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 643,839
Due from Other Governments	<u>145,582</u>
Total Assets	<u><u>\$ 789,421</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 145,582
Due to Litigants, Heirs, and Others	<u>643,839</u>
Total Liabilities	<u><u>\$ 789,421</u></u>

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

GRUNDY COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grundy 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 Grundy County:

A. Reporting Entity

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

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

The Grundy County School Department operates the public school system in the county, and the voters of Grundy 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 Grundy County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Grundy County, and the Grundy 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 Grundy County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Grundy 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. Complete financial statements of the Grundy County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Grundy County Emergency Communications District
P.O. Box 433
Altamont, TN 37301

Related Organization – The Industrial Development Board of Grundy County is a related organization of Grundy County. The county mayor nominates, and the Grundy County Commission confirms the board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Grundy County issues all debt for the discretely presented Grundy 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 Grundy 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. Grundy County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Grundy 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 and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Grundy County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Grundy County’s solid waste. Local taxes are the foundational revenues of this fund.

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

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

Grundy County reports the following major proprietary fund:

Waste Water Fund – This fund accounts for a waste water system, which treats waste water for various industries, businesses, and citizens in the county.

Additionally, Grundy County reports the following fund type:

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 Grundy 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 Grundy County School Department reports the following major governmental funds:

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

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

Additionally, the school department reports the following fund type:

Private Purpose Trust Fund – The Other Trust Fund is used to account for savings bond awards given to Grundy County students who win an essay contest and a spelling bee. Money for this fund was provided by a citizen.

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 waste water treatment. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on 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 Grundy 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 Debt Service Fund. Grundy 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 State 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 State of America. Grundy County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.12 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 Grundy 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 Grundy County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Grundy 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 \$10,000 (\$15,000 for roads and bridges) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Infrastructure:	
Roads	20 - 40
Bridges	40
Other Capital Assets	5 - 20

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 changes in proportionate share of contributions.

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

6. Compensated Absences

Primary Government

The general policy of Grundy County does not allow for the accumulation of vacation and sick days beyond the fiscal year-end, except for the highway department, which permits the accumulation

of vacation and sick leave exceeding a normal year's accumulation. There is no liability for unpaid accumulated sick leave since the highway department does not have a policy to pay any amounts when employees separate from service with the department. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Grundy County School Department

The general policy of the Grundy County School Department does not allow for the accumulation of personal days beyond the fiscal year-end. Professional personnel earn two days of personal leave a year and any unused personal leave is converted to sick leave. Support personnel receive one sick day for each month the employee works. Support personnel may request and receive compensation for unused sick leave, accumulated during the current school year, at the end of the fiscal school year. A liability for sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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, Grundy County had \$2,102,995 in outstanding debt for capital purposes for the discretely presented Grundy County School Department. This debt is a liability of Grundy County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Grundy 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/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Grundy County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Grundy 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 Grundy County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Grundy 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 Grundy 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 Grundy 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 Grundy 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 was not budgeted. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

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

<u>Fund</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 261,233

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Grundy County and the Grundy 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 or nonpooled investments as of June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The Grundy 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 Grundy 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 Grundy 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	\$ 22,323
Developed Market International Equity	N/A	N/A	10,083
Emerging Market International Equity	N/A	N/A	2,880
U.S. Fixed Income	N/A	N/A	14,402
Real Estate	N/A	N/A	7,201
Short-term Securities	N/A	N/A	720
NAV - Private Equity and Strategic Lending	N/A	N/A	14,402
 Total			\$ 72,011

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	\$ 22,323	\$ 22,323	\$ 0	\$ 0	0
Developed Market International Equity	10,083	10,083	0	0	0
Emerging Market International Equity	2,880	2,880	0	0	0
U.S. Fixed Income	14,402	0	14,402	0	0
Real Estate	7,201	0	0	7,201	0
Short-term Securities	720	0	720	0	0
Private Equity and Strategic Lending	14,402	0	0	0	14,402
 Total	\$ 72,011	\$ 35,286	\$ 15,122	\$ 7,201	\$ 14,402

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 Grundy 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 Grundy 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. Grundy 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 Grundy 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. Capital Assets

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

Primary Government

Primary Government - Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 414,790	\$ 0	\$ 0	\$ 414,790
Total Capital Assets Not Depreciated	\$ 414,790	\$ 0	\$ 0	\$ 414,790
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,273,586	\$ 0	\$ 0	\$ 11,273,586
Infrastructure	8,274,806	0	0	8,274,806
Other Capital Assets	3,143,749	257,189	(54,200)	3,346,738
Total Capital Assets Depreciated	\$ 22,692,141	\$ 257,189	\$ (54,200)	\$ 22,895,130
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,334,490	\$ 264,550	\$ 0	\$ 2,599,040
Infrastructure	6,346,021	173,962	0	6,519,983
Other Capital Assets	2,498,402	224,845	(21,208)	2,702,039
Total Accumulated Depreciation	\$ 11,178,913	\$ 663,357	\$ (21,208)	\$ 11,821,062
Total Capital Assets Depreciated, Net	\$ 11,513,228	\$ (406,168)	\$ (32,992)	\$ 11,074,068
Governmental Activities Capital Assets, Net	\$ 11,928,018	\$ (406,168)	\$ (32,992)	\$ 11,488,858

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

Governmental Activities:

General Government	\$ 88,234
Public Safety	273,057
Public Health and Welfare	38,802
Agriculture and Natural Resources	4,442
Highways/Public Works	<u>258,822</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 663,357</u></u>

Waste Water Fund (enterprise fund)**Business-type Activities:**

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 30,000	\$ 0	\$ 30,000
Total Capital Assets Not Depreciated	<u>\$ 30,000</u>	<u>\$ 0</u>	<u>\$ 30,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,654,496	\$ 0	\$ 1,654,496
Infrastructure	777,647	0	777,647
Total Capital Assets Depreciated	<u>\$ 2,432,143</u>	<u>\$ 0</u>	<u>\$ 2,432,143</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 988,904	\$ 39,295	\$ 1,028,199
Infrastructure	463,683	29,550	493,233
Total Accumulated Depreciation	<u>\$ 1,452,587</u>	<u>\$ 68,845</u>	<u>\$ 1,521,432</u>
Total Capital Assets Depreciated, Net	<u>\$ 979,556</u>	<u>\$ (68,845)</u>	<u>\$ 910,711</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,009,556</u>	<u>\$ (68,845)</u>	<u>\$ 940,711</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 enterprise fund as follows:

Business-type Activities:

Public Health and Welfare	<u>\$ 68,845</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 68,845</u></u>

Discretely Presented Grundy County School Department**Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 262,199	\$ 0	\$ (4,628)	\$ 257,571
Total Capital Assets Not Depreciated	<u>\$ 262,199</u>	<u>\$ 0</u>	<u>\$ (4,628)</u>	<u>\$ 257,571</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,155,477	\$ 17,900	\$ 0	\$ 23,173,377
Other Capital Assets	3,402,370	521,458	(362,184)	3,561,644
Total Capital Assets Depreciated	<u>\$ 26,557,847</u>	<u>\$ 539,358</u>	<u>\$ (362,184)</u>	<u>\$ 26,735,021</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 13,008,647	\$ 538,819	\$ 0	\$ 13,547,466
Other Capital Assets	2,483,728	169,439	(344,075)	2,309,092
Total Accumulated Depreciation	<u>\$ 15,492,375</u>	<u>\$ 708,258</u>	<u>\$ (344,075)</u>	<u>\$ 15,856,558</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,065,472</u>	<u>\$ (168,900)</u>	<u>\$ (18,109)</u>	<u>\$ 10,878,463</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,327,671</u>	<u>\$ (168,900)</u>	<u>\$ (22,737)</u>	<u>\$ 11,136,034</u>

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

Governmental Activities:

Instruction	\$ 380,594
Support Services	295,703
Operation of Non-instructional Services	<u>31,961</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 708,258</u>

C. 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	\$ 33,725
Highway/Public Works	Solid Waste/Sanitation	1,173
Discretely Presented School Department:		
General Purpose School	Central Cafeteria	16,453

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

The receivable in the Highway/Public Works Fund totaling \$1,173 was in transit from the Solid/Waste Sanitation fund at June 30, 2020.

Due to/from Primary Government and Component Unit:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Primary Government:		
Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 380,994
General Fund	General Purpose School Fund	32,700

The Due to Primary Government – Governmental Activities consists of the balance of notes (\$37,797) and other loans (\$343,197) issued by the county for the school department. The school department has agreed to contribute the funds annually to retire this debt. These long-term debt obligations are reflected in the governmental activities on the Statement of Net Position.

The receivable in the General Fund totaling \$32,700 was reimbursement from the General Purpose School Fund for the costs associated with school resource officers.

Interfund Transfers:

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

Discretely Presented Grundy County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
Nommajor governmental fund	\$ 14,664	Indirect Costs

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.

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Grundy County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 38 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 - Grundy County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital

outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to five years for notes and up to 11 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. 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, capital outlay notes, and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	3.5%	5-11-54	\$ 7,000,000	\$ 6,612,884
General Obligation Bonds - School Refunding	2.07	5-1-21	3,945,000	855,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	0 to 3.05	9-1-21	880,973	320,797
Other Loans	0 to 4	1-15-30	1,665,613	422,205
Other Loans	Variable	6-1-23	2,690,000	867,001

On December 7, 2012, Grundy County entered into a loan agreement with the City of Clarksville, Tennessee, Public Building Authority. This loan agreement provided for the authority to loan \$2,690,000 to Grundy County on an as-needed basis for various school renovation and construction projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees in connection with this loan. At June 30, 2020, the variable interest rate was .13 percent, and other fees totaled approximately 1.05 percent of the outstanding loan principal plus \$125 a month.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 958,528	\$ 247,651	\$ 1,206,179
2022	107,210	226,270	333,480
2023	111,023	222,457	333,480
2024	114,972	218,508	333,480
2025	119,061	214,419	333,480
2026-2030	661,919	1,005,481	1,667,400
2031-2035	788,308	879,092	1,667,400
2036-2040	938,831	728,569	1,667,400
2041-2045	1,118,095	549,305	1,667,400
2046-2050	1,331,587	335,813	1,667,400
2051-2054	1,218,350	87,779	1,306,129
Total	\$ 7,467,884	\$ 4,715,344	\$ 12,183,228

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 189,797	\$ 6,893	\$ 196,690
2022	131,000	1,998	132,998
Total	\$ 320,797	\$ 8,891	\$ 329,688

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Fees	Total
2021	\$ 448,280	\$ 19,074	\$ 3,300	\$ 470,654
2022	454,564	13,558	2,876	470,998
2023	328,924	7,917	2,443	339,284
2024	7,782	2,156	0	9,938
2025	8,100	1,838	0	9,938
2026-2030	41,556	3,994	0	45,550
Total	\$ 1,289,206	\$ 48,537	\$ 8,619	\$ 1,346,362

There is \$3,812,815 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$545, based on the 2010 federal census. Total debt per capita, including bonds, notes, and other loans totaled \$662, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-20</u>
<u>Notes Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Bus	\$ 19,485
School Bus	18,312
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Improvements	<u>343,197</u>
Total	<u>\$ 380,994</u>

Changes in Long-term Debt

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

Governmental Activities:

	<u>Bonds</u>	<u>Notes - Direct Placement</u>	<u>Other Loans - Direct Placement</u>
Balance July 1, 2019	\$ 8,387,856	\$ 556,922	\$ 1,645,574
Additions	0	0	81,804
Reductions	<u>(919,972)</u>	<u>(236,125)</u>	<u>(438,172)</u>
Balance June 30, 2020	<u>\$ 7,467,884</u>	<u>\$ 320,797</u>	<u>\$ 1,289,206</u>
Balance Due Within One Year	<u>\$ 958,528</u>	<u>\$ 189,797</u>	<u>\$ 448,280</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 9,077,887
Less: Due Within One Year - Debt	<u>(1,596,605)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 7,481,282</u></u>

E. Long-term Obligations

Changes in Long-term Obligations

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

	Other Postemployment Benefits	Landfill Postclosure Care Costs	Compensated Absences
Balance July 1, 2019	\$ 64,875	\$ 363,934	\$ 22,502
Additions	9,710	6,251	30,573
Reductions	<u>(14,476)</u>	<u>(16,605)</u>	<u>(26,443)</u>
Balance June 30, 2020	<u><u>\$ 60,109</u></u>	<u><u>\$ 353,580</u></u>	<u><u>\$ 26,632</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>	<u><u>\$ 11,070</u></u>	<u><u>\$ 26,632</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 440,321
Less: Due Within One Year - Other	<u>(37,702)</u>
Noncurrent Liabilities - Other - Due in More Than One Year - Exhibit A	<u><u>\$ 402,619</u></u>

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

During February 2004, Grundy County entered into a revocable contract with a private firm to provide postclosure care for the county's closed landfill. Terms of this agreement require the county to pay an annual fee of \$9,920 for postclosure care costs. The county is required to provide postclosure care for this closed landfill for the next 11 years.

Discretely Presented Grundy County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance July 1, 2019	\$ 1,418,204
Additions	148,096
Reductions	<u>(232,000)</u>
Balance June 30, 2020	<u>\$ 1,334,300</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 1,334,300
Less: Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,334,300</u>

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

F. On-Behalf Payments

Discretely Presented Grundy County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Grundy 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 \$48,901 and \$31,422, 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

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

On January 1, 2016, Grundy County began providing commercial health insurance coverage to its employees. Retirees are not allowed to participate in the commercial insurance plan. Settled claims have not exceeded this commercial coverage for the period January 1, 2016, through June 30, 2020.

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

Discretely Presented Grundy County School Department

The discretely presented Grundy County School Department is exposed to various risks related to general liability, property, casualty, and workers' compensation. The school department is a member of the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The school department pays annual premiums to these pools for general liability, property, casualty losses, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Contingent Liabilities

The sheriff is named in a lawsuit in his official capacity as sheriff that alleges the use of excessive force and a violation of civil rights in an officer-involved shooting by a part-time deputy that resulted in a fatality. The county is not named as a defendant in this suit; however, attorneys advise that a judgment against the sheriff in his official capacity could become a liability of the county. The plaintiffs are seeking compensatory judgment in the amount of \$15,000,000. The county's insurance company is contesting this case and cannot estimate a potential liability against the county.

The county is involved in several pending lawsuits. Attorneys for the county and management of the county do not believe that claims resulting from such litigation would materially affect the county's financial statements.

C. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Although the Grundy County landfill closed in 2001, the county has contracted with a private company for its waste disposal. The Solid Waste/Sanitation Fund (special revenue fund) reports postclosure care costs as expenditures in each period in which they are incurred. The \$353,580 reported as landfill postclosure care cost liability at June 30, 2020, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. The county maintains a revocable contract with a private firm for postclosure care costs on the closed landfill. The county is required to monitor the closed landfill for the next 11 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Joint Venture

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district includes Grundy, Franklin, Marion, Rhea, and Sequatchie counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general and the sheriffs and police chiefs of the participating law enforcement agencies within the judicial district. Grundy County made no contributions to the DTF for the year ended June 30, 2020, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
Twelfth Judicial District
375 Church Street, Suite 300
Dayton, TN 37321

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Grundy County and non-certified employees of the discretely presented Grundy 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 58.9 percent, the non-certified employees of the discretely presented school department comprise 41.1 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

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	143
Inactive Employees Entitled to But Not Yet Receiving Benefits	160
Active Employees	197
Total	<u><u>500</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Grundy 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 Grundy County was \$322,992 based on a rate of 6 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Grundy 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)

Grundy County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Grundy 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	\$ 18,495,059	\$ 19,196,936	\$ (701,877)
Changes for the Year:			
Service Cost	\$ 367,269	\$ 0	\$ 367,269
Interest	1,330,589	0	1,330,589
Differences Between Expected and Actual Experience	55,738	0	55,738
Contributions-Employer	0	286,676	(286,676)
Contributions-Employees	0	249,952	(249,952)
Net Investment Income	0	1,410,825	(1,410,825)
Benefit Payments, Including Refunds of Employee Contributions	(1,018,746)	(1,018,746)	0
Administrative Expense	0	(16,742)	16,742
Net Changes	\$ 734,850	\$ 911,965	\$ (177,115)
Balance, June 30, 2019	\$ 19,229,909	\$ 20,108,901	\$ (878,992)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.90%	\$ 11,326,416	\$ 11,844,143	\$ (517,726)
School Department	41.10%	7,903,493	8,264,758	(361,266)
Total		\$ 19,229,909	\$ 20,108,901	\$ (878,992)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Grundy 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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 1,330,330	\$ (878,992)	\$ (2,735,070)

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

Pension Expense. For the year ended June 30, 2020, Grundy County recognized pension expense of \$326,389.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Grundy 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	\$ 118,362	\$ 29,891
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	235,675
Changes in Assumptions	91,596	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	322,992	N/A
Total	<u>\$ 532,950</u>	<u>\$ 265,566</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	\$ 317,704	\$ 156,418
School Department	215,246	109,148
Total	<u>\$ 532,950</u>	<u>\$ 265,566</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	\$ 101,249
2022	(118,347)
2023	(31,081)
2024	(7,426)
2025	0
Thereafter	0

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

Discretely Presented Grundy County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Grundy County and non-certified employees of the discretely presented Grundy 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 58.9 percent and the non-certified employees of the discretely presented school department comprise 41.1 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Grundy County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$39,540, which is 2.03 percent of covered payroll. In addition, employer contributions of \$35,199, which is 1.81 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 (\$92,815) 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 .164423 percent. The proportion as of June 30, 2018, was .144710 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$28,109.

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	\$ 3,848	\$ 16,203
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,924
Changes in Assumptions	3,225	0
Changes in Proportion of Net Pension Liability (Asset)	535	12,500
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	39,540	N/A
Total	<u>\$ 47,148</u>	<u>\$ 32,627</u>

The school department's employer contributions of \$39,540, 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	\$ (2,987)
2022	(3,587)
2023	(2,486)
2024	(1,925)
2025	(1,765)
Thereafter	(12,268)

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 29,407 \$ (92,815) \$ (183,160)

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Grundy County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$701,070, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$2,163,969) 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 .210466 percent. The proportion measured at June 30, 2018, was .220677 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$273,049.

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	\$ 105,358	\$ 1,321,795
Changes in Assumptions	291,606	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	618,288
Changes in Proportion of Net Pension Liability (Asset)	24,216	35,219
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>701,070</u>	<u>N/A</u>
Total	<u>\$ 1,122,250</u>	<u>\$ 1,975,302</u>

The school department's employer contributions of \$701,070 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	\$ (457,278)
2022	(618,274)
2023	(274,932)
2024	(203,638)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) 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%
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Net Pension Liability (Asset) \$ 4,424,692 \$ (2,163,969) \$ (7,405,067)

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

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 \$97,633 and teachers contributed \$42,234 to this deferred compensation pension plan.

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

F. Other Postemployment Benefits (OPEB)

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

During the prior year, Grundy County (with the exception of the Grundy County Highway Department) elected to cease providing OPEB to retirees.

OPEB Provided through State Administered Public Entity Risk Pools

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

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%
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, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for

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

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of the Grundy County Highway Department 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. Grundy County Highway Department 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. The highway department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

	<u>Highway Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	11
Total	<u><u>11</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 department paid \$93 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Hwy Dept.</u>
Balance July 1, 2018	<u>\$ 64,875</u>
Changes for the Year:	
Service Cost	\$ 4,844
Interest	2,509
Difference between Expected and Actuarial Experience	(13,632)
Changes in Assumption and Other Inputs	2,357
Benefit Payments	(844)
Net Changes	<u>\$ (4,766)</u>
Balance June 30, 2019	<u><u>\$ 60,109</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the highway department recognized OPEB expense of \$5,460. At June 30, 2020, the department

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	\$ 14,494
Changes of Assumptions/Inputs	7,158	1,705
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	<u>93</u>	<u>0</u>
Total	<u>\$ 7,251</u>	<u>\$ 16,199</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	Highway Department
2021	\$ (1,893)
2022	(1,893)
2023	(1,893)
2024	(1,893)
2025	(1,469)
Thereafter	0

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 highway department 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	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%
Highway Department	\$ 64,283	\$ 60,109	\$ 56,081

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the highway department 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>		
	1% Decrease	Current Trend Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%
Highway Department	\$ 54,530	\$ 60,109	\$ 66,484

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

Plan Description - Employees of the Grundy 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 Grundy County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school

department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible 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 and Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to but Not Yet Receiving Benefits	0
Active Employees	<u>217</u>
Total	<u><u>231</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 \$76,293 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Grundy County School Department 63.23%</u>	<u>State of TN 36.77%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 1,418,204	\$ 775,525	\$ 2,193,729
Changes for the Year:			
Service Cost	\$ 70,448	\$ 40,967	\$ 111,415
Interest	51,094	29,713	80,807
Difference between Expected and Actuarial Experience	26,554	15,442	41,995
Changes in Assumption and Other Inputs	(107,882)	(62,736)	(170,618)
Change in Proportion	(31,107)	31,107	0
Benefit Payments	(93,011)	(54,088)	(147,098)
Net Changes	\$ (83,904)	\$ 405	\$ (83,499)
Balance June 30, 2019	\$ 1,334,300	\$ 775,930	\$ 2,110,230

The Grundy 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 Grundy 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 recognized 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 \$53,962 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Grundy County School Department's proportionate share of the collective OPEB liability was 63.23 percent and the State of Tennessee's share was 36.77 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 \$139,220 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	\$ 23,651	\$ 176,586
Changes of Assumptions/Inputs	30,617	142,982
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	9,787	32,430
Benefits Paid After the Measurement Date of June 30, 2019	<u>76,293</u>	<u>0</u>
Total	<u>\$ 140,348</u>	<u>\$ 351,998</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	\$ (36,284)
2022	(36,284)
2023	(36,284)
2024	(36,284)
2025	(36,284)
Thereafter	(106,523)

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	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,428,197	\$ 1,334,300	\$ 1,244,532
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,196,885	\$ 1,334,300	\$ 1,495,913
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G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Superintendent

Purchasing procedures for the highway department are governed by provisions of Chapter 435, Private Acts of 1939, and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the school department are governed by purchasing laws applicable to the schools as set forth in Section 49-2-203, *TCA*, which

provides for the county Board of Education, through its executive committee (director of schools and the chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

H. Subsequent Events

On August 31, 2020, Joanne Childers left the office of Assessor of Property and was succeeded by Daniel Crabtree.

On December 8, 2020, Glenda Dykes left the office of Director of Schools and was succeeded by Paul Conry on an interim basis. Dr. Donald Durley was appointed director of schools effective January 21, 2021.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Grundy County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 323,260	\$ 334,316	\$ 329,090	\$ 339,718	\$ 360,946	\$ 367,269
Interest	1,109,654	1,141,657	1,196,624	1,240,546	1,270,121	1,330,589
Differences Between Actual and Expected Experience	(254,053)	96,714	(110,982)	(119,561)	153,117	55,738
Changes in Assumptions	0	0	0	366,384	0	0
Benefit Payments, Including Refunds of Employee Contributions	(690,937)	(835,488)	(833,633)	(845,847)	(894,179)	(1,018,746)
Net Change in Total Pension Liability	\$ 487,924	\$ 737,199	\$ 581,099	\$ 981,240	\$ 890,005	\$ 734,850
Total Pension Liability, Beginning	14,817,592	15,305,516	16,042,715	16,623,814	17,605,054	18,495,059
Total Pension Liability, Ending (a)	\$ 15,305,516	\$ 16,042,715	\$ 16,623,814	\$ 17,605,054	\$ 18,495,059	\$ 19,229,909
Plan Fiduciary Net Position						
Contributions - Employer	\$ 380,039	\$ 314,675	\$ 326,496	\$ 328,222	\$ 350,117	\$ 286,676
Contributions - Employee	181,333	181,758	190,920	195,309	203,458	249,952
Net Investment Income	2,327,596	496,295	431,616	1,856,210	1,484,969	1,410,825
Benefit Payments, Including Refunds of Employee Contributions	(690,937)	(835,488)	(833,633)	(845,847)	(894,179)	(1,018,746)
Administrative Expense	(7,074)	(9,024)	(12,738)	(14,016)	(15,297)	(16,742)
Net Change in Plan Fiduciary Net Position	\$ 2,190,957	\$ 148,216	\$ 102,661	\$ 1,519,878	\$ 1,129,068	\$ 911,965
Plan Fiduciary Net Position, Beginning	14,106,156	16,297,113	16,445,329	16,547,990	18,067,868	19,196,936
Plan Fiduciary Net Position, Ending (b)	\$ 16,297,113	\$ 16,445,329	\$ 16,547,990	\$ 18,067,868	\$ 19,196,936	\$ 20,108,901
Net Pension Liability (Asset), Ending (a - b)	\$ (991,597)	\$ (402,614)	\$ 75,824	\$ (462,814)	\$ (701,877)	\$ (878,992)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.48%	102.51%	99.54%	102.63%	103.79%	104.57%
Covered Payroll	\$ 3,622,870	\$ 3,555,651	\$ 3,685,774	\$ 3,793,168	\$ 3,956,128	\$ 4,777,936
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(27.37)%	(11.32)%	2.06%	(12.20)%	(17.74)%	(18.40)%

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

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

Exhibit F-2

Grundy 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	\$ 380,039	\$ 314,675	\$ 326,496	\$ 328,222	\$ 350,117	\$ 216,918	\$ 322,992
Less Contributions in Relation to the Actuarially Determined Contribution	(380,039)	(314,675)	(326,496)	(328,222)	(350,117)	(286,676)	(322,992)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (69,758)	\$ 0
Covered Payroll	\$ 3,622,870	\$ 3,555,651	\$ 3,685,774	\$ 3,793,168	\$ 3,956,128	\$ 4,777,936	\$ 5,383,273
Contributions as a Percentage of Covered Payroll	10.49%	8.85%	8.86%	8.65%	8.85%	6.00%	6.00%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 12,151	\$ 20,724	\$ 34,594	\$ 50,584	\$ 33,755	\$ 39,540
Less Contributions in Relation to the Contractually Required Contribution	(12,151)	(20,724)	(34,594)	(50,584)	(33,755)	(39,540)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 303,782	\$ 518,094	\$ 834,864	\$ 1,264,592	\$ 1,739,905	\$ 1,947,790
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.14%	4.00%	1.94%	2.03%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 793,730	\$ 760,113	\$ 752,024	\$ 718,426	\$ 701,645	\$ 738,186	\$ 701,070
Less Contributions in Relation to the Contractually Required Contribution	(793,730)	(760,113)	(752,024)	(718,426)	(701,645)	(738,186)	(701,070)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,938,401	\$ 8,408,339	\$ 8,318,882	\$ 7,980,068	\$ 7,727,353	\$ 7,057,218	\$ 6,595,207
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.143189%	0.117748%	0.131768%	0.144710%	0.164423%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,882)	\$ (12,258)	\$ (34,764)	\$ (65,630)	\$ (92,815)
Covered Payroll	\$ 303,782	\$ 518,094	\$ 834,864	\$ 1,264,592	\$ 1,739,905
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.16)%	(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

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.227730%	0.224611%	0.230452%	0.224818%	0.220677%	0.210466%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (37,005)	\$ 92,009	\$ 1,440,197	\$ (73,558)	\$ (776,542)	\$ (2,163,969)
Covered Payroll	\$ 8,938,401	\$ 8,408,339	\$ 8,318,882	\$ 7,980,068	\$ 7,727,353	\$ 7,057,218
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.92)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-7

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

Grundy County Highway Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 3,632	\$ 3,378	\$ 4,844
Interest	1,691	2,137	2,509
Differences Between Actual and Expected Experience	0	(4,544)	(13,632)
Changes in Assumptions or Other Inputs	(2,815)	7,377	2,357
Benefit Payments	0	(250)	(844)
Net Change in Total OPEB Liability	\$ 2,508	\$ 8,098	\$ (4,766)
Total OPEB Liability, Beginning	54,269	56,777	64,875
Total OPEB Liability, Ending	\$ 56,777	\$ 64,875	\$ 60,109
Covered Employee Payroll	\$ 452,635	\$ 583,032	\$ 590,642
Net OPEB Liability as a percentage of Covered Employee Payroll	12.54%	11.13%	10.18%

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

Note 2: Changes in assumptions.

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

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

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

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

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

Exhibit F-8

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 128,975	\$ 119,259	\$ 111,415
Interest	74,577	88,223	80,807
Differences Between Actual and Expected Experience	0	(348,230)	41,995
Changes in Assumptions or Other Inputs	(105,493)	60,377	(170,618)
Benefit Payments	(158,759)	(169,610)	(147,098)
Net Change in Total OPEB Liability	\$ (60,700)	\$ (249,981)	\$ (83,499)
Total OPEB Liability, Beginning	2,504,410	2,443,710	2,193,729
Total OPEB Liability, Ending	\$ 2,443,710	\$ 2,193,729	\$ 2,110,230
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 879,347	\$ 775,525	\$ 775,930
Employer Proportionate Share of the Total OPEB Liability	1,564,363	1,418,204	1,334,300
Covered Employee Payroll	\$ 11,144,289	\$ 10,760,925	\$ 10,692,292
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.93%	20.39%	19.74%

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.

GRUNDY 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 in Assumptions: In 2017, the following assumptions were changed: decreased inflation rate from three 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 changes from an average of 4.25 percent to an average of four percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for 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. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for lease/rental revenues on county industrial buildings and state/federal grants related to industrial/economic development.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Exhibit G-1

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 6,084	\$ 6,084
Equity in Pooled Cash and Investments	144,012	405,945	115,888	0	665,845
Accounts Receivable	0	0	0	141	141
Total Assets	\$ 144,012	\$ 405,945	\$ 115,888	\$ 6,225	\$ 672,070
<u>LIABILITIES</u>					
Due to Other Funds	\$ 0	\$ 27,500	\$ 0	\$ 6,225	\$ 33,725
Due to Litigants, Heirs, and Others	0	0	6,641	0	6,641
Total Liabilities	\$ 0	\$ 27,500	\$ 6,641	\$ 6,225	\$ 40,366
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 144,012	\$ 378,445	\$ 0	\$ 0	\$ 522,457
Restricted for Public Safety	0	0	109,247	0	109,247
Total Fund Balances	\$ 144,012	\$ 378,445	\$ 109,247	\$ 0	\$ 631,704
Total Liabilities and Fund Balances	\$ 144,012	\$ 405,945	\$ 115,888	\$ 6,225	\$ 672,070

Exhibit G-2

Grundy 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				Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>					
Local Taxes	\$ 27,823	\$ 0	\$ 0	\$ 0	\$ 27,823
Fines, Forfeitures, and Penalties	0	0	18,775	0	18,775
Charges for Current Services	0	0	0	352	352
Other Local Revenues	0	48,475	8,448	0	56,923
State of Tennessee	0	285,932	0	0	285,932
Other Governments and Citizens Groups	0	15,250	0	0	15,250
Total Revenues	\$ 27,823	\$ 349,657	\$ 27,223	\$ 352	\$ 405,055
<u>Expenditures</u>					
Current:					
General Government	\$ 30,788	\$ 0	\$ 0	\$ 0	\$ 30,788
Finance	0	0	0	352	352
Public Safety	0	0	32,262	0	32,262
Other Operations	278	515,019	0	0	515,297
Total Expenditures	\$ 31,066	\$ 515,019	\$ 32,262	\$ 352	\$ 578,699
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,243)	\$ (165,362)	\$ (5,039)	\$ 0	\$ (173,644)
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 81,804	\$ 0	\$ 0	\$ 81,804
Total Other Financing Sources (Uses)	\$ 0	\$ 81,804	\$ 0	\$ 0	\$ 81,804

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
Net Change in Fund Balances	\$ (3,243)	\$ (83,558)	\$ (5,039)	\$ 0	\$ (91,840)
Fund Balance, July 1, 2019	147,255	462,003	114,286	0	723,544
Fund Balance, June 30, 2020	\$ 144,012	\$ 378,445	\$ 109,247	\$ 0	\$ 631,704

Exhibit G-3

Grundy 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	\$ 27,823	\$ 55,000	\$ 55,000	\$ (27,177)
Total Revenues	\$ 27,823	\$ 55,000	\$ 55,000	\$ (27,177)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 30,788	\$ 38,000	\$ 38,000	\$ 7,212
<u>Other Operations</u>				
Other Charges	278	700	700	422
Total Expenditures	\$ 31,066	\$ 38,700	\$ 38,700	\$ 7,634
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,243)	\$ 16,300	\$ 16,300	\$ (19,543)
Net Change in Fund Balance	\$ (3,243)	\$ 16,300	\$ 16,300	\$ (19,543)
Fund Balance, July 1, 2019	147,255	147,217	147,217	38
Fund Balance, June 30, 2020	\$ 144,012	\$ 163,517	\$ 163,517	\$ (19,505)

Exhibit G-4

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 48,475	\$ 40,000	\$ 40,000	\$ 8,475
State of Tennessee	285,932	14,480	564,480	(278,548)
Other Governments and Citizens Groups	15,250	0	5,250	10,000
Total Revenues	<u>\$ 349,657</u>	<u>\$ 54,480</u>	<u>\$ 609,730</u>	<u>\$ (260,073)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 515,019	\$ 44,480	\$ 681,534	\$ 166,515
Total Expenditures	<u>\$ 515,019</u>	<u>\$ 44,480</u>	<u>\$ 681,534</u>	<u>\$ 166,515</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (165,362)</u>	<u>\$ 10,000</u>	<u>\$ (71,804)</u>	<u>\$ (93,558)</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 81,804	\$ 0	\$ 81,804	\$ 0
Total Other Financing Sources	<u>\$ 81,804</u>	<u>\$ 0</u>	<u>\$ 81,804</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (83,558)	\$ 10,000	\$ 10,000	\$ (93,558)
Fund Balance, July 1, 2019	<u>462,003</u>	<u>469,880</u>	<u>469,880</u>	<u>(7,877)</u>
Fund Balance, June 30, 2020	<u>\$ 378,445</u>	<u>\$ 479,880</u>	<u>\$ 479,880</u>	<u>\$ (101,435)</u>

Exhibit G-5

Grundy 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	\$ 18,775	\$ 25,500	\$ 25,500	\$ (6,725)
Other Local Revenues	8,448	0	0	8,448
Total Revenues	<u>\$ 27,223</u>	<u>\$ 25,500</u>	<u>\$ 25,500</u>	<u>\$ 1,723</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 32,262	\$ 28,500	\$ 34,500	\$ 2,238
Total Expenditures	<u>\$ 32,262</u>	<u>\$ 28,500</u>	<u>\$ 34,500</u>	<u>\$ 2,238</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,039)</u>	<u>\$ (3,000)</u>	<u>\$ (9,000)</u>	<u>\$ 3,961</u>
Net Change in Fund Balance	\$ (5,039)	(3,000)	(9,000)	3,961
Fund Balance, July 1, 2019	<u>114,286</u>	<u>113,858</u>	<u>113,858</u>	<u>428</u>
Fund Balance, June 30, 2020	<u>\$ 109,247</u>	<u>\$ 110,858</u>	<u>\$ 104,858</u>	<u>\$ 4,389</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

Grundy 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	\$ 721,521	\$ 599,045	\$ 599,045	\$ 122,476
Other Local Revenues	164,764	148,000	148,000	16,764
Other Governments and Citizens Groups	966,546	750,000	966,546	0
Total Revenues	<u>\$ 1,852,831</u>	<u>\$ 1,497,045</u>	<u>\$ 1,713,591</u>	<u>\$ 139,240</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 280,355	\$ 255,365	\$ 280,365	\$ 10
Education	1,311,118	1,097,000	1,311,118	0
<u>Interest on Debt</u>				
General Government	244,036	269,115	269,115	25,079
Education	64,723	80,435	82,863	18,140
<u>Other Debt Service</u>				
General Government	10,029	12,500	12,500	2,471
Education	3,550	6,000	6,000	2,450
Total Expenditures	<u>\$ 1,913,811</u>	<u>\$ 1,720,415</u>	<u>\$ 1,961,961</u>	<u>\$ 48,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (60,980)</u>	<u>\$ (223,370)</u>	<u>\$ (248,370)</u>	<u>\$ 187,390</u>
Net Change in Fund Balance	\$ (60,980)	\$ (223,370)	\$ (248,370)	\$ 187,390
Fund Balance, July 1, 2019	<u>3,873,795</u>	<u>3,828,358</u>	<u>3,828,358</u>	<u>45,437</u>
Fund Balance, June 30, 2020	<u>\$ 3,812,815</u>	<u>\$ 3,604,988</u>	<u>\$ 3,579,988</u>	<u>\$ 232,827</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit 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

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 643,839	\$ 643,839
Due from Other Governments	145,582	0	145,582
Total Assets	<u>\$ 145,582</u>	<u>\$ 643,839</u>	<u>\$ 789,421</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 145,582	\$ 0	\$ 145,582
Due to Litigants, Heirs, and Others	0	643,839	643,839
Total Liabilities	<u>\$ 145,582</u>	<u>\$ 643,839</u>	<u>\$ 789,421</u>

Exhibit I-2

Grundy 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	\$ 759,329	\$ 759,329	\$ 0
Due from Other Governments	141,633	145,582	141,633	145,582
Total Assets	\$ 141,633	\$ 904,911	\$ 900,962	\$ 145,582
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 141,633	\$ 904,911	\$ 900,962	\$ 145,582
Total Liabilities	\$ 141,633	\$ 904,911	\$ 900,962	\$ 145,582
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,435,781	\$ 2,747,829	\$ 3,539,771	\$ 643,839
Total Assets	\$ 1,435,781	\$ 2,747,829	\$ 3,539,771	\$ 643,839
<u>Liabilities</u>				
Cash Overdraft	\$ 697	\$ 0	\$ 697	\$ 0
Due to Litigants, Heirs, and Others	1,435,084	2,747,829	3,539,074	643,839
Total Liabilities	\$ 1,435,781	\$ 2,747,829	\$ 3,539,771	\$ 643,839
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,435,781	\$ 2,747,829	\$ 3,539,771	\$ 643,839
Equity in Pooled Cash and Investments	0	759,329	759,329	0
Due from Other Governments	141,633	145,582	141,633	145,582
Total Assets	\$ 1,577,414	\$ 3,652,740	\$ 4,440,733	\$ 789,421
<u>Liabilities</u>				
Cash Overdraft	\$ 697	\$ 0	\$ 697	\$ 0
Due to Other Taxing Units	141,633	904,911	900,962	145,582
Due to Litigants, Heirs, and Others	1,435,084	2,747,829	3,539,074	643,839
Total Liabilities	\$ 1,577,414	\$ 3,652,740	\$ 4,440,733	\$ 789,421

Grundy County School Department

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

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for savings bond awards given to Grundy County students who win an essay contest and a spelling bee. Money for this fund was provided by a citizen.

Exhibit J-1

Grundy County, Tennessee
Statement of Activities
Discretely Presented Grundy 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	\$ 11,165,647	\$ 2,199	\$ 1,981,811	\$ (9,181,637)
Support Services	6,501,671	0	170,567	(6,331,104)
Operation of Non-instructional Services	2,058,890	79,424	2,172,639	193,173
Interest on Long-term Debt	2,428	0	0	(2,428)
Total Governmental Activities	\$ 19,728,636	\$ 81,623	\$ 4,325,017	\$ (15,321,996)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,639,390
Local Option Sales Taxes				495,200
Business Tax				21,293
Grants and Contributions Not Restricted to Specific Programs				13,740,616
Unrestricted Investment Earnings				2,314
Miscellaneous				30,348
Total General Revenues				\$ 15,929,161
Insurance Recovery				\$ 8,178
Change in Net Position				\$ 615,343
Net Position, July 1, 2019				15,721,620
Net Position, June 30, 2020				\$ 16,336,963

Exhibit J-2

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

	Major Funds		Nonmajor	Total
	General Purpose School	Central Cafeteria	Fund School Federal Projects	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 3,895,615	\$ 1,410,572	\$ 275,574	\$ 5,581,761
Accounts Receivable	13,609	0	0	13,609
Due from Other Governments	327,282	0	25,170	352,452
Due from Other Funds	16,453	0	0	16,453
Property Taxes Receivable	1,577,062	0	0	1,577,062
Allowance for Uncollectible Property Taxes	(65,757)	0	0	(65,757)
Restricted Assets	72,011	0	0	72,011
Total Assets	<u>\$ 5,836,275</u>	<u>\$ 1,410,572</u>	<u>\$ 300,744</u>	<u>\$ 7,547,591</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 42,466	\$ 71	\$ 40	\$ 42,577
Accrued Payroll	7,337	0	0	7,337
Payroll Deductions Payable	648,330	19,818	98,879	767,027
Due to Other Funds	0	16,453	0	16,453
Due to Primary Government	32,700	0	0	32,700
Due to State of Tennessee	0	0	110	110
Total Liabilities	<u>\$ 730,833</u>	<u>\$ 36,342</u>	<u>\$ 99,029</u>	<u>\$ 866,204</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,439,131	\$ 0	\$ 0	\$ 1,439,131
Deferred Delinquent Property Taxes	65,431	0	0	65,431
Other Deferred/Unavailable Revenue	50,097	0	0	50,097
Total Deferred Inflows of Resources	<u>\$ 1,554,659</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,554,659</u>

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Central</u>	<u>Fund</u>	
	<u>Purpose</u>	<u>Cafeteria</u>	<u>School</u>	<u>Governmental</u>
	<u>School</u>		<u>Projects</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 16,656	\$ 1,374,230	\$ 1,715	\$ 1,392,601
Restricted for Hybrid Retirement Stabilization Funds	72,011	0	0	72,011
Committed:				
Committed for Education	0	0	200,000	200,000
Assigned:				
Assigned for Education	261,233	0	0	261,233
Unassigned	3,200,883	0	0	3,200,883
Total Fund Balances	<u>\$ 3,550,783</u>	<u>\$ 1,374,230</u>	<u>\$ 201,715</u>	<u>\$ 5,126,728</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,836,275</u>	<u>\$ 1,410,572</u>	<u>\$ 300,744</u>	<u>\$ 7,547,591</u>

Exhibit J-3

Grundy County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Grundy 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)		\$	5,126,728
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	257,571	
Add: buildings and improvements net of accumulated depreciation		9,625,911	
Add: other capital assets net of accumulated depreciation		<u>1,252,552</u>	11,136,034
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt	\$	(380,994)	
Less: net OPEB liability		<u>(1,334,300)</u>	(1,715,294)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,384,644	
Less: deferred inflows of resources related to pensions		(2,117,077)	
Add: deferred outflows of resources related to OPEB		140,348	
Less: deferred inflows of resources related to OPEB		<u>(351,998)</u>	(944,083)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	361,266	
Add: net pension asset - teacher retirement plan		92,815	
Add: net pension asset - teacher legacy pension plan		<u>2,163,969</u>	2,618,050
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>115,528</u>
Net position of governmental activities (Exhibit A)			<u>\$ 16,336,963</u>

Exhibit J-4

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

	Major Funds		Nonmajor Fund	Total Governmental Funds
	General Purpose School	Central Cafeteria	School Federal Projects	
<u>Revenues</u>				
Local Taxes	\$ 2,142,031	\$ 0	\$ 0	\$ 2,142,031
Licenses and Permits	399	0	0	399
Charges for Current Services	0	79,424	0	79,424
Other Local Revenues	103,432	6,119	0	109,551
State of Tennessee	14,510,483	12,588	0	14,523,071
Federal Government	342,537	1,438,329	1,820,247	3,601,113
Total Revenues	\$ 17,098,882	\$ 1,536,460	\$ 1,820,247	\$ 20,455,589
<u>Expenditures</u>				
Current:				
Instruction	\$ 9,317,013	\$ 0	\$ 1,156,793	\$ 10,473,806
Support Services	6,058,555	0	590,384	6,648,939
Operation of Non-Instructional Services	561,925	1,486,821	58,506	2,107,252
Debt Service:				
Principal on Debt	214,118	0	0	214,118
Interest on Debt	2,428	0	0	2,428
Other Debt Service	750,000	0	0	750,000
Total Expenditures	\$ 16,904,039	\$ 1,486,821	\$ 1,805,683	\$ 20,196,543
Excess (Deficiency) of Revenues Over Expenditures	\$ 194,843	\$ 49,639	\$ 14,564	\$ 259,046
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,178	\$ 0	\$ 0	\$ 8,178
Transfers In	14,664	0	0	14,664

(Continued)

Exhibit J-4

Grundy County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Grundy County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Central</u>	<u>Fund</u>	
	<u>Purpose</u>	<u>Cafeteria</u>	<u>School</u>	<u>Governmental</u>
	<u>School</u>		<u>Federal</u>	<u>Funds</u>
			<u>Projects</u>	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ 0	\$ 0	\$ (14,664)	\$ (14,664)
Total Other Financing Sources (Uses)	\$ 22,842	\$ 0	\$ (14,664)	\$ 8,178
Net Change in Fund Balances	\$ 217,685	\$ 49,639	\$ (100)	\$ 267,224
Fund Balance, July 1, 2019	3,333,098	1,324,591	201,815	4,859,504
Fund Balance, June 30, 2020	\$ 3,550,783	\$ 1,374,230	\$ 201,715	\$ 5,126,728

Exhibit J-5

Grundy County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Grundy 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)		\$ 267,224
(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	\$ 539,358	
Less: current-year depreciation expense	<u>(708,258)</u>	(168,900)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value on capital assets disposed		(22,737)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 115,528	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(97,709)</u>	17,819
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to the primary government	\$ 55,742	
Add: principal contributions on other loans to the primary government	<u>158,376</u>	214,118
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent plan	\$ (22,731)	
Change in net pension asset - teacher retirement plan	27,185	
Change in net pension asset - teacher legacy pension plan	1,387,427	
Change in deferred outflows related to pensions	(328,340)	
Change in deferred inflows related to pensions	(746,756)	
Change in OPEB liability	83,904	
Change in deferred outflows related to OPEB	1,599	
Change in deferred inflows related to OPEB	<u>(94,469)</u>	<u>307,819</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 615,343</u>

Exhibit J-6

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Grundy 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	\$ 2,142,031	\$ 0	\$ 0	\$ 2,142,031	\$ 2,026,920	\$ 2,026,920	\$ 115,111
Licenses and Permits	399	0	0	399	400	400	(1)
Other Local Revenues	103,432	0	0	103,432	121,223	157,000	(53,568)
State of Tennessee	14,510,483	0	0	14,510,483	14,461,809	14,675,142	(164,659)
Federal Government	342,537	0	0	342,537	408,344	441,461	(98,924)
Total Revenues	\$ 17,098,882	\$ 0	\$ 0	\$ 17,098,882	\$ 17,018,696	\$ 17,300,923	\$ (202,041)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,770,293	\$ (104,879)	\$ 85,538	\$ 6,750,952	\$ 7,165,799	\$ 6,970,119	\$ 219,167
Special Education Program	1,914,261	(14,117)	11,913	1,912,057	2,096,492	2,042,621	130,564
Career and Technical Education Program	632,459	(1,733)	741	631,467	630,913	705,913	74,446
<u>Support Services</u>							
Attendance	162,767	(921)	2,507	164,353	161,101	165,828	1,475
Health Services	397,466	0	405	397,871	403,257	409,712	11,841
Other Student Support	362,203	(1,386)	0	360,817	522,380	498,899	138,082
Regular Instruction Program	194,817	0	0	194,817	197,745	197,745	2,928
Special Education Program	375,978	(14,004)	3,071	365,045	355,311	419,182	54,137
Career and Technical Education Program	87,307	0	0	87,307	89,967	89,967	2,660
Technology	222,277	(12,810)	5,508	214,975	220,707	245,902	30,927
Other Programs	80,323	0	0	80,323	0	80,323	0
Board of Education	363,942	0	0	363,942	384,542	420,113	56,171
Director of Schools	219,117	0	1,000	220,117	231,587	235,415	15,298
Office of the Principal	813,177	0	0	813,177	850,863	850,863	37,686
Fiscal Services	167,433	(1,301)	401	166,533	170,093	175,776	9,243
Human Services/Personnel	57,556	0	975	58,531	64,004	64,004	5,473
Operation of Plant	1,008,279	(32,712)	15,239	990,806	1,131,351	1,110,086	119,280
Maintenance of Plant	360,933	(34,638)	63,310	389,605	424,358	433,853	44,248
Transportation	1,184,980	(41,530)	70,625	1,214,075	1,206,839	1,407,139	193,064

(Continued)

Exhibit J-6

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Grundy 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>Operation of Non-Instructional Services</u>							
Community Services	\$ 282,353	\$ (264)	\$ 0	\$ 282,089	\$ 393,233	\$ 459,771	\$ 177,682
Early Childhood Education	279,572	0	0	279,572	281,444	283,482	3,910
<u>Principal on Debt</u>							
Education	214,118	0	0	214,118	213,707	214,118	0
<u>Interest on Debt</u>							
Education	2,428	0	0	2,428	252,870	2,459	31
<u>Other Debt Service</u>							
Education	750,000	0	0	750,000	500,000	750,000	0
Total Expenditures	\$ 16,904,039	\$ (260,295)	\$ 261,233	\$ 16,904,977	\$ 17,948,563	\$ 18,233,290	\$ 1,328,313
Excess (Deficiency) of Revenues Over Expenditures	\$ 194,843	\$ 260,295	\$ (261,233)	\$ 193,905	\$ (929,867)	\$ (932,367)	\$ 1,126,272
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,178	\$ 0	\$ 0	\$ 8,178	\$ 16,000	\$ 18,500	\$ (10,322)
Transfers In	14,664	0	0	14,664	14,664	14,664	0
Total Other Financing Sources	\$ 22,842	\$ 0	\$ 0	\$ 22,842	\$ 30,664	\$ 33,164	\$ (10,322)
Net Change in Fund Balance	\$ 217,685	\$ 260,295	\$ (261,233)	\$ 216,747	\$ (899,203)	\$ (899,203)	\$ 1,115,950
Fund Balance, July 1, 2019	3,333,098	(260,295)	0	3,072,803	2,866,334	2,866,334	206,469
Fund Balance, June 30, 2020	\$ 3,550,783	\$ 0	\$ (261,233)	\$ 3,289,550	\$ 1,967,131	\$ 1,967,131	\$ 1,322,419

Exhibit J-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,820,247	\$ 1,922,750	\$ 2,065,141	\$ (244,894)
Total Revenues	\$ 1,820,247	\$ 1,922,750	\$ 2,065,141	\$ (244,894)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 438,632	\$ 372,521	\$ 470,210	\$ 31,578
Special Education Program	636,132	655,506	698,505	62,373
Career and Technical Education Program	82,029	38,653	82,285	256
<u>Support Services</u>				
Other Student Support	54,031	67,514	84,512	30,481
Regular Instruction Program	466,962	521,033	542,346	75,384
Special Education Program	23,690	12,850	36,630	12,940
Career and Technical Education Program	1,729	2,000	1,729	0
Technology	0	6,506	2,508	2,508
Transportation	43,972	46,503	48,503	4,531
<u>Operation of Non-Instructional Services</u>				
Community Services	58,506	185,000	83,250	24,744
Total Expenditures	\$ 1,805,683	\$ 1,908,086	\$ 2,050,478	\$ 244,795
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,564	\$ 14,664	\$ 14,663	\$ (99)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (14,664)	\$ (14,664)	\$ (14,664)	\$ 0
Total Other Financing Sources	\$ (14,664)	\$ (14,664)	\$ (14,664)	\$ 0
Net Change in Fund Balance	\$ (100)	\$ 0	\$ (1)	\$ (99)
Fund Balance, July 1, 2019	201,815	201,702	201,702	113
Fund Balance, June 30, 2020	\$ 201,715	\$ 201,702	\$ 201,701	\$ 14

Exhibit J-8

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Grundy 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	\$ 79,424	\$ 120,100	\$ 120,100	\$ (40,676)
Other Local Revenues	6,119	4,580	4,580	1,539
State of Tennessee	12,588	15,000	15,000	(2,412)
Federal Government	1,438,329	1,413,239	1,413,239	25,090
Total Revenues	<u>\$ 1,536,460</u>	<u>\$ 1,552,919</u>	<u>\$ 1,552,919</u>	<u>\$ (16,459)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,486,821	\$ 1,552,919	\$ 1,552,919	\$ 66,098
Total Expenditures	<u>\$ 1,486,821</u>	<u>\$ 1,552,919</u>	<u>\$ 1,552,919</u>	<u>\$ 66,098</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 49,639</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 49,639</u>
Net Change in Fund Balance	\$ 49,639	\$ 0	\$ 0	\$ 49,639
Fund Balance, July 1, 2019	<u>1,324,591</u>	<u>1,310,474</u>	<u>1,310,474</u>	<u>14,117</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,374,230</u></u>	<u><u>\$ 1,310,474</u></u>	<u><u>\$ 1,310,474</u></u>	<u><u>\$ 63,756</u></u>

Grundy County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Fund
Discretely Presented Grundy County School Department
June 30, 2020

	Private Purpose Trust Fund	Other Trust Fund
	<hr/>	<hr/>
<u>ASSETS</u>		
Current Assets:		
Cash with Trustee	\$	22,331
Total Assets	<hr/>	<hr/> 22,331
<u>NET POSITION</u>		
Funds Held in Trust for Scholarships	\$	22,331
Total Net Position	<hr/>	<hr/> 22,331

Grundy County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2020

	Private Purpose Trust Fund	Other Trust Fund
	<hr/>	<hr/>
<u>ADDITIONS</u>		
Investment Income	\$ 389	
Contributions and Gifts		301
Total Additions	<hr/>	<hr/>
	\$ 690	
<u>DEDUCTIONS</u>		
Awards	\$ 375	
Miscellaneous		4
Total Deductions	<hr/>	<hr/>
	\$ 379	
Change in Net Position	\$ 311	
Net Position, July 1, 2019		<hr/>
		22,020
Net Position, June 30, 2020	<hr/>	<hr/>
	\$ 22,331	

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding Series 2016	\$ 3,945,000	2.07 %	4-29-16	5-1-21	\$ 1,675,000	\$ 0	\$ 820,000	\$ 855,000
General Obligation Bond, Series 2014	7,000,000	3.50	5-22-16	5-11-54	6,712,856	0	99,972	6,612,884
Total Bonds Payable					<u>\$ 8,387,856</u>	<u>\$ 0</u>	<u>\$ 919,972</u>	<u>\$ 7,467,884</u>
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Land - Additional Parking	100,000	0	9-26-16	9-30-20	\$ 50,000	\$ 0	\$ 25,000	\$ 25,000
Justice Center Completion	600,000	3.05	10-26-16	9-1-21	381,000	0	123,000	258,000
Patrol Trucks	95,934	2.50	10-18-17	5-5-20	32,383	0	32,383	0
Total Payable through General Debt Service Fund					<u>\$ 463,383</u>	<u>\$ 0</u>	<u>\$ 180,383</u>	<u>\$ 283,000</u>
<u>Contributions Due by the School Department from the General Purpose School</u>								
<u>Fund to the General Debt Service Fund</u>								
School Bus	89,451	2.90	9-29-14	10-1-19	\$ 18,881	\$ 0	\$ 18,881	\$ 0
School Bus	93,000	2.69	11-5-15	8-15-20	38,461	0	18,976	19,485
School Bus	87,973	2.38	8-25-16	5-15-21	36,197	0	17,885	18,312
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 93,539</u>	<u>\$ 0</u>	<u>\$ 55,742</u>	<u>\$ 37,797</u>
Total Notes Payable					<u>\$ 556,922</u>	<u>\$ 0</u>	<u>\$ 236,125</u>	<u>\$ 320,797</u>

(Continued)

Exhibit K-1

Grundy County, Tennessee
 Schedule of Changes in Long-term Bonds, Notes, and Other Loans (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>GOVERNMENTAL ACTIVITIES (CONT.)</u>								
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Renovations	\$ 2,690,000	Variable %	Various	6-1-23	\$ 1,144,001	\$ 0	\$ 277,000	\$ 867,001
Total Payable through General Debt Service Fund					\$ 1,144,001	\$ 0	\$ 277,000	\$ 867,001
<u>Payable through Industrial/Economic Development Fund</u>								
Industrial Development - SETDD	40,902	4.00	1-15-20	1-15-30	\$ 0	\$ 40,902	\$ 1,398	\$ 39,504
Industrial Development - SVEC	40,902	4.00	1-15-20	1-15-30	0	40,902	1,398	39,504
Total Payable through Industrial/Economic Development Fund					\$ 0	\$ 81,804	\$ 2,796	\$ 79,008
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
Energy Efficient Improvements	1,583,809	0	8-22-11	9-11-22	\$ 501,573	\$ 0	\$ 158,376	\$ 343,197
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					\$ 501,573	\$ 0	\$ 158,376	\$ 343,197
Total Other Loans Payable					\$ 1,645,574	\$ 81,804	\$ 438,172	\$ 1,289,206

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 958,528	\$ 247,651	\$ 1,206,179
2022	107,210	226,270	333,480
2023	111,023	222,457	333,480
2024	114,972	218,508	333,480
2025	119,061	214,419	333,480
2026	123,296	210,184	333,480
2027	127,681	205,799	333,480
2028	132,222	201,258	333,480
2029	136,925	196,555	333,480
2030	141,795	191,685	333,480
2031	146,838	186,642	333,480
2032	152,061	181,419	333,480
2033	157,469	176,011	333,480
2034	163,070	170,410	333,480
2035	168,870	164,610	333,480
2036	174,876	158,604	333,480
2037	181,096	152,384	333,480
2038	187,537	145,943	333,480
2039	194,207	139,273	333,480
2040	201,115	132,365	333,480
2041	208,268	125,212	333,480
2042	215,675	117,805	333,480
2043	223,346	110,134	333,480
2044	231,290	102,190	333,480
2045	239,516	93,964	333,480
2046	248,035	85,445	333,480
2047	256,857	76,623	333,480
2048	265,992	67,488	333,480
2049	275,453	58,027	333,480
2050	285,250	48,230	333,480
2051	295,395	38,085	333,480
2052	305,901	27,579	333,480
2053	316,782	16,698	333,480
2054	300,272	5,417	305,689
Total	\$ 7,467,884	\$ 4,715,344	\$ 12,183,228

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 189,797	\$ 6,893	\$ 196,690
2022	131,000	1,998	132,998
Total	\$ 320,797	\$ 8,891	\$ 329,688

(Continued)

Exhibit K-2

Grundy County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Other Loans			Total
	Principal	Interest	Fees	
2021	\$ 448,280	\$ 19,074	\$ 3,300	\$ 470,654
2022	454,564	13,558	2,876	470,998
2023	328,924	7,917	2,443	339,284
2024	7,782	2,156	0	9,938
2025	8,100	1,838	0	9,938
2026	8,430	1,508	0	9,938
2027	8,774	1,166	0	9,940
2028	9,130	808	0	9,938
2029	9,502	436	0	9,938
2030	5,720	76	0	5,796
Total	\$ 1,289,206	\$ 48,537	\$ 8,619	\$ 1,346,362

Exhibit K-3

Grundy County, Tennessee
Schedule of Transfers
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 14,664</u>
Total Transfers			<u><u>\$ 14,664</u></u>

Exhibit K-4

Grundy County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Grundy 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>	\$ 85,435	\$ (3)	
Highway Superintendent	Section 8-24-102, <i>TCA</i>	81,368	(3)	
Director of Schools	State Board of Education and Grundy County Board of Education	86,850 (1)	(3)	
Trustee	Section 8-24-102, <i>TCA</i>	73,971	(3)	
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	(3)	50,000 Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	(3)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	(3)	
Clerk and Master	Section 8-24-102, <i>TCA</i>	73,971	(3)	75,000 RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	(3)	
Sheriff	Section 8-24-102, <i>TCA</i>	81,368 (2)	(3)	
Employee Blanket Bonds				
	Public Employee Dishonesty - County Departments		400,000	Local Government Property and Casualty Fund
	Public Employee Dishonesty - School Department		400,000	"

- (1) Does not include a \$1,000 career ladder supplement.
(2) Does not include a law enforcement training supplement of \$800.
(3) Covered by the employee insurance policy pursuant to Section 8-19-101, *TCA*.

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,181,891	\$ 0	\$ 622,086	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	112,920	0	20,550	0	0	0
Trustee's Collections - Bankruptcy	321	0	39	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	66,571	0	12,115	0	0	0
Interest and Penalty	21,139	0	3,890	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,287	0	252	0	0	0
Payments in-Lieu-of Taxes - Other	11,930	0	1,358	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	92,594	0	0	0	0	0
Litigation Tax - General	16,435	0	0	0	0	0
Litigation Tax - Special Purpose	0	27,823	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	11,201	0	0	0	0	0
Business Tax	21,293	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	64,843	0	0	0	0	0
Total Local Taxes	\$ 3,602,425	\$ 27,823	\$ 660,290	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 399	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	37,527	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,662	0	0	0	0	0
Total Licenses and Permits	\$ 39,588	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 1,368	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,217	0	0	0	0	0
Game and Fish Fines	225	0	0	0	0	0
Drug Control Fines	0	0	0	0	2,446	0
Drug Court Fees	591	0	0	0	0	0
Data Entry Fee - Circuit Court	808	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	399	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	7,675	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	14,205	0	0	0	0	0
Game and Fish Fines	672	0	0	0	0	0
Drug Control Fines	0	0	0	0	2,686	0
Drug Court Fees	1,080	0	0	0	0	0
Jail Fees	1,347	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,948	0	0	0	0	0
Courtroom Security Fee	477	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	584	0	0	0	0	0
Officers Costs	1,130	0	0	0	0	0
Data Entry Fee - Juvenile Court	117	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	418	0	0	0	0	0
Data Entry Fee - Chancery Court	1,666	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,643	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 44,975	\$ 0	\$ 0	\$ 0	\$ 18,775	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Work Release Charges for Board	\$ 7,054	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	250	0	0	0	0	0
<u>Fees</u>						
Archives and Records Management Fee	214	0	0	0	0	0
Telephone Commissions	21,882	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	352
Data Processing Fee - Register	4,820	0	0	0	0	0
Data Processing Fee - Sheriff	1,460	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,800	0	0	0	0	0
Data Processing Fee - County Clerk	1,176	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	400	0	0	0	0	0
Total Charges for Current Services	\$ 39,056	\$ 0	\$ 0	\$ 0	\$ 0	\$ 352
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1	0	14,050	34,000	0	0
Commissary Sales	11,282	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Miscellaneous Refunds	3,799	0	0	14,475	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Property	347	0	0	0	8,448	0
Contributions and Gifts	105	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	84,050	0	13,844	0	0	0
Total Other Local Revenues	\$ 104,584	\$ 0	\$ 27,894	\$ 48,475	\$ 8,448	0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Juvenile Court Clerk	\$ 2,609	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	126,861	0	0	0	0	0
Circuit Court Clerk	41,666	0	0	0	0	0
General Sessions Court Clerk	61,345	0	0	0	0	0
Clerk and Master	51,392	0	0	0	0	0
Register	63,127	0	0	0	0	0
Sheriff	7,700	0	0	0	0	0
Trustee	198,750	0	0	0	0	0
Total Fees Received From County Officials	\$ 553,450	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 38,495	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Safe and Drug-Free Schools and Communities	72,262	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Health and Welfare Grants	71,444	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	8,502	0	43,562	0	0	0
Other Public Works Grants	0	0	169,401	0	0	0
<u>Other State Revenues</u>						
Income Tax	3,143	0	0	0	0	0
Beer Tax	85,550	0	0	0	0	0
Vehicle Certificate of Title Fees	6,296	0	0	0	0	0
Alcoholic Beverage Tax	47,702	0	0	0	0	0
State Revenue Sharing - Telecommunications	59,767	0	0	0	0	0
Contracted Prisoner Boarding	461,058	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	18,955	0	0	0	0	0
Other State Grants	0	0	0	285,932	0	0
Other State Revenues	16,650	0	0	0	0	0
Total State of Tennessee	\$ 909,824	\$ 0	\$ 212,963	\$ 285,932	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 89,504	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	16,066	0	0	0	0	0
Law Enforcement Grants	68,027	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
COVID-19 Grant B	\$ 47,163	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	27,500	0	0	0	0	0
Total Federal Government	\$ 248,260	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 9,500	\$ 0	\$ 0	10,000	\$ 0	0
<u>Other</u>	30,000	0	0	5,250	0	0
Total Other Governments and Citizens Groups	\$ 39,500	\$ 0	\$ 0	15,250	\$ 0	0
Total	\$ 5,581,662	\$ 27,823	\$ 901,147	\$ 349,657	\$ 27,223	352

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 107,119	\$ 3,911,096
Trustee's Collections - Prior Year	0	5,328	138,798
Trustee's Collections - Bankruptcy	0	28	388
Circuit Clerk/Clerk and Master Collections - Prior Years	0	3,141	81,827
Interest and Penalty	0	947	25,976
Payments in-Lieu-of Taxes - T.V.A.	0	43	1,582
Payments in-Lieu-of Taxes - Other	0	234	13,522
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	604,681	604,681
Hotel/Motel Tax	0	0	92,594
Litigation Tax - General	0	0	16,435
Litigation Tax - Special Purpose	0	0	27,823
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	11,201
Business Tax	0	0	21,293
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	0	64,843
Total Local Taxes	\$ 0	\$ 721,521	\$ 5,012,059
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$ 0	\$ 399
Cable TV Franchise	0	0	37,527
<u>Permits</u>			
Beer Permits	0	0	1,662
Total Licenses and Permits	\$ 0	\$ 0	\$ 39,588

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Highway / Public Works	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 1,368
Officers Costs	0	0	6,217
Game and Fish Fines	0	0	225
Drug Control Fines	0	0	2,446
Drug Court Fees	0	0	591
Data Entry Fee - Circuit Court	0	0	808
<u>Criminal Court</u>			
DUI Treatment Fines	0	0	399
<u>General Sessions Court</u>			
Fines	0	0	7,675
Fines for Littering	0	0	48
Officers Costs	0	0	14,205
Game and Fish Fines	0	0	672
Drug Control Fines	0	0	2,686
Drug Court Fees	0	0	1,080
Jail Fees	0	0	1,347
Data Entry Fee - General Sessions Court	0	0	5,948
Courtroom Security Fee	0	0	477
<u>Juvenile Court</u>			
Fines	0	0	584
Officers Costs	0	0	1,130
Data Entry Fee - Juvenile Court	0	0	117
<u>Chancery Court</u>			
Officers Costs	0	0	418
Data Entry Fee - Chancery Court	0	0	1,666

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Highway / Public Works	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 13,643
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 63,750</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Work Release Charges for Board	\$ 0	\$ 0	\$ 7,054
Other General Service Charges	94,852	0	95,102
<u>Fees</u>			
Archives and Records Management Fee	0	0	214
Telephone Commissions	0	0	21,882
Constitutional Officers' Fees and Commissions	0	0	352
Data Processing Fee - Register	0	0	4,820
Data Processing Fee - Sheriff	0	0	1,460
Sexual Offender Registration Fee - Sheriff	0	0	1,800
Data Processing Fee - County Clerk	0	0	1,176
Vehicle Insurance Coverage and Reinstatement Fees	0	0	400
Total Charges for Current Services	<u>\$ 94,852</u>	<u>\$ 0</u>	<u>\$ 134,260</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 164,764	\$ 164,764
Lease/Rentals	0	0	48,051
Commissary Sales	0	0	11,282
Sale of Gasoline	25,847	0	25,847
Miscellaneous Refunds	222	0	18,496

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Highway / Public Works	General Debt Service	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures	\$ 0	\$ 0	\$ 5,000
Sale of Property	0	0	8,795
Contributions and Gifts	0	0	105
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	97,894
Total Other Local Revenues	<u>\$ 26,069</u>	<u>\$ 164,764</u>	<u>\$ 380,234</u>
<u>Fees Received From County Officials</u>			
<u>Excess Fees</u>			
Juvenile Court Clerk	\$ 0	\$ 0	\$ 2,609
<u>Fees In-Lieu-of Salary</u>			
County Clerk	0	0	126,861
Circuit Court Clerk	0	0	41,666
General Sessions Court Clerk	0	0	61,345
Clerk and Master	0	0	51,392
Register	0	0	63,127
Sheriff	0	0	7,700
Trustee	0	0	198,750
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 553,450</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 38,495
<u>Public Safety Grants</u>			
Safe and Drug-Free Schools and Communities	0	0	72,262

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Highway / Public Works	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Health Department Programs	\$ 0	\$ 0	\$ 20,000
Other Health and Welfare Grants	0	0	71,444
<u>Public Works Grants</u>			
State Aid Program	263,778	0	263,778
Litter Program	0	0	52,064
Other Public Works Grants	0	0	169,401
<u>Other State Revenues</u>			
Income Tax	0	0	3,143
Beer Tax	0	0	85,550
Vehicle Certificate of Title Fees	0	0	6,296
Alcoholic Beverage Tax	0	0	47,702
State Revenue Sharing - Telecommunications	0	0	59,767
Contracted Prisoner Boarding	0	0	461,058
Gasoline and Motor Fuel Tax	2,070,591	0	2,070,591
Petroleum Special Tax	9,887	0	9,887
Registrar's Salary Supplement	0	0	18,955
Other State Grants	0	0	285,932
Other State Revenues	0	0	16,650
Total State of Tennessee	<u>\$ 2,344,256</u>	<u>\$ 0</u>	<u>\$ 3,752,975</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 0	\$ 0	\$ 89,504
Homeland Security Grants	0	0	16,066
Law Enforcement Grants	0	0	68,027

(Continued)

Exhibit K-5

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
	Highway / Public Works	General Debt Service	
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
COVID-19 Grant B	\$ 0	\$ 0	\$ 47,163
Other Federal through State	0	0	27,500
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 248,260</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 966,546	\$ 986,046
<u>Other</u>			
Other	0	0	35,250
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 966,546</u>	<u>\$ 1,021,296</u>
Total	<u>\$ 2,465,177</u>	<u>\$ 1,852,831</u>	<u>\$ 11,205,872</u>

Exhibit K-6

Grundy County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grundy 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	\$ 1,532,823	\$ 0	\$ 0	\$ 1,532,823
Trustee's Collections - Prior Year	54,397	0	0	54,397
Trustee's Collections - Bankruptcy	152	0	0	152
Circuit Clerk/Clerk and Master Collections - Prior Years	32,069	0	0	32,069
Interest and Penalty	10,181	0	0	10,181
Payments in-Lieu-of Taxes - T.V.A.	620	0	0	620
Payments in-Lieu-of Taxes - Other	3,347	0	0	3,347
<u>County Local Option Taxes</u>				
Local Option Sales Tax	487,149	0	0	487,149
Business Tax	21,293	0	0	21,293
Total Local Taxes	<u>\$ 2,142,031</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,142,031</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 399	\$ 0	\$ 0	\$ 399
Total Licenses and Permits	<u>\$ 399</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 399</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 15,832	\$ 15,832
A la Carte Sales	0	0	63,592	63,592
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,424</u>	<u>\$ 79,424</u>

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 2,261	\$ 0	\$ 53	\$ 2,314
E-Rate Funding	2,199	0	0	2,199
Rebates	0	0	6,066	6,066
Miscellaneous Refunds	31,519	0	0	31,519
<u>Nonrecurring Items</u>				
Sale of Equipment	2,151	0	0	2,151
Contributions and Gifts	56,337	0	0	56,337
<u>Other Local Revenues</u>				
Other Local Revenues	8,965	0	0	8,965
Total Other Local Revenues	<u>\$ 103,432</u>	<u>\$ 0</u>	<u>\$ 6,119</u>	<u>\$ 109,551</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 80,323	\$ 0	\$ 0	\$ 80,323
<u>State Education Funds</u>				
Basic Education Program	12,970,910	0	0	12,970,910
Early Childhood Education	202,454	0	0	202,454
School Food Service	0	0	12,588	12,588
Other State Education Funds	558,778	0	0	558,778
Family Resource Centers	29,612	0	0	29,612
Career Ladder Program	26,756	0	0	26,756
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	499,725	0	0	499,725
Other State Grants	75,000	0	0	75,000

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Safe Schools	\$ 66,925	\$ 0	\$ 0	\$ 66,925
Total State of Tennessee	<u>\$ 14,510,483</u>	<u>\$ 0</u>	<u>\$ 12,588</u>	<u>\$ 14,523,071</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 835,309	\$ 835,309
USDA - Commodities	0	0	93,239	93,239
Breakfast	0	0	486,675	486,675
USDA - Other	0	0	23,106	23,106
Vocational Education - Basic Grants to States	0	87,228	0	87,228
Title I Grants to Local Education Agencies	0	831,865	0	831,865
Special Education - Grants to States	9,727	670,910	0	680,637
Special Education Preschool Grants	0	35,083	0	35,083
Rural Education	0	35,607	0	35,607
Appalachian Regional Commission	53,695	0	0	53,695
Eisenhower Professional Development State Grants	0	91,347	0	91,347
Other Federal through State	172	68,207	0	68,379
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	278,943	0	0	278,943
Total Federal Government	<u>\$ 342,537</u>	<u>\$ 1,820,247</u>	<u>\$ 1,438,329</u>	<u>\$ 3,601,113</u>
Total	<u>\$ 17,098,882</u>	<u>\$ 1,820,247</u>	<u>\$ 1,536,460</u>	<u>\$ 20,455,589</u>

Exhibit K-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	37,900	
Social Security		2,350	
Employer Medicare		550	
Dues and Memberships		1,350	
Printing, Stationery, and Forms		959	
Other Charges		2,470	
Total County Commission			\$ 45,579

Board of Equalization

Board and Committee Members Fees	\$	1,750	
Total Board of Equalization			1,750

Beer Board

Board and Committee Members Fees	\$	198	
Total Beer Board			198

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Assistant(s)		28,447	
Clerical Personnel		23,375	
Bonus Payments		2,000	
Social Security		8,634	
Unemployment Compensation		140	
Employer Medicare		2,019	
Communication		8,983	
Data Processing Services		16,855	
Dues and Memberships		1,350	
Maintenance and Repair Services - Vehicles		554	
Postal Charges		1,525	
Travel		2,122	
Office Supplies		2,490	
Other Charges		825	
Total County Mayor/Executive			184,754

County Attorney

Legal Services	\$	18,955	
Total County Attorney			18,955

Election Commission

County Official/Administrative Officer	\$	66,574	
Clerical Personnel		18,267	
Bonus Payments		1,000	
Board and Committee Members Fees		7,700	
Election Workers		10,556	
In-service Training		1,185	
Social Security		5,800	
Unemployment Compensation		183	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	1,356	
Communication		4,194	
Data Processing Services		9,553	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		3,193	
Maintenance and Repair Services - Equipment		10,500	
Postal Charges		1,646	
Printing, Stationery, and Forms		2,500	
Rentals		3,600	
Travel		5,849	
Office Supplies		1,231	
Office Equipment		2,571	
Total Election Commission			\$ 157,758

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		22,923	
Part-time Personnel		4,199	
Bonus Payments		1,500	
Social Security		6,361	
Unemployment Compensation		97	
Employer Medicare		1,488	
Communication		523	
Data Processing Services		5,474	
Dues and Memberships		824	
Postal Charges		345	
Travel		470	
Other Contracted Services		900	
Office Supplies		467	
Total Register of Deeds			119,542

County Buildings

Laborers	\$	56,216	
Custodial Personnel		24,256	
Bonus Payments		3,000	
Social Security		5,175	
Unemployment Compensation		288	
Employer Medicare		1,210	
Communication		4,110	
Maintenance and Repair Services - Buildings		87,887	
Other Contracted Services		11,723	
Custodial Supplies		5,686	
Duplicating Supplies		6,671	
Electricity		42,249	
Natural Gas		36,985	
Water and Sewer		16,581	
Other Supplies and Materials		5,304	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Charges	\$	974	
Motor Vehicles		55,552	
Total County Buildings			\$ 363,867

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Secretary(ies)		23,505	
Part-time Personnel		42,787	
Bonus Payments		2,500	
Social Security		8,851	
Unemployment Compensation		214	
Employer Medicare		2,126	
Audit Services		3,910	
Communication		2,794	
Data Processing Services		5,495	
Postal Charges		4,948	
Printing, Stationery, and Forms		1,479	
Travel		5,281	
Office Supplies		2,103	
Total Property Assessor's Office			179,964

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		23,117	
Part-time Personnel		7,589	
Bonus Payments		1,500	
Social Security		6,583	
Unemployment Compensation		195	
Employer Medicare		1,470	
Communication		1,718	
Data Processing Services		12,640	
Dues and Memberships		895	
Postal Charges		871	
Printing, Stationery, and Forms		533	
Travel		1,476	
Other Contracted Services		8,105	
Office Supplies		3,093	
Total County Trustee's Office			143,756

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		69,517	
Part-time Personnel		2,537	
Bonus Payments		3,000	
Social Security		9,240	
Unemployment Compensation		370	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Employer Medicare	\$	2,161	
Communication		2,774	
Data Processing Services		10,469	
Dues and Memberships		760	
Postal Charges		6,112	
Travel		1,683	
Office Supplies		4,121	
Total County Clerk's Office			\$ 186,715

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		77,239	
Bonus Payments		3,000	
Jury and Witness Expense		14,185	
Social Security		9,561	
Unemployment Compensation		327	
Employer Medicare		2,236	
Communication		4,370	
Data Processing Services		15,011	
Dues and Memberships		740	
Postal Charges		1,212	
Printing, Stationery, and Forms		1,351	
Travel		794	
Office Supplies		5,263	
Other Charges		8,594	
Total Circuit Court			217,854

General Sessions Judge

Judge(s)	\$	99,103	
Youth Service Officer(s)		33,075	
Part-time Personnel		7,560	
Bonus Payments		1,000	
Social Security		8,726	
Unemployment Compensation		70	
Employer Medicare		2,040	
Communication		2,840	
Other Contracted Services		13,400	
Office Supplies		1,146	
In Service/Staff Development		605	
Total General Sessions Judge			169,565

Chancery Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		22,923	
Part-time Personnel		974	
Bonus Payments		1,500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	6,161	
Unemployment Compensation		70	
Employer Medicare		1,441	
Communication		1,142	
Data Processing Services		10,941	
Dues and Memberships		820	
Postal Charges		816	
Travel		129	
Office Supplies		3,519	
Total Chancery Court			\$ 124,407

Juvenile Court

Part-time Personnel	\$	14,878	
Bonus Payments		1,000	
Social Security		984	
Unemployment Compensation		70	
Employer Medicare		230	
Communication		2,732	
Postal Charges		1,081	
Rentals		4,500	
Office Supplies		4,829	
Other Charges		150	
Total Juvenile Court			30,454

Other Administration of Justice

Contracts with Government Agencies	\$	30,000	
Total Other Administration of Justice			30,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368	
Deputy(ies)		527,631	
School Resource Officer		103,273	
Bonus Payments		14,000	
In-service Training		12,000	
Social Security		45,773	
Unemployment Compensation		1,439	
Employer Medicare		10,705	
Communication		3,794	
Data Processing Services		137	
Dues and Memberships		1,864	
Maintenance and Repair Services - Vehicles		43,502	
Postal Charges		1,155	
Printing, Stationery, and Forms		1,096	
Towing Services		2,535	
Travel		1,921	
Other Contracted Services		6,336	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Gasoline	\$	74,598	
Law Enforcement Supplies		5,120	
Office Supplies		5,829	
Tires and Tubes		16,534	
Uniforms		7,071	
Liability Insurance		50,365	
Vehicle and Equipment Insurance		23,920	
Workers' Compensation Insurance		77,933	
In Service/Staff Development		3,151	
Other Charges		1,858	
Motor Vehicles		65,690	
Other Equipment		8,513	
Total Sheriff's Department			\$ 1,199,111

Administration of the Sexual Offender Registry

Communication	\$	300	
Maintenance Agreements		1,959	
Other Supplies and Materials		1,959	
Total Administration of the Sexual Offender Registry			4,218

Jail

Accountants/Bookkeepers	\$	15,411	
Guards		513,815	
Cafeteria Personnel		25,680	
Bonus Payments		23,500	
Social Security		34,487	
Unemployment Compensation		2,197	
Employer Medicare		9,624	
Communication		18,879	
Data Processing Services		9,437	
Maintenance Agreements		11,448	
Medical and Dental Services		202,239	
Other Contracted Services		28,488	
Custodial Supplies		23,267	
Electricity		53,459	
Food Supplies		102,424	
Law Enforcement Supplies		7,441	
Office Supplies		5,237	
Prisoners Clothing		5,145	
Uniforms		6,231	
Water and Sewer		12,575	
Other Supplies and Materials		3,096	
In Service/Staff Development		9,814	
Vocational Instruction Equipment		3,701	
Total Jail			1,127,595

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Clerical Personnel	\$	43,500	
Social Security		2,697	
Unemployment Compensation		70	
Employer Medicare		631	
Travel		4,657	
Other Supplies and Materials		7,805	
Other Charges		6,179	
Total Juvenile Services			\$ 65,539

Work Release Program

Guards	\$	3,950	
Social Security		245	
Employer Medicare		57	
Other Contracted Services		1,795	
Gasoline		7,712	
Other Supplies and Materials		506	
Other Charges		604	
Total Work Release Program			14,869

Fire Prevention and Control

Contracts with Other Public Agencies	\$	12,000	
Contributions		8,700	
Total Fire Prevention and Control			20,700

Rescue Squad

Contributions	\$	3,000	
Total Rescue Squad			3,000

Disaster Relief

Other Equipment	\$	74,269	
Total Disaster Relief			74,269

Other Emergency Management

Assistant(s)	\$	19,000	
Social Security		1,453	
Communication		10,135	
Maintenance and Repair Services - Vehicles		1,154	
Gasoline		1,354	
Office Supplies		55	
Other Supplies and Materials		16,246	
Other Charges		510	
Total Other Emergency Management			49,907

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	8,000	
Pauper Burials		600	
Total County Coroner/Medical Examiner			8,600

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Public Safety Grants Program

Psychological Personnel	\$	51,923	
Social Security		3,219	
Unemployment Compensation		70	
Employer Medicare		753	
Travel		404	
Other Charges		6,822	
Other Equipment		2,042	
Total Public Safety Grants Program			\$ 65,233

Other Public Safety

Deputy(ies)	\$	9,093	
Social Security		564	
Employer Medicare		132	
Contributions		2,000	
Other Charges		4,322	
Total Other Public Safety			16,111

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	9,485	
Bonus Payments		500	
Social Security		619	
Unemployment Compensation		70	
Employer Medicare		145	
Communication		6,722	
Contracts with Government Agencies		8,362	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		6,213	
Other Contracted Services		2,200	
Electricity		5,386	
Office Supplies		197	
Water and Sewer		474	
Other Supplies and Materials		661	
Total Local Health Center			41,234

Ambulance/Emergency Medical Services

Contributions	\$	150,000	
Total Ambulance/Emergency Medical Services			150,000

Other Local Health Services

Medical Personnel	\$	48,938	
Social Security		3,034	
Unemployment Compensation		191	
Employer Medicare		710	
Travel		1,140	
Other Charges		15,243	
Total Other Local Health Services			69,256

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Contributions	\$ 2,000	
Total Regional Mental Health Center		\$ 2,000

Other Local Welfare Services

Other Charges	\$ 25,149	
Total Other Local Welfare Services		25,149

Waste Pickup

Laborers	\$ 6,460	
Social Security	401	
Employer Medicare	94	
Total Waste Pickup		6,955

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 46,190	
Bonus Payments	3,000	
Social Security	3,050	
Unemployment Compensation	429	
Employer Medicare	713	
Total Libraries		53,382

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 75,368	
Communication	3,364	
Maintenance and Repair Services - Vehicles	519	
Duplicating Supplies	1,286	
Gasoline	98	
Other Supplies and Materials	513	
Total Agricultural Extension Service		81,148

Soil Conservation

Clerical Personnel	\$ 22,923	
Part-time Personnel	11,384	
Bonus Payments	1,500	
Social Security	2,220	
Unemployment Compensation	123	
Employer Medicare	519	
Communication	1,328	
Travel	904	
Other Supplies and Materials	3,336	
Other Charges	487	
Total Soil Conservation		44,724

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations

Tourism

Other Supplies and Materials	\$	1,686	
Other Charges		7,352	
Total Tourism			\$ 9,038

Other Economic and Community Development

Other Contracted Services	\$	89,652	
Total Other Economic and Community Development			89,652

Veterans' Services

Supervisor/Director	\$	10,920	
Social Security		677	
Employer Medicare		158	
Travel		377	
Office Supplies		1,655	
Total Veterans' Services			13,787

Other Charges

Building and Contents Insurance	\$	27,910	
Liability Insurance		26,126	
Premiums on Corporate Surety Bonds		75	
Trustee's Commission		73,477	
Vehicle and Equipment Insurance		9,688	
Workers' Compensation Insurance		37,826	
Total Other Charges			175,102

Contributions to Other Agencies

Contributions	\$	40,250	
Total Contributions to Other Agencies			40,250

Employee Benefits

Social Security	\$	184	
Pensions		158,416	
Medical Insurance		159,591	
Employer Medicare		13	
Total Employee Benefits			318,204

COVID-19 Grant B

Other Charges	\$	47,163	
Total COVID-19 Grant B			47,163

Miscellaneous

Advertising	\$	60,000	
Other Charges		49,359	
Other Equipment		13,232	
Total Miscellaneous			122,591

Total General Fund \$ 5,913,905

(Continued)

Exhibit K-7

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

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 30,788	
Total County Buildings		\$ 30,788

Other Operations

Other Charges

Trustee's Commission	\$ 278	
Total Other Charges		<u>278</u>

Total Courthouse and Jail Maintenance Fund		\$ 31,066
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Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Laborers	\$ 26,510	
Social Security	2,028	
Unemployment Compensation	70	
Instructional Supplies and Materials	8,819	
Other Supplies and Materials	<u>6,931</u>	
Total Waste Pickup		\$ 44,358

Convenience Centers

Truck Drivers	\$ 73,649	
Part-time Personnel	129,323	
Bonus Payments	7,500	
Social Security	16,101	
Unemployment Compensation	870	
Communication	7,905	
Maintenance and Repair Services - Vehicles	72,041	
Disposal Fees	313,972	
Other Contracted Services	1,275	
Diesel Fuel	45,569	
Electricity	14,725	
Water and Sewer	3,433	
Other Supplies and Materials	9,260	
Other Charges	1,020	
Solid Waste Equipment	<u>222,188</u>	
Total Convenience Centers		918,831

Landfill Operation and Maintenance

Contracts with Private Agencies	\$ 16,606	
Other Charges	<u>1,000</u>	
Total Landfill Operation and Maintenance		17,606

Other Operations

Other Charges

Trustee's Commission	\$ 13,237	
Total Other Charges		<u>13,237</u>

Total Solid Waste/Sanitation Fund		994,032
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(Continued)

Exhibit K-7

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

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contributions	\$	81,804	
Other Charges		10,377	
Principal on Other Loans		2,796	
Interest on Other Loans		1,345	
Other Equipment		287,500	
Other Construction		131,197	
Total Industrial Development			\$ 515,019

Total Industrial/Economic Development Fund \$ 515,019

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,600	
Other Supplies and Materials		12,661	
Trustee's Commission		51	
Motor Vehicles		17,950	
Total Drug Enforcement			\$ 32,262

Total Drug Control Fund 32,262

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Other Charges	\$	352	
Total County Clerk's Office			\$ 352

Total Constitutional Officers - Fees Fund 352

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,368	
Accountants/Bookkeepers		34,960	
Social Security		7,212	
Pensions		6,980	
Employee and Dependent Insurance		19,296	
Employer Medicare		1,687	
Advertising		223	
Communication		3,129	
Data Processing Services		8,062	
Dues and Memberships		4,245	
Evaluation and Testing		645	
Maintenance and Repair Services - Office Equipment		819	
Postal Charges		119	
Printing, Stationery, and Forms		109	
Travel		342	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Electricity	\$	3,827	
Office Supplies		545	
Water and Sewer		518	
Other Charges		2,662	
Data Processing Equipment		1,690	
Total Administration			\$ 178,438

Highway and Bridge Maintenance

Supervisor/Director	\$	42,000	
Equipment Operators - Heavy		116,646	
Truck Drivers		137,072	
Laborers		129,376	
Social Security		27,314	
Pensions		26,525	
Employee and Dependent Insurance		141,628	
Employer Medicare		6,388	
Asphalt - Liquid		296,800	
Crushed Stone		151,611	
Pipe		10,279	
Road Signs		1,311	
Small Tools		42	
Other Supplies and Materials		207	
Other Charges		678	
Total Highway and Bridge Maintenance			1,087,877

Operation and Maintenance of Equipment

Mechanic(s)	\$	32,219	
Social Security		1,998	
Pensions		1,933	
Employee and Dependent Insurance		9,648	
Employer Medicare		467	
Maintenance and Repair Services - Equipment		2,848	
Rentals		20	
Diesel Fuel		48,074	
Equipment and Machinery Parts		11,656	
Garage Supplies		1,943	
Gasoline		9,438	
Lubricants		890	
Propane Gas		401	
Small Tools		36	
Tires and Tubes		5,398	
Other Supplies and Materials		624	
Other Charges		1,207	
Total Operation and Maintenance of Equipment			128,800

Other Charges

Liability Insurance	\$	32,224	
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(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Trustee's Commission	\$	22,051	
Workers' Compensation Insurance		68,839	
Total Other Charges			\$ 123,114

Employee Benefits

Bonus Payments	\$	17,000	
Employee and Dependent Insurance		1,546	
Total Employee Benefits			18,546

Capital Outlay

Highway Construction	\$	269,161	
Total Capital Outlay			<u>269,161</u>

Total Highway/Public Works Fund \$ 1,805,936

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	99,972	
Principal on Notes		180,383	
Total General Government			\$ 280,355

Education

Principal on Bonds	\$	820,000	
Principal on Notes		55,742	
Principal on Other Loans		435,376	
Total Education			1,311,118

Interest on Debt

General Government

Interest on Bonds	\$	233,508	
Interest on Notes		10,528	
Total General Government			244,036

Education

Interest on Bonds	\$	34,672	
Interest on Notes		2,428	
Interest on Other Loans		27,623	
Total Education			64,723

Other Debt Service

General Government

Trustee's Commission	\$	10,029	
Total General Government			10,029

Education

Other Debt Service	\$	3,550	
Total Education			<u>3,550</u>

Total General Debt Service Fund 1,913,811

Total Governmental Funds - Primary Government \$ 11,206,383

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,597,116	
Career Ladder Program		17,999	
Homebound Teachers		4,398	
Educational Assistants		121,827	
Other Salaries and Wages		100,409	
Non-certified Substitute Teachers		88,822	
Social Security		290,413	
Pensions		457,223	
Life Insurance		287	
Medical Insurance		705,827	
Employer Medicare		67,919	
Travel		38	
Instructional Supplies and Materials		103,988	
Textbooks - Bound		213,989	
In Service/Staff Development		38	
Total Regular Instruction Program			\$ 6,770,293

Special Education Program

Teachers	\$	1,075,400	
Career Ladder Program		5,000	
Homebound Teachers		2,305	
Educational Assistants		215,551	
Speech Pathologist		106,431	
Other Salaries and Wages		43,750	
Certified Substitute Teachers		1,813	
Non-certified Substitute Teachers		16,291	
Social Security		86,292	
Pensions		118,905	
Life Insurance		430	
Medical Insurance		157,698	
Employer Medicare		20,181	
Contracts with Private Agencies		12,728	
Instructional Supplies and Materials		1,466	
Other Supplies and Materials		7,384	
Other Charges		70	
Special Education Equipment		42,566	
Total Special Education Program			1,914,261

Career and Technical Education Program

Teachers	\$	381,146	
Educational Assistants		22,049	
Social Security		23,170	
Pensions		37,383	
Life Insurance		31	
Medical Insurance		68,164	
Employer Medicare		5,419	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Other Contracted Services	\$	4,703	
Instructional Supplies and Materials		7,557	
T&I Construction Materials		5,954	
Vocational Instruction Equipment		1,522	
Other Equipment		75,361	
Total Career and Technical Education Program			\$ 632,459

Support Services

Attendance

Supervisor/Director	\$	65,947	
Clerical Personnel		26,292	
Social Security		5,320	
Pensions		8,588	
Life Insurance		31	
Medical Insurance		9,185	
Employer Medicare		1,244	
Postal Charges		350	
Other Contracted Services		40,738	
Other Supplies and Materials		1,569	
In Service/Staff Development		3,503	
Total Attendance			162,767

Health Services

Supervisor/Director	\$	55,550	
Medical Personnel		54,125	
Other Salaries and Wages		171,465	
Social Security		16,915	
Pensions		22,760	
Life Insurance		183	
Medical Insurance		42,312	
Employer Medicare		3,956	
Travel		373	
Other Contracted Services		1,136	
Drugs and Medical Supplies		4,734	
Other Supplies and Materials		9,893	
In Service/Staff Development		3,262	
Other Charges		4,167	
Health Equipment		1,035	
Other Equipment		5,600	
Total Health Services			397,466

Other Student Support

Guidance Personnel	\$	191,160	
Secretary(ies)		629	
Social Security		11,141	
Pensions		15,159	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	31	
Medical Insurance		25,770	
Employer Medicare		2,606	
Contracts with Government Agencies		81,750	
Evaluation and Testing		20,601	
Travel		428	
Other Contracted Services		7,909	
Other Supplies and Materials		989	
In Service/Staff Development		860	
Other Charges		3,170	
Total Other Student Support			\$ 362,203

Regular Instruction Program

Supervisor/Director	\$	141,663	
Career Ladder Program		1,000	
Social Security		8,477	
Pensions		15,165	
Medical Insurance		22,993	
Employer Medicare		1,983	
In Service/Staff Development		3,536	
Total Regular Instruction Program			194,817

Special Education Program

Supervisor/Director	\$	51,432	
Psychological Personnel		54,046	
Secretary(ies)		23,369	
Clerical Personnel		12,500	
Other Salaries and Wages		55,423	
Social Security		13,181	
Pensions		12,686	
Medical Insurance		6,772	
Employer Medicare		3,083	
Communication		5,690	
Postal Charges		100	
Travel		5,086	
Other Contracted Services		99,528	
Other Supplies and Materials		8,860	
In Service/Staff Development		21,250	
Other Charges		345	
Other Equipment		2,627	
Total Special Education Program			375,978

Career and Technical Education Program

Supervisor/Director	\$	65,333	
Career Ladder Program		1,000	
Social Security		3,840	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Pensions	\$	7,051	
Medical Insurance		9,185	
Employer Medicare		898	
Total Career and Technical Education Program			\$ 87,307

Technology

Supervisor/Director	\$	35,704	
Other Salaries and Wages		57,005	
Social Security		5,687	
Pensions		4,622	
Life Insurance		92	
Employer Medicare		1,330	
Communication		1,494	
Internet Connectivity		30,090	
Travel		1,019	
Other Contracted Services		13,146	
Other Supplies and Materials		7,875	
In Service/Staff Development		1,223	
Other Charges		844	
Other Equipment		62,146	
Total Technology			222,277

Other Programs

On-behalf Payments to OPEB	\$	80,323	
Total Other Programs			80,323

Board of Education

Secretary to Board	\$	581	
Board and Committee Members Fees		7,919	
Social Security		527	
Pensions		73	
Unemployment Compensation		7,180	
Employer Medicare		123	
Audit Services		13,500	
Dues and Memberships		10,350	
Legal Services		24,428	
Other Supplies and Materials		563	
Liability Insurance		46,729	
Trustee's Commission		71,469	
Workers' Compensation Insurance		123,345	
In Service/Staff Development		125	
Other Charges		57,030	
Total Board of Education			363,942

Director of Schools

County Official/Administrative Officer	\$	86,850	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Career Ladder Program	\$	1,000	
Clerical Personnel		16,825	
Other Salaries and Wages		46,521	
Social Security		9,356	
Pensions		10,348	
Life Insurance		31	
Medical Insurance		14,676	
Employer Medicare		2,188	
Communication		26,945	
Office Supplies		937	
Other Supplies and Materials		1,598	
In Service/Staff Development		1,402	
Other Charges		440	
Total Director of Schools			\$ 219,117

Office of the Principal

Principals	\$	455,112	
Assistant Principals		67,253	
Secretary(ies)		44,424	
Clerical Personnel		84,000	
Social Security		39,271	
Pensions		62,927	
Life Insurance		168	
Medical Insurance		50,555	
Employer Medicare		9,184	
Dues and Memberships		283	
Total Office of the Principal			813,177

Fiscal Services

Supervisor/Director	\$	40,450	
Accountants/Bookkeepers		42,840	
Secretary(ies)		19,805	
Other Salaries and Wages		9,517	
Social Security		6,868	
Pensions		6,186	
Life Insurance		61	
Medical Insurance		6,988	
Employer Medicare		1,606	
Postal Charges		919	
Other Contracted Services		27,100	
Office Supplies		3,432	
In Service/Staff Development		1,661	
Total Fiscal Services			167,433

Human Services/Personnel

Supervisor/Director	\$	42,500	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Social Security	\$	2,252	
Pensions		2,550	
Medical Insurance		6,772	
Employer Medicare		527	
Dues and Memberships		831	
Postal Charges		55	
Software		1,197	
In Service/Staff Development		550	
Other Charges		322	
Total Human Services/Personnel			\$ 57,556

Operation of Plant

Custodial Personnel	\$	253,817	
Social Security		15,128	
Pensions		5,188	
Life Insurance		306	
Employer Medicare		3,538	
Maintenance and Repair Services - Equipment		14,901	
Other Contracted Services		15,542	
Custodial Supplies		99,240	
Electricity		368,625	
Natural Gas		103,736	
Water and Sewer		55,339	
Boiler Insurance		50	
Building and Contents Insurance		63,082	
Other Charges		9,787	
Total Operation of Plant			1,008,279

Maintenance of Plant

Supervisor/Director	\$	35,197	
Maintenance Personnel		117,032	
Social Security		9,391	
Pensions		7,911	
Life Insurance		122	
Medical Insurance		7,900	
Employer Medicare		2,196	
Communication		1,919	
Maintenance and Repair Services - Equipment		50,994	
Other Contracted Services		2,419	
Other Supplies and Materials		81,246	
In Service/Staff Development		320	
Other Charges		4,875	
Administration Equipment		16,725	
Maintenance Equipment		2,349	
Other Equipment		20,337	
Total Maintenance of Plant			360,933

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	45,474	
Mechanic(s)		51,156	
Bus Drivers		294,415	
Other Salaries and Wages		16,633	
In-service Training		3,426	
Social Security		25,369	
Pensions		19,621	
Life Insurance		523	
Medical Insurance		13,975	
Employer Medicare		5,933	
Communication		1,679	
Medical and Dental Services		3,055	
Other Contracted Services		4,237	
Diesel Fuel		42,278	
Gasoline		18,602	
Propane Gas		1,809	
Tires and Tubes		7,461	
Vehicle Parts		73,609	
Other Supplies and Materials		8,546	
Vehicle and Equipment Insurance		30,342	
In Service/Staff Development		130	
Other Charges		8,028	
Transportation Equipment		411,240	
Other Capital Outlay		97,439	
Total Transportation			\$ 1,184,980

Operation of Non-Instructional Services

Community Services

Teachers	\$	164,924	
Other Salaries and Wages		41,300	
Social Security		12,786	
Pensions		13,736	
Life Insurance		31	
Employer Medicare		2,990	
Communication		653	
Travel		1,601	
Other Contracted Services		3,848	
Instructional Supplies and Materials		9,555	
Other Supplies and Materials		411	
In Service/Staff Development		12,395	
Other Charges		17,382	
Other Equipment		741	
Total Community Services			282,353

Early Childhood Education

Teachers	\$	162,615	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	39,393	
Non-certified Substitute Teachers		1,368	
Social Security		11,671	
Pensions		18,330	
Life Insurance		61	
Medical Insurance		36,709	
Employer Medicare		2,729	
Communication		1,463	
Travel		761	
Instructional Supplies and Materials		4,221	
In Service/Staff Development		152	
Other Charges		99	
Total Early Childhood Education			\$ 279,572

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	214,118	
Total Education			214,118

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	2,428	
Total Education			2,428

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	750,000	
Total Education			750,000

Total General Purpose School Fund \$ 16,904,039

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	94,760	
Educational Assistants		171,283	
Other Salaries and Wages		4,332	
Non-certified Substitute Teachers		1,177	
Social Security		16,871	
Pensions		14,394	
Life Insurance		172	
Medical Insurance		6,772	
Employer Medicare		3,925	
Instructional Supplies and Materials		61,137	
Other Supplies and Materials		16,185	
Other Charges		284	
Regular Instruction Equipment		47,340	
Total Regular Instruction Program			\$ 438,632

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	76,742	
Educational Assistants		205,930	
Other Salaries and Wages		217,937	
Social Security		29,503	
Pensions		31,567	
Medical Insurance		61,983	
Employer Medicare		6,900	
Instructional Supplies and Materials		3,878	
Other Supplies and Materials		777	
Special Education Equipment		915	
Total Special Education Program			\$ 636,132

Career and Technical Education Program

Instructional Supplies and Materials	\$	8,340	
Other Supplies and Materials		5,025	
Vocational Instruction Equipment		68,664	
Total Career and Technical Education Program			82,029

Support Services

Other Student Support

Other Salaries and Wages	\$	20,242	
Social Security		1,255	
Pensions		1,258	
Employer Medicare		294	
Travel		668	
Other Contracted Services		5,686	
Other Supplies and Materials		4,497	
In Service/Staff Development		2,823	
Other Charges		1,692	
Other Equipment		15,616	
Total Other Student Support			54,031

Regular Instruction Program

Supervisor/Director	\$	65,947	
Other Salaries and Wages		270,766	
Social Security		20,219	
Pensions		32,412	
Life Insurance		21	
Medical Insurance		33,151	
Employer Medicare		4,729	
Postal Charges		26	
Travel		980	
Other Supplies and Materials		2,294	
In Service/Staff Development		33,425	
Other Charges		99	
Other Equipment		2,893	
Total Regular Instruction Program			466,962

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Travel	\$	178	
Other Contracted Services		21,621	
Other Supplies and Materials		1,703	
In Service/Staff Development		188	
Total Special Education Program			\$ 23,690

Career and Technical Education Program

In Service/Staff Development	\$	1,729	
Total Career and Technical Education Program			1,729

Transportation

Other Salaries and Wages	\$	18,704	
Social Security		1,160	
Pensions		864	
Employer Medicare		271	
Contracts with Parents		2,962	
Transportation Equipment		20,011	
Total Transportation			43,972

Operation of Non-Instructional Services

Community Services

Teachers	\$	50,089	
Social Security		3,106	
Pensions		3,900	
Employer Medicare		726	
In Service/Staff Development		685	
Total Community Services			58,506

Total School Federal Projects Fund \$ 1,805,683

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	67,372	
Clerical Personnel		38,445	
Cafeteria Personnel		541,035	
Social Security		39,644	
Pensions		32,388	
Life Insurance		941	
Medical Insurance		16,006	
Employer Medicare		9,271	
Communication		845	
Maintenance and Repair Services - Equipment		9,041	
Postal Charges		65	
Transportation - Other than Students		348	
Travel		370	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$	6,905	
Food Supplies		605,914	
Office Supplies		1,956	
Uniforms		1,156	
USDA - Commodities		93,239	
In Service/Staff Development		28	
Other Charges		1,460	
Food Service Equipment		14,136	
Other Equipment		<u>6,256</u>	
Total Food Service			<u>\$ 1,486,821</u>

Total Central Cafeteria Fund

\$ 1,486,821

Total Governmental Funds - Grundy County School Department

\$ 20,196,543

Exhibit K-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 759,329
Total Cash Receipts	<u>\$ 759,329</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 751,736
Trustee's Commission	7,593
Total Cash Disbursements	<u>\$ 759,329</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



JASON E. MUMPOWER
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

Grundy County Mayor and
Board of County Commissioners
Grundy 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 Grundy County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Grundy County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grundy County's internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy County's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy 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 certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grundy 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-001.

Grundy County's Responses to the Findings

Grundy County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Grundy County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2021

JEM/tg



JASON E. MUMPOWER
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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Grundy 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 Grundy 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 Grundy 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 Grundy 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 Grundy County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Grundy County's basic financial statements. We issued our report thereon dated February 10, 2021, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2021

JEM/tg

Grundy County, Tennessee, and the Grundy 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Economic and Community Development:			
Rural Business Development Grant	10.351	N/A	\$ 46,482
Passed-through State Department of Education:			
Child Nutrition Cluster (5):			
School Breakfast Program	10.553	N/A	364,210 (6)
COVID-19 School Breakfast Program	10.553	N/A	122,465 (6)
National School Lunch Program	10.555	N/A	669,650 (6) (7)
COVID-19 National School Lunch Program	10.555	N/A	194,831 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster (5):			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	93,239 (6)
Direct Award:			
Community Facilities Loans and Grants Cluster (5):			
Community Facilities Loans and Grants	10.766	N/A	27,500
Total U.S. Department of Agriculture			<u>\$ 1,518,377</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	\$ 89,504
Total U.S. Department of Housing and Urban Development			<u>\$ 89,504</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	\$ 61,212
Total U.S. Department of Justice			<u>\$ 61,212</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Highway Safety Cluster (5):			
National Priority Safety Programs	20.616	(4)	\$ 6,815
Total U.S. Department of Transportation			<u>\$ 6,815</u>
Appalachian Regional Commission:			
Direct Award:			
Appalachian Area Development	23.002	N/A	\$ 53,695 (6)
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(4)	230,000 (6)
Total Appalachian Regional Commission			<u>\$ 283,695</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 814,460
Special Education Cluster (5):			
Special Education - Grants to States	84.027	N/A	670,910
Special Education - Preschool Grants	84.173	N/A	35,083
Career and Technical Education - Basic Grants to States	84.048	N/A	87,325
Special Education - Grants for Infants and Families	84.181	N/A	9,727
Twenty-first Century Community Learning Centers	84.287	N/A	58,506
Rural Education	84.358	N/A	41,685
Supporting Effective Instruction State Grants	84.367	N/A	102,586
Student Support and Academic Enrichment Program	84.424	N/A	9,789
English Language Acquisition State Grants	84.365	N/A	172
Passed-through State Department of Human Services:			
Transition School to Work Program	84.126	34570-53920	44,853
Total U.S. Department of Education			<u>\$ 1,875,096</u>

(Continued)

Grundy County, Tennessee, and the Grundy 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 9,600
Homeland Security Grant Program	97.067	(4)	6,466
Total U.S. Department of Homeland Security			<u>\$ 16,066</u>
Total Expenditures of Federal Awards			<u>\$ 3,850,765</u>

State Grants		Contract Number	
Access to Health-Healthy Active Build Environments- State Department of Health	N/A	Z-19-194639	\$ 20,000
ACE's Grant - State Department of Children's Services	N/A	35910-04009	63,062
Coordinated School Health - State Department of Education	N/A	(4)	100,000
Early Childhood Education - State Department of Education	N/A	(4)	202,454
Family Resource - State Department of Education	N/A	(4)	29,612
FastTrack Grant - State Department of Economic and Community Development	N/A	(4)	23,925
Juvenile Court Supplemental Services - State Department of Children's Services	N/A	(4)	13,500
Litter Grant - State Department of Transportation	N/A	Z-19-LIT031	52,064
Lottery Education Afterschool Programs - State Department of Education	N/A	(4)	204,647
Material Management Convenience Centers Grant- State Department of Environment and Conservation	N/A	2018-4141-1-CC	169,401
Rural Local Health Services - State Department of Health	N/A	GG-19-60187-00	71,444
Safe Baby Court - State Department of Children's Services	N/A	(4)	72,262
Safe Schools - State Department of Education	N/A	(4)	48,275
School Safety & Security Grant - State Department of Education	N/A	(4)	18,650
Supporting Postsecondary Access in Rural Counties Grant- Tennessee Higher Education Commission	N/A	33201-07120	75,000
VW Diesel Settlement Environmental Mitigation Trust School Bus Replacement Grant Program- State Department of Environment and Conservation	N/A	32701-03936	<u>278,943</u>
Total State Grants			<u>\$ 1,443,239</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) Grundy 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 \$1,444,395; Community Facilities Loans and Grants Cluster total \$27,500; Highway Safety Cluster total \$6,815; Special Education Cluster total \$705,993.
- (6) Total for CFDA No. 10.553 is \$486,675; Total for CFDA No. 10.555 is \$957,720; Total for CFDA No. 23.002 is \$283,695.
- (7) National School Lunch Program total \$663,584; Commodities Rebate total \$6,066.
- (8) For the year ended June 30, 2020, Grundy County received donated PPE valued at \$47,163 (\$35,372 federal and \$11,791 state) from the Tennessee Department of Military. These donations were unaudited.

(9) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 79,127
Rural Education	84.358	6,078
Supporting Effective Instruction State Grants	84.367	11,240
Student Support and Academic Enrichment Program	84.424	87
		<u>\$ 96,532</u>

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF DIRECTOR OF SCHOOLS

2019	187	2019-001	The school department was assessed a penalty of \$28,350 by the Internal Revenue Service for noncompliance with the Affordable Care Act	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2019	187	2019-002	A cash overdraft of \$697 existed in General Sessions Court at June 30, 2019	N/A	Corrected
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Prior-year Federal Awards Findings

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

GRUNDY 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 Grundy County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Number: 23.002 Appalachian Area Development
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States
Special Education - Preschool Grants
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

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2020-001

THE SCHOOL DEPARTMENT WAS ASSESSED A PENALTY OF \$18,080 BY THE INTERNAL REVENUE SERVICE FOR NONCOMPLIANCE WITH THE AFFORDABLE CARE ACT

(Noncompliance Under *Government Auditing Standards*)

During the year, the school department paid a penalty of \$18,080 from the General Purpose School Fund to the Internal Revenue Service for failure to comply with the Affordable Care Act for the 2017 fiscal year. The school department provides health insurance coverage to its employees; however, this coverage was not in compliance with federal regulations for certain employees. This deficiency exists due to the failure of management to correct the finding noted in prior-year audit reports.

RECOMMENDATION

The school department should ensure the health insurance coverage provided to its employees complies with the Affordable Care Act.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. The school system will continue to be found in noncompliance since we are a rural area with high poverty. Grundy County does not receive the needed funds/revenue to assist the school system with offering healthcare to nonprofessional employees. As more and more students leave public schools and return to homeschool, our county's BEP funds, allocated by student population, will be less causing the funds to be supported through local dollars which are already very limited.

OFFICE OF COUNTY CLERK

FINDING 2020-002

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among official and employees in the Office of County Clerk. Officials and employees responsible for maintaining the accounting records in this office were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT’S RESPONSE – COUNTY CLERK

I concur with this 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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS

2020-001	The school department was assessed a penalty of \$18,080 by the Internal Revenue Service for noncompliance with the Affordable Care Act.	192
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OFFICE OF COUNTY CLERK

2020-002	Duties were not segregated adequately.	193
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GRUNDY COUNTY BOARD OF EDUCATION

Mrs. Glenda Dykes, Director of Schools

1376 Main Street
PO Box 97
ALTAMONT, TN 37301

Telephone: (931) 692-3467
Fax: (931) 692-2188
www.grundycoschools.com

Corrective Action Plan

FINDING: THE SCHOOL DEPARTMENT WAS ASSESSED A PENALTY OF \$18,080 BY THE INTERNAL REVENUE SERVICE FOR NONCOMPLIANCE WITH THE AFFORDABLE CARE ACT

Response and Corrective Action Plan Prepared by:

Name, Title -Glenda M. Dykes, Director of Schools

Person Responsible for Implementing the Corrective Action:

Name, Title- Dr. Donald Durley, New Director of Schools

Anticipated Completion Date of Corrective Action:

Date - N/A

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

The Grundy County Board of Education would like to correct this deficiency; however, due to the fiscal restraints, we are unable to do so at this time.

Director of Schools

A handwritten signature in black ink, appearing to read "Glenda M. Dykes", written over a horizontal line.

OFFICE OF
County Clerk
GRUNDY COUNTY
TELEPHONE 692-3622

TAMMY SHOLEY, CLERK

ALTAMONT, TENNESSEE

Corrective Action Plan

Finding 2020—001 DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Tammy Sholey, County Clerk

Person Responsible for Implementing the Corrective Action:

Tammy Sholey, County Clerk

Anticipated Completion Date Of Corrective Action:

07-01-2020

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

Was unclear that I needed to initial bank statements

Planned Corrective Action:

I will have my deputies initial bank statements when they open them. Also,
I will initial when I review them.

Signature:


County Clerk

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 Grundy County.

GRUNDY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Grundy 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 Grundy 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.